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**THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE AND, SAVE AS SET OUT IN THE AVIVA ANNOUNCEMENT DATED 27 NOVEMBER 2024, NOR AS TO THE TERMS ON WHICH ANY OFFER WILL BE MADE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

27 November 2024

**Direct Line Insurance Group plc ("Direct Line Group" or the "Company")**

**Response to Statement by Aviva plc ("Aviva")**

The Board of Direct Line Group (the "Board") notes the recent announcement made by Aviva plc ("Aviva") regarding a possible offer for the Company and confirms that on 19 November 2024 it received an unsolicited, indicative and conditional cash and share proposal from Aviva to acquire the entire issued and to be issued share capital of Direct Line Group (the "Proposal").

As set out in the Aviva announcement, the terms of the Proposal comprised 112.5 pence in cash and 0.282 new Aviva shares for every Direct Line Group share. The Proposal implied a value of 250 pence per Direct Line Group share (based on the closing price of Aviva shares on 18 November 2024).

The Board considered the Proposal with its advisers and concluded that it was highly opportunistic and substantially undervalued the Company.

The Board has considerable conviction in the capabilities of our newly established leadership team and stands firmly behind their delivery of our strategy. Under this strategy, the Company continues to make early progress towards our financial targets, and expects to deliver attractive growth in profitability, capital generation and shareholder returns.

As such, the Board considered the Proposal to not reflect the standalone value that can be delivered by the Company, and hence considered the possible offer highly opportunistic in nature. Accordingly, the Board unanimously rejected the Proposal on 26 November 2024.

There can be no certainty that any firm offer will be made and, save as set out in the Aviva announcement dated 27 November 2024, nor as to the terms on which any offer will be made.

In accordance with Rule 2.6(a) of the Code, Aviva is required, by not later than 5.00 p.m. on 25 December 2024, to either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer for the Company, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel on Takeovers and Mergers in accordance with Rule 2.6(c) of the Code.

For the purposes of Rule 2.5(a) of the Code, this announcement is not being made with the approval of Aviva.

As a consequence of this announcement, an 'offer period' has now commenced in respect of the Company in accordance with the rules of the Code and the attention of shareholders is drawn to the disclosure requirements of Rule 8 of the Code, which are summarised below.

The person responsible for arranging the release of this announcement on behalf of the Company is Jane Poole, Chief Financial Officer.

For further information, please contact:

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**Further information**

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### **Dealing Disclosure Requirements**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10<sup>th</sup> business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeror company and by any offeree and Dealing Disclosures must also be made by the offeror company, by any offeree and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeror and offeree companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeree was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Rule 2.9 information**

In accordance with Rule 2.9 of the Code, Direct Line Group confirms that as at the latest close of business its issued share capital consisted of 1,311,388,157 ordinary shares of 10 10/11 pence each in issue (the "Ordinary Shares").

The Ordinary Shares are admitted to trading on the Main Market of the London Stock Exchange. Each Ordinary Share carries the right to one vote. The Company does not hold any Ordinary Shares in treasury. The International Securities Identification Number for the Ordinary Shares is GB00BY9D0Y18.

Direct Line Group also confirms that it has £350,000,000 Restricted Tier 1 Notes in issue (the "Restricted Tier 1 Notes"), which are convertible into Ordinary Shares in certain circumstances.

The Restricted Tier 1 Notes are admitted to the official list of the Irish Stock Exchange and to trading on the Global Exchange Market of the Irish Stock Exchange. The International Securities Identification Number for the Restricted Tier 1 Notes is XS1728036366.

**Publication on website and hard copies**

A copy of this announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Direct Line Group's website at <https://www.directlinegroup.co.uk/> by no later than 12 noon (London time) on the business day following the date of this announcement. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

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