

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

FOR IMMEDIATE RELEASE

17 June 2025

**RECOMMENDED CASH AND SHARE OFFER
FOR DIRECT LINE INSURANCE GROUP PLC ("DIRECT LINE")
BY AVIVA PLC ("AVIVA")
to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006**

UPDATE ON CONDITIONS AND SCHEME TIMETABLE

COURT SANCTION HEARING SCHEDULED FOR 1 JULY 2025

On 23 December 2024, the boards of directors of Aviva and Direct Line announced that they had reached agreement on the terms of a recommended cash and share offer for the entire issued and to be issued share capital of Direct Line (the "**Acquisition**"), to be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act (the "**Scheme**").

On 10 February 2025, Direct Line published a circular in relation to the Scheme (the "**Scheme Document**"). Capitalised terms used in this announcement shall, unless otherwise defined, have the same meanings as set out in the Scheme Document.

On 10 March 2025, Direct Line announced that, at a Court Meeting and General Meeting held on that date, all shareholder resolutions relating to the Acquisition were approved by the requisite majorities.

Update on Conditions

Direct Line and Aviva are pleased to announce that: (i) the FCA and the PRA have each given written notice to Aviva approving the acquisition of control in respect of a UK authorised person contemplated by the Acquisition and (ii) the SRA has approved the acquisition by Aviva (and its applicable subsidiaries) of a material interest in DLG Legal Services Limited. Accordingly, Conditions 3(a) and 3(b) set out in Part A of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of the Scheme Document have been satisfied.

Clearance from the CMA in respect of the Acquisition is a condition to the Acquisition, as set out in Condition 3(c) in Part A of Part III of the Scheme Document (the "**CMA Condition**"). Aviva has waived the CMA Condition. Following constructive engagement with the CMA, Aviva remains confident of securing unconditional clearance by the phase 1 statutory deadline.

As a result, Aviva and Direct Line are pleased to confirm that all Conditions relating to the receipt of regulatory and antitrust approvals have now been satisfied or (where capable of waiver) waived.

The Scheme remains subject to certain other Conditions set out in Part III of the Scheme Document including, amongst other things, sanction by the Court at the Sanction Hearing and the delivery of a copy of the Court Order to the Registrar of Companies.

Full details of the Acquisition are set out in the Scheme Document.

Next steps and expected timetable

An updated expected timetable of principal events for the implementation of the Scheme is set out below. In particular, the Sanction Hearing has been scheduled to be held on 1 July 2025 and the Scheme is expected to become Effective on 1 July 2025.

These dates and times are indicative only and subject to change. If any of the dates and/or times in the expected timetable change, the revised dates and/or times will be notified to Direct Line Shareholders by announcement through a Regulatory Information Service and by making such announcement available on Direct Line's website at <https://www.directlinegroup.co.uk/en/investors>.

Event	Time and/or date ⁽¹⁾
Court Sanction Hearing	1 July 2025
Last day for dealings in, and for the registration of transfer of, and disablement in CREST of, Direct Line Shares	1 July 2025
Scheme Record Time	6.00 p.m. on 1 July 2025 ⁽²⁾
Effective Date	after 6.00 p.m. on 1 July 2025 ⁽³⁾
Suspension of trading, and dealings in, Direct Line Shares	7.30 a.m. on 2 July 2025
Cancellation of listing of Direct Line Shares on the Official List and of trading of Direct Line Shares on the London Stock Exchange	by 8.00 a.m. on 3 July 2025
New Aviva Shares to be issued to Direct Line Shareholders	by 8.00 a.m. on 3 July 2025
Admission of New Aviva Shares and commencement of dealings in New Aviva Shares on the London Stock Exchange	by 8.00 a.m. on 3 July 2025
CREST accounts of Direct Line Shareholders credited with New Aviva Shares	on or as soon as possible after 8:00 a.m. on 3 July 2025 but not later than 14 days after the Effective Date
CREST accounts of Direct Line Shareholders credited with: (i) the cash element of the Offer Consideration; and (ii) any cash due in relation to the sale of fractional entitlements	within 14 days after the Effective Date
Despatch of share certificates for New Aviva Shares and of cheques for, or initiation of electronic payments in respect of: (i) the cash element of the Offer Consideration; and (ii) any cash due in relation to the sale of fractional entitlements for those Direct Line Shareholders who do not hold their Direct Line Shares in CREST, or, where applicable, the despatch of cheques for the cash due to Restricted Shareholders under the Scheme	within 14 days after the Effective Date
Long Stop Date	31 December 2025 ⁽⁴⁾

Notes:

- (1) *The dates and times are indicative only and are based on current expectations and may be subject to change and will depend on, among other things, the date on which the Conditions to the Scheme are satisfied or, if capable of waiver, waived, and the date on which the Court sanctions the Scheme. References to times are to London, United Kingdom time unless otherwise stated. If any of the times and/or dates above change, the revised times and/or dates will be notified to Direct Line Shareholders by announcement through a Regulatory Information Service.*
- (2) *Scheme Shareholders who are on the Register at this time are entitled to receive the Offer Consideration under the Acquisition.*
- (3) *The Scheme shall become Effective as soon as a copy of the Court Order has been delivered to the Registrar of Companies. This is expected to occur following the Scheme Record Time. The events which are stated as occurring on subsequent dates are conditional on the Effective Date and operate by reference to that date.*
- (4) *This is the latest date by which the Scheme may become Effective unless there is a Phase 2 CMA Reference and the Condition set out in paragraph 3(c)(i) of Part III (Conditions to the Implementation of the Scheme and to the Acquisition) of the Scheme Document has not been waived or invoked by Aviva, in which case the Long Stop Date will be extended to 27 October 2026. In either case, the Long Stop Date may be extended to such later date as may be agreed in writing by Aviva and Direct Line (with the Panel's consent and Court approval (if such approval(s) are required)).*

Enquiries

Direct Line

Media

Anna Lucuk (Director of Corporate Affairs) +44 (0)7765 533 243

Investors and analysts

Dhruv Gahlaut, CFA (Chief Strategy & Investor Relations Officer) +44 (0)7385 481177

Morgan Stanley & Co. (Joint Lead Financial Adviser and Joint Corporate Broker to Direct Line)

Ben Grindley / Laurence Hopkins / Melissa Godoy / Jonathan Gold +44 (0)20 7425 8000

Robey Warshaw (Joint Lead Financial Adviser to Direct Line)

Simon Robey / Chetan Singh / Kunal Ranpara +44 (0)20 7317 3999

RBC Capital Markets (Joint Financial Adviser and Joint Corporate Broker to Direct Line)

Oliver Hearsey / Daniel Ohana / Elliot Thomas +44 (0)20 7653 4000

Brunswick Group (PR Adviser to Direct Line)

Nick Cosgrove / Diana Vaughton / Freya Semken +44 (0)20 7404 5959

Aviva

Media

Andrew Reid +44 (0)7800 694 276

Sarah Swailes +44 (0)7800 694 859

Investors and analysts

Greg Neilson +44 (0)7800 694 564

Joel von Sternberg +44 (0)7384 231 238

Michael O'Hara +44 (0)7387 234 388

Citi (Joint Financial Adviser and Joint Corporate Broker to Aviva)

Peter Brown / Sian Evans / Peter Catterall / Michael Lamb +44 (0)20 7986 4000

Goldman Sachs International (Joint Financial Adviser and Joint Corporate Broker to Aviva)

Anthony Gutman / Nimesh Khiroya / Bertie Whitehead +44 (0)20 7774 1000

Slaughter and May is acting as legal adviser to Direct Line and Clifford Chance LLP is acting as legal adviser to Aviva.

Further information

This announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer to sell or an invitation to purchase any securities; a solicitation of an offer to buy, otherwise acquire, subscribe for, sell or otherwise dispose of any securities pursuant to the Acquisition or otherwise; or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise; nor shall there be any purchase, sale, issuance or exchange of securities or such solicitation in any jurisdiction in which such offer, solicitation, sale issuance or exchange is unlawful.

The Acquisition is being made solely pursuant to the terms of the Scheme Document which (together with the Forms of Proxy) contains the full terms and conditions of the Acquisition.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set forth in this announcement since such date.

This announcement does not constitute a prospectus or prospectus equivalent document.

Important notices about financial advisers

Morgan Stanley & Co., which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for Direct Line and for no one else in connection with the Acquisition and neither Morgan Stanley & Co. nor any of its affiliates, nor their respective directors, officers, employees or agents will be responsible to anyone other than Direct Line for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or the contents of this announcement.

Robey Warshaw which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for Direct Line and no one else in connection with the matters referred to in this announcement and will not regard any other person as its client in relation to the matters referred to in this announcement and will not be responsible to anyone other than Direct Line for providing the protections afforded to clients of Robey Warshaw, nor for providing advice in relation to the matters referred to in this announcement.

RBC Capital Markets which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for Direct Line and for no one else in connection with the Acquisition and neither RBC Capital Markets nor any of its affiliates, nor their respective directors, officers, employees or agents will be responsible to anyone other than Direct Line for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this announcement or any other matters referred to in this announcement.

Citi, which is authorised by the PRA and regulated in the United Kingdom by the PRA and FCA 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

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.

Goldman Sachs International, which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for Aviva and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Aviva for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in connection with the matters referred to in this announcement.

Overseas shareholders

The release, publication or distribution of this announcement in, into or from jurisdictions other than the United Kingdom, and the availability of the Acquisition to Direct Line Shareholders who are not resident in the United Kingdom, may be restricted by the laws of those jurisdictions and therefore persons into whose possession this announcement comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Aviva or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, and persons receiving this announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such Restricted Jurisdiction. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into, or by use of mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

This announcement has been prepared in connection with proposals in relation to a scheme of arrangement pursuant to and for the purpose of complying with English law and the Takeover Code and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Nothing in this announcement should be relied on for any other purpose. Overseas Shareholders should consult their own professional advisers with respect to the legal and tax consequences of the Scheme.

Further details in relation to Overseas Shareholders are contained in paragraph 18 of Part II (Explanatory Statement) of the Scheme Document.

The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

Forward-looking statements

This announcement, oral statements made regarding the Acquisition, and other information published by Direct Line or Aviva may contain statements about Direct Line or Aviva 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) the ability to complete the Acquisition in a timely manner; (ii) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (iii) business and management strategies and the expansion and growth of Direct Line's or Aviva's operations and potential synergies resulting from the Acquisition; and (iv) the effects of government regulation and/or global and/or local economic conditions on the wider Direct Line Group's or the wider Aviva 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 Direct Line and Aviva 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, but not limited to: the impact of ongoing uncertain conditions in the global financial markets and the national and international political and economic situation generally (for example, in respect of the war in Ukraine following the Russian invasion, and/or the conflict in the Middle East), market developments and government actions, changes in or inaccuracy of assumptions in pricing and reserving for insurance business, particularly with regards to lapse rates and policy renewal rates, a cyclical downturn of the insurance industry, the impact of natural and man-made catastrophic events (including pandemics) on Direct Line's and/or Aviva's 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 the Direct Line Group's and/or Aviva Group's internal model for calculation of regulatory capital under the UK's version of Solvency II rules, the impact of recognising an impairment of Direct Line's and/or Aviva's 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 (and to interpretations of) 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 Direct Line nor Aviva, 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 Direct Line Group or the Aviva Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Direct Line and Aviva expressly disclaim 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.

No profit forecasts, estimates or quantified financial benefits statements

No statement in this announcement is intended as, or is to be construed as, a profit forecast or profit estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per Direct Line Share or Aviva Share for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Direct Line Shares or Aviva Shares. No statement in this announcement (including any statement of estimated costs savings or synergies) is intended as a quantified financial benefits statement for the purposes of the Takeover Code.

Publication on a website

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and any document incorporated by reference will be made available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Direct Line's website at <https://www.directlinegroup.co.uk/en/investors> and Aviva's website at <https://www.aviva.com/investors/offer-for-direct-line-insurance-group-plc/> by no later than 12.00 noon (London time) on the Business Day following the date of this announcement. For the avoidance of doubt, the contents of these websites are not incorporated into, and do not form part of, this announcement.

General

If you are in any doubt as to the contents of this announcement or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised pursuant to FSMA or, if you are taking advice outside the United Kingdom, is an appropriately authorised independent professional adviser.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

OUPFFMBTMTBBTJA