

# PRESS RELEASE



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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE UK 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 ANY OFFER WILL BE MADE.

FOR IMMEDIATE RELEASE

## Ageas SA/NV confirms improved possible offer for Direct Line Insurance Group Plc

Ageas SA/NV (“**Ageas**”) notes the recent announcement by the Board of Direct Line Insurance Group Plc (“**Direct Line**”) and confirms that it has submitted an improved possible offer to the Board of Directors of Direct Line to acquire the entire issued and to be issued share capital of Direct Line (the “**Proposed Transaction**”).

Ageas confirmed on 28 February 2024 that it had submitted a possible offer proposal (the “**Initial Possible Offer**”) to the Board of Direct Line on 19 January 2024 to acquire the entire issued and to be issued share capital of Direct Line. Following the rejection of the Initial Possible Offer by Direct Line on 29 January 2024, Ageas has improved the terms of its possible offer, which were shared with the Board of Direct Line on 9 March 2024 (the “**Improved Possible Offer**”). Under the terms of Ageas’ Improved Possible Offer, Direct Line shareholders would receive:

- 120 pence in cash for each Direct Line share; and
- One newly issued Ageas share for every 28.41107 Direct Line shares.

Based on a Sterling to Euro exchange rate of 1.1705 and the closing price of Ageas shares on 12 March 2024, being the last date prior to the date of this announcement, the Improved Possible Offer has an implied value of 239 pence per Direct Line share, representing a significant premium of 46% to 163.35 pence, being the undisturbed closing share price per Direct Line share on the business day prior to the announcement of the Initial Possible Offer (27 February 2024). The Improved Possible Offer values the entire issued and to be issued ordinary share capital of Direct Line at approximately £3,171 million.

The increase in the cash component of the Improved Possible Offer, from 100 pence to 120 pence, allows Direct Line shareholders to realise in cash ~73% of Direct Line’s undisturbed share price, whilst retaining exposure to the significant value creation upside from the delivery of cost and capital synergies through their c.20% ownership of the enlarged Ageas Group.

It is currently envisaged that the cash component of the consideration and associated transaction costs will ultimately be financed through a mix of existing cash and newly issued debt instruments. The share consideration is intended to be satisfied via newly issued Ageas shares.

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Ageas continues to recognise the underlying attractiveness and opportunities of the UK personal lines sector and remains confident that the combination of Ageas' and Direct Line's UK businesses will be beneficial for both Ageas and Direct Line shareholders, providing a meaningful opportunity to unlock shareholder value. Ageas firmly believes that Direct Line being a part of a strong, diversified financial group will create resilience and stability, and that it would allow Direct Line, together with Ageas' UK businesses, the flexibility to execute its strategic agenda and make the optimal investments required to future proof the business and secure being a reference UK insurance company in personal lines in the UK.

Ageas continues to seek engagement from the Direct Line Board ahead of the deadline of 27 March 2024 under the Code, in order to work collaboratively towards a recommended Firm Offer.

Commenting on the possible offer, Hans De Cuyper, CEO of Ageas, said:

*"We have made a compelling possible offer that represents a substantial premium to Direct Line's undisturbed share price. Our Improved Possible Offer delivers substantial cash proceeds to Direct Line shareholders, whilst ensuring they benefit from the material value creation that we believe the combination of the UK businesses of Ageas and Direct Line will deliver. We look forward to engaging with the Direct Line Board of Directors on the terms of our Improved Possible Offer."*

Ageas reserves the right to make an offer for Direct Line on less favourable terms than those set out in this announcement: (i) with the agreement or recommendation of the Direct Line Board; (ii) if a third party announces a possible offer or firm intention to make an offer for Direct Line which, at that date, is of a value less than the value implied by the possible offer; or (iii) if Direct Line announces a Rule 9 waiver pursuant to the Code or a reverse takeover. Ageas reserves the right to introduce other forms of consideration and/or vary the mix or form of consideration of any offer. Ageas reserves the right to reduce the offer consideration to take account of the value of any dividend or other distribution which is announced, declared, made or paid by Direct Line after the date of this announcement.

A further announcement will be made if and when appropriate.

#### **Additional information**

Ageas continues to carefully assess the Proposed Transaction with a disciplined focus on the strategic and financial rationale, and there can be no certainty that an offer will be made, even if the pre-conditions are satisfied or waived.

This announcement does not constitute an announcement of a firm intention to make an offer under Rule 2.7 of the Code. The announcement of a firm intention to make an offer under Rule 2.7 of the Code remains subject to the satisfaction or waiver by Ageas of a number of pre-conditions, including, among others, completion of satisfactory due diligence by Ageas and reciprocal due diligence by Direct Line, receipt of irrevocable undertakings from each member of the Direct Line Board of Directors who holds Direct Line shares and Direct Line shareholders to vote in favour of the Improved Possible Offer, agreement of the detailed terms of the Improved Possible Offer and the unanimous and unqualified recommendation of the Board of Direct Line. Ageas reserves the right to waive in whole or in part any pre-conditions.

In accordance with Rule 2.6(a) of the Code, Ageas is required, by not later than 5.00 pm (London time) on 27 March 2024, to either announce a firm intention to make an offer for Direct Line in accordance with Rule 2.7 of the Code or announce that Ageas does not intend to make an offer for Direct Line, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can only be extended with the consent of the UK Takeover Panel in accordance with Rule 2.6(c) of the Code.

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Linklaters LLP is acting as legal adviser to Ageas.

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### Disclosure requirements of the Code

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 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th 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 offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror 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 UK 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 offeror 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.

### No profit forecasts or estimates

Except as otherwise set out herein, nothing in this announcement (including any statement of estimated synergies) is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Ageas or Direct Line, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Ageas or Direct Line, as appropriate.

### Important information

A copy of this announcement will be available, subject to certain restrictions relating to persons resident in restricted jurisdictions, at <https://www.ageas.com/investors/webpage-related-ageass-possible-offer-direct-line> by no later than 12 noon (London time) on 14 March 2024. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

This announcement and the information within it is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase or subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. In particular, this announcement is not an offer of securities for sale into the United States. No offer of securities shall be made in the United States absent registration under the Securities Act of 1933, as amended, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements. No statement contained or referred to in this announcement is intended to be a profit forecast.

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The release, publication or 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 such restrictions may constitute a violation of the securities law of any such jurisdiction.

**Ageas** is a listed international insurance Group with a heritage spanning 200 years. It offers Retail and Business customers Life and Non-Life insurance products designed to suit their specific needs, today and tomorrow, and is also engaged in reinsurance activities. As one of Europe's larger insurance companies, Ageas concentrates its activities in Europe and Asia, which together make up the major part of the global insurance market. It operates successful insurance businesses in Belgium, the UK, Portugal, Türkiye, China, Malaysia, India, Thailand, Vietnam, Laos, Cambodia, Singapore, and the Philippines through a combination of wholly owned subsidiaries and long-term partnerships with strong financial institutions and key distributors. Ageas ranks among the market leaders in the countries in which it operates. It represents a staff force of about 50,000 people and reported annual inflows of more than EUR 17 billion in 2023.