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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. THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

6 December 2024

Aviva plc ("Aviva")

Direct Line Insurance Group plc ("Direct Line")

Joint Statement Regarding Possible Offer

Aviva and Direct Line announce that they have reached preliminary agreement on the financial terms of a potential acquisition of the entire share capital of Direct Line by Aviva (the "Proposal").

Based on Aviva's last closing share price before the offer period started, being 489.3 pence per Aviva share, the Proposal represents total consideration valued at

275 pence per Direct Line share

to be delivered as:

- 129.7 pence per Direct Line share in cash, funded through Aviva's internally available cash resources;
- 0.2867 new Aviva shares per Direct Line share; and
- dividend payments of up to 5 pence per Direct Line share in aggregate (the "Permitted Dividend"), to be paid (subject to the approval of the Board of Direct Line) prior to completion.

This represents a premium of:

- 73.3% to the closing Direct Line share price on 27 November 2024 (being the day prior to the beginning of the offer period); and
- 49.7% to the six month volume-weighted average Direct Line share price to 27 November 2024.

The Board of Direct Line remains confident in Direct Line's prospects as a standalone company and continues to have conviction in the capabilities of the newly established leadership team to deliver the announced strategy. That said, the Board of Direct Line has carefully considered the Proposal with its advisers and consulted with Direct Line shareholders during the offer period, and has concluded that the Proposal is at a value that it would be minded to recommend to Direct Line shareholders should a firm intention to make an offer pursuant to Rule 2.7 of the Code be announced on such financial terms, subject to agreement of all other terms and conditions of an offer and completion of reciprocal customary due diligence.

Direct Line shareholders would own approximately 12.5% of the issued and to be issued share capital of Aviva. The Direct Line Board believes that, in addition to the attractive headline value per share, the combination would provide the opportunity to deliver significant synergies, creating substantial additional value for both sets of shareholders.

Aviva believes in the strong strategic and financial logic for a combination of Direct Line into the Aviva group, details of which were set out in Aviva's announcement of 27 November 2024.

The announcement of any firm offer under Rule 2.7 of the Code in respect of the potential acquisition of Direct Line is subject to the satisfaction or waiver of a number of customary pre-conditions, including the completion of

confirmatory due diligence. The acquisition would be subject to customary conditions and terms to be set out in the firm offer announcement under Rule 2.7 of the Code. For the purposes of Rule 2.5(a)(i) of the Code, this announcement has been made with the consent of Aviva. Aviva reserves the right to waive any pre-conditions to announcing an intention to make a firm offer pursuant to Rule 2.7 of the Code.

In accordance with Rule 2.5(a) of the Code, Aviva reserves the right to introduce other forms of consideration and/or vary the mix or composition of consideration of any offer. In addition, Aviva reserves the right to make an offer for Direct Line at a lower value or on less favourable terms than the Proposal: (i) with the agreement or recommendation of the Board of Direct Line; (ii) if a third party announces a firm intention to make an offer for Direct Line which, at that date, is of a value less than the value of the Proposal; or (iii) following the announcement by Direct Line of a Rule 9 waiver transaction pursuant to Appendix 1 of the Code or a reverse takeover (as defined in the Code). If Direct Line declares, makes or pays any dividend or distribution or other return of value or payment to its shareholders other than the Permitted Dividend, Aviva reserves the right to make an equivalent reduction to the Proposal.

In accordance with Rule 2.6(a) of the Code, Aviva must, by no later than 5.00 pm on 25 December 2024, either announce a firm intention to make an offer for Direct Line under Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

There can be no certainty that any firm offer will be made, even if the pre-conditions referred to above are satisfied or waived. A further announcement will be made in due course.

The person responsible for arranging the release of this announcement on behalf of Aviva is Susan Adams, Group Company Secretary, and on behalf of Direct Line is Jane Poole, Chief Financial Officer.

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Overseas jurisdictions

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Inside information

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 (as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019). Upon publication of this announcement, this inside information will be considered to be in the public domain.

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Citigroup Global Markets Limited ("Citi"), which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority is acting as financial adviser exclusively for Aviva and for no one else in connection with the matters described in this announcement, and will not be responsible to anyone other than Aviva for providing the protections afforded to its clients nor for providing advice in relation to the matters referred to in this announcement. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this announcement, any statement contained herein or otherwise.

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Forward-looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Proposal, and other information published by Aviva or Direct Line may contain statements about Aviva and Direct Line that are or may be deemed to be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "shall", "should", "anticipates", "estimates", "projects", "is subject to", "budget", "scheduled", "forecast" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Aviva's or Direct Line's operations and potential synergies resulting from the Proposal; and (iii) the effects of government regulation on the wider Aviva group's or the wider Direct Line group's business.

Such forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Aviva or Direct Line about future events, and are therefore subject to risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements, including: the impact of ongoing uncertain conditions in the global financial markets and the national and international political and economic situation generally, market developments and government actions, changes in or inaccuracy of assumptions in pricing and reserving for insurance business (particularly with regard to mortality and morbidity trends, lapse rates and policy renewal rates), longevity and endowments, a cyclical downturn of the insurance industry, the impact of natural and man-made catastrophic events (including pandemics) on business activities and results of operation, the transitional, litigation and physical risks associated with climate change, failure to understand and respond effectively to the risks associated with sustainability, regulatory approval of changes to internal models for calculation of regulatory capital under the UK's version of Solvency II rules, the impact of recognising an impairment of our goodwill or intangibles with indefinite lives, changes in valuation methodologies, estimates and assumptions used in the valuation of investment securities, the effect of legal proceedings and regulatory investigations, the impact of operational risks, including inadequate or failed internal and external processes, systems and human error or from external events and malicious acts (including cyber attack and theft, loss or misuse of customer data), increased competition, the loss of or damage to one or more key customer relationships, changes to habits, the outcome of business or industry restructuring, the outcome of any litigation, changes in global, political, social, business and economic conditions, changes in the level of capital investment, currency fluctuations, changes in interest and tax rates, changes in market prices, changes in laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments, the failure to retain key employees, or the timing and success of future offer opportunities or major investment projects and the impact of any acquisitions or similar transactions. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward looking statements. Such forward looking statements should therefore be construed in light of such factors. Neither Aviva, Direct Line nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this announcement will actually occur. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. All subsequent oral or written forward looking statements attributable to any member of the Aviva Group, Direct Line Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above. Aviva and Direct Line expressly disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

Publication on a website

A copy of this announcement will be made available, subject to certain restrictions relating to persons in restricted jurisdictions, on Direct Line's website at <https://www.directlinegroup.co.uk> and on Aviva's website at www.aviva.com promptly and in any event by no later than 12 noon (London time) on 9 December 2024. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.