



RNS Offer Update

## Update re Recommended Cash Offer for RSA Insurance

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**FOR IMMEDIATE RELEASE**

3 December 2020

### Intact Financial Corporation

#### Recommended Cash Offer for RSA Insurance Group plc

##### Completion of Bought Deal Private Placement and receipt of TSX approval for Cornerstone Private Placement

Further to the announcement of the recommended cash offer for RSA Insurance Group plc (the "**Acquisition**") on 18 November 2020 (the "**Announcement**"), Intact Financial Corporation ("**Intact**") announced today that it has completed its previously announced private placement of subscription receipts with a group of underwriters, led by CIBC Capital Markets and Barclays Capital Canada Inc., (the "**Bought Deal Private Placement**") pursuant to which Intact has issued an aggregate of 9,272,000 subscription receipts (the "**Subscription Receipts**") at a price of CAN\$134.50 per subscription receipt for gross proceeds of approximately CAN\$1.25 billion. The Subscription Receipts were offered by way of private placement to accredited investors and other exempt purchasers. The Subscription Receipts are subject to a four-month hold period under applicable securities laws in Canada. Each subscription receipt will entitle the holder to receive one common share of Intact as well as a dividend equivalent payment upon closing of the Acquisition prior to 31 December 2021.

The proceeds from the Bought Deal Private Placement, less 50% of the underwriters' fee will be held in escrow and the net proceeds are intended to be used by Intact to fund a portion of the Cash Consideration for the Acquisition, and in connection therewith to replace a portion of the Intact Bridge Facilities.

In addition, in relation to the Cornerstone Private Placement which was completed on 25 November 2020, Intact has received approval of the Toronto Stock Exchange of (i) the issuance of the subscription receipts in the Cornerstone Private Placement and (ii) the listing of the Intact common shares to be issued pursuant to such subscription receipts. Accordingly, Condition 3(u) of the Acquisition as set out in Appendix 1 of the Announcement has therefore been satisfied.

A copy of this announcement and the relevant documents in relation to the Bought Deal Private Placement will be uploaded to Intact's website at [www.intactfc.com](http://www.intactfc.com) by 12 noon (UK time) on the business day following the date of this announcement.

The Subscription Receipts and the common shares of Intact have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States, except in certain transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of these subscription receipts within the United States.

Capitalised terms not defined here in have the same meanings given to them in the Announcement.

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#### Further Information

Barclays Bank PLC, acting through its Investment Bank ("Barclays"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for

Intact and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Intact for providing advice in relation to the Offer or any other matters referred to in this announcement.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Exchange Act, Barclays will continue to act as exempt principal trader in RSA securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

This announcement has been prepared in accordance with English law and the Code, and information disclosed may not be the same as that which would have been prepared in accordance with laws outside of the United Kingdom. The release, distribution or publication of this announcement in jurisdictions outside of the United Kingdom may be restricted by laws of the relevant jurisdictions, and therefore persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any voting decision in respect of, or other response to the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document).

#### **Cautionary note about forward-looking statements**

This news release includes "forward looking statements". The forward-looking statements contained in this announcement include statements relating to Intact's intention in relation to the Transaction, the Consortium and RSA, pro-forma entities following completion of the Transaction and expected benefits including financial accretion, and other statements other than historical facts. Forward looking statements often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning. You should not place undue reliance on these forward-looking statements, which reflect the current views of Intact, are subject to risks and uncertainties about Intact and are dependent on many factors, some of which are outside of Intact's control. There are important factors, risks and uncertainties that could cause actual outcomes and results to be materially different. Except as required by law, Intact undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

#### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

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