

Intact Financial Corporation Completes \$300 million Limited Recourse Capital Notes Offering

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TORONTO, March 7, 2023 /CNW/ - Intact Financial Corporation (TSX: IFC) ("Intact" or the "Company") announced today that it has completed its previously announced offering of \$300 million principal amount of 7.338% Limited Recourse Capital Notes Series 1 (Subordinated Indebtedness), due June 30, 2083 (the "Notes").

The Notes were offered through a syndicate co-led by CIBC Capital Markets and TD Securities. The Notes are direct unsecured obligations of Intact and are subordinated to all senior indebtedness of Intact and effectively subordinated to all indebtedness and obligations of Intact's subsidiaries. The Notes bear interest at a fixed annual rate of 7.338% until June 30, 2028 and the interest rate will reset on that date and on every fifth anniversary of such date until the maturity date at a fixed interest rate per annum equal to the Government of Canada Yield on the business day prior to such interest reset day plus 3.95%.

In connection with the issuance of the Notes, the Corporation issued 300,000 Non-Cumulative Rate Reset Class A Shares, Series 12 (the "Series 12 Preferred Shares") which are held by Computershare Trust Company of Canada, as trustee of a newly formed trust (the "Limited Recourse Trust"). In case of non-payment of interest on, or the principal or redemption price of, the Notes when due, the recourse of each holder of Notes will be limited to that holder's proportionate share of the Limited Recourse Trust's assets, which will consist of Series 12 Preferred Shares except in limited circumstances.

The Notes were offered by way of private placement to accredited investors that are not individuals in each of the provinces and territories of Canada (the "Private Placement"). The net proceeds from the Private Placement are expected to be used by Intact (i) in order to subscribe for shares of one or more subsidiaries of the Company to ultimately be used for general corporate purposes and/or for the purpose of partially funding the execution of the buy-in transaction (the "Buy-in Transaction") announced by Intact on February 27, 2023 with respect to £6.5 billion of RSA UK pension plan liabilities, and/or (ii) in order to repay all or a portion of any amounts borrowed for the purpose of subscribing for shares of one or more subsidiaries of the Company ultimately used for partially funding the Buy-in Transaction.

The Notes have been given a rating of BBB (high) by DBRS Limited, a rating of Baaa3 (hyb) by Moody's Investors Service, Inc. and a rating of BBB by Fitch Ratings, Inc. The Series 12 Preferred Shares have been given a rating of Pfd-2 by DBRS Limited and a rating of BBB by Fitch Ratings, Inc.

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy such securities in the United States or in any other jurisdiction where such offer is unlawful.

About Intact Financial Corporation

Intact Financial Corporation (TSX: IFC) is the largest provider of property and casualty (P&C) insurance in Canada, a leading provider of global specialty insurance, and, with RSA, a leader in the U.K. and Ireland. Our business has grown organically and through acquisitions to over \$21 billion of total annual premiums.

In Canada, Intact distributes insurance under the Intact Insurance brand through a wide network of brokers, including its wholly-owned subsidiary BrokerLink, and directly to consumers through belairdirect. Intact also provides affinity insurance solutions through the Johnson Affinity Groups.

In the US, Intact Insurance Specialty Solutions provides a range of specialty insurance products and services through independent agencies, regional and national brokers, and wholesalers and managing general agencies.

Outside of North America, the Company provides personal, commercial and specialty insurance solutions across the U.K., Ireland, and Europe through the RSA brands.

Cautionary note regarding forward-looking statements

Certain of the statements included in this press release about the Private Placement, including the expected use of the net proceeds of the Private Placement, or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely", "potential" or the negative or other variations of these words or other similar or comparable words or phrases, are intended to identify forward-looking statements. Unless otherwise indicated, all forward-looking statements in this press release are made as of the date hereof and are subject to change.

Forward-looking statements are based on estimates and assumptions made by management based on management's

experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. Many factors could cause the Company's actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements. In addition to other estimates and assumptions which may be identified herein, estimates and assumptions have been made regarding, among other things, the expected use of the net proceeds thereof.

All of the forward-looking statements included in this press release are qualified by these cautionary statements and those made in the "Risk Management" sections of the Company's 2022 Management's Discussion and Analysis (Sections 30-34), in Notes 10 and 13 of the Company's Consolidated Financial Statements for the year ended December 31, 2022 and in the Company's Annual Information Form dated February 7, 2023, all of which are available on Intact's web site at www.intactfc.com or on SEDAR at www.sedar.com. These factors are not intended to represent a complete list of the factors that could affect the Company. These factors should, however, be considered carefully. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. When relying on forward-looking statements to make decisions, investors should ensure the preceding information is carefully considered. Undue reliance should not be placed on forward-looking statements made in this press release. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Disclaimer

This press release does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever.

The information contained in this press release concerning the Company does not purport to be all-inclusive or to contain all the information that an investor may desire to have in evaluating whether or not to make an investment in the Company. The information is qualified entirely by reference to the Company's publicly disclosed information and the cautionary note regarding forward-looking statements included in this press release.

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