



To NASDAQ Copenhagen

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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 ANY OFFER WILL BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION RELATING TO TRYG A/S.

FOR IMMEDIATE RELEASE

5 November 2020

RSA INSURANCE GROUP PLC ("RSA") FURTHER STATEMENT REGARDING PROPOSAL

Further to the announcement by RSA earlier today regarding an approach from Intact Financial Corporation ("Intact") and Tryg A/S ("Tryg") (together, the "Consortium") regarding a possible cash offer for the Company (the "Proposal") ([link](#)), RSA and the Consortium together make the following further statement regarding the Proposal.

The Proposal comprises 685 pence in cash per RSA share, plus payment by RSA of the announced interim dividend of 8 pence per share (the "Interim Dividend"). This would represent an approximately £7.2 billion transaction with Intact paying £3.0 billion and Tryg paying £4.2 billion. Intact would retain RSA's Canada and UK & International operations and obligations, Tryg would retain RSA's Sweden and Norway operations, and Intact and Tryg would co-own RSA's Denmark operations.

The Proposal is subject to the satisfaction or waiver of pre-conditions relating to, amongst other things, due diligence, the recommendation of the Board of RSA, the support of RSA's pension fund trustees and Board approvals from Intact, Tryg and TryghedsGruppen. The Board of RSA has indicated to the Consortium that it would be minded to recommend the Proposal, subject to satisfactory resolution of the other terms of the Proposal, including a period of due diligence which is currently underway by the Consortium.

The Consortium views the combination of RSA's businesses with those of Intact and Tryg as strategically compelling. The acquisition would strengthen Intact's position as a world-class P&C (property and casualty) insurer, increasing Intact's total direct premiums written from approximately C\$12 billion to



C\$20 billion. The combination of RSA's Swedish and Norwegian operations with Tryg provides Tryg with a unique opportunity to strengthen its position and break into the top-3 for P&C in Sweden and Norway.

Strategically, Intact would expand its position in the competitive Canadian P&C industry where operational excellence is imperative for outperformance. The acquisition would also create a leading global specialty lines platform with an expanded product offering and access to new customers for Intact's existing specialty franchises. Intact also sees significant opportunity to deploy its customer driven data and analytics focused approach in RSA's UK & International personal and commercial lines businesses.

Intact intends to finance its portion of the proposed transaction and associated transaction costs with an equity private placement with approximately three-quarters provided by cornerstone investors, together with debt and preferred share issuances. Intact intends to utilize an unsecured bridge and term loan credit facility to provide funds certainty for the proposed transaction. Intact will structure the financing to support its current credit ratings. The proposed acquisition is expected to exceed Intact's internal rate of return threshold. It is also expected to be immediately accretive to net operating income per share on closing, high-single digit in the first year and reaching upper-teens within 36 months. As well, Operating ROE is expected to be maintained at a mid-teens level in the medium term, with BVPS increasing in excess of 25% on completion of the acquisition.

Similarly, the acquisition would provide Tryg a unique opportunity to strengthen its position in Swedish and Norwegian P&C, creating the largest listed P&C insurer in Scandinavia with gross premiums earned of approximately DKK 31 billion and total assets of approximately DKK 99 billion. The acquisition would improve Tryg's geographical and product diversification, particularly in Sweden. Tryg is very confident that it will be able to seamlessly combine RSA's Swedish and Norwegian operations, with Tryg further benefiting from its recent experience in the successful integration of Alka in Denmark.

The Potential Transaction would result in a step-change in the Tryg group's profitability, driven by the strong underlying profitability of RSA's Swedish and Norwegian Businesses and the sizeable synergy potential across Sweden and Norway. Following completion, Tryg would expect to generate annualised synergies of DKK 900 million. In combination, these are expected to drive a return on investment of approximately c.7%, high teens EPS accretion by 2023 and a material increase in dividend capacity.

Tryg would seek to finance its portion of the proposed transaction and associated transaction costs primarily via a rights issue in 2021 to be underwritten on a standby basis to provide certain funds for the proposed transaction.

Regarding RSA's Danish business, with over \$1 billion in annual premiums, Intact sees an opportunity to sustain its personal lines operating performance and to continue to improve commercial lines, while retaining optionality with respect to strategic alternatives for the business.

Pursuant to Rule 2.5 of the Code, the Consortium reserves the right to:

- (a) vary the form and/or mix of the consideration described in this announcement:



- (i) with the consent of the Board of RSA;
 - (ii) if a third party announces a firm intention to make an offer for RSA; or
 - (iii) if RSA announces a whitewash transaction pursuant to the Code; and
- (b) announce an offer on less favourable terms than the Proposal:
- (i) with the consent of the Board of RSA;
 - (ii) if a third party announces a firm intention to make an offer for RSA at a lower value than the Proposal;
 - (iii) if RSA announces, declares, or pays a dividend or any other distribution or return of capital to its shareholders (other than the Interim Dividend) after this announcement (in which case the Consortium reserves the right to reduce the offer price by an amount up to the amount of such dividend, distribution or return of capital); or
 - (iv) if RSA announces a whitewash transaction pursuant to the Code.

There can be no certainty that an offer will be made for RSA under the Code. A further announcement will be made as appropriate.

In accordance with Rule 2.6(a) of the Code, the Consortium must, by not later than 5.00 p.m. (London time) on 3 December 2020, either announce a firm intention to make an offer for RSA in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer for RSA, 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 Panel in accordance with Rule 2.6(c) of the Code.

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available, subject to certain restrictions relating to persons resident in restricted jurisdictions, at www.rsagroup.com, www.Intactfc.com and www.Tryg.com by no later than 12 noon (London time) on 6 November 2020. The content of the websites referred to in this announcement are not incorporated into and do not form part of this announcement.

This announcement contains inside information relating to Tryg for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), and is disclosed in accordance with Tryg's obligations under Article 17 of MAR. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU)



2016/1055, the person responsible for arranging for the release of this announcement on behalf of Tryg is Bettina Drejer Clausen, General Counsel.

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Further Information

With a 300-year heritage, RSA is a multinational quoted insurance group. RSA operates three core business segments: Canada, Scandinavia and UK & International; and has the capability to write business in over 100 countries. RSA has around 12,400 employees with net written premiums of £6.4 billion in 2019. Intact Financial Corporation (TSX: IFC) is the largest provider of property and casualty (P&C) insurance in Canada and a leading provider of specialty insurance in North America, with over CAD \$11 billion in total annual premiums. The Company has approximately 16,000 employees who serve more than five million personal, business and public sector clients through offices in Canada and the U.S. 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. Frank Cowan adds scale to Intact's MGA platform to manufacture and distribute public entity insurance products in Canada. In the U.S., Intact Insurance Group USA (previously known as OneBeacon Insurance Group), a wholly-owned subsidiary, provides specialty insurance products through independent agencies, brokers, wholesalers and managing general agencies.

Tryg is a leading non-life insurer in the Nordic region with activities in Denmark, Norway and Sweden. Tryg had total premiums of DKK 21.7bn (approx. EUR 3bn) at year end 2019, the company is active in the Private, Commercial and Corporate segment across the Nordic region. Tryg provides peace of mind and value to 4m customers on a daily basis. Tryg is listed on Nasdaq Copenhagen.

TryghedsGruppen currently owns 60 per cent. of the shares in Tryg and makes annual contributions to projects that create peace of mind via TrygFonden. In 2020, TryghedsGruppen will contribute up to DKK 650 million via TrygFonden.

Robey Warshaw LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser exclusively for RSA 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 RSA for



providing the protections afforded to clients of Robey Warshaw LLP, nor for providing advice in relation to the matters referred to in this announcement.

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

Merrill Lynch International ("BofA Securities"), a subsidiary of Bank of America Corporation, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for RSA in connection with the matters set out in this announcement and for no one else and will not be responsible to anyone other than RSA for providing the protections afforded to its clients or for providing advice in relation to the subject matter of this announcement or any other matters referred to in this announcement.

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 the protections afforded to clients of Barclays nor for providing advice in relation to any possible offer or any other matters referred to in this announcement.

Morgan Stanley & Co. International plc ("Morgan Stanley") which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK is acting as financial adviser exclusively for Tryg and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Exchange Act, Barclays, Morgan Stanley, Robey Warshaw, Goldman Sachs International and Merrill Lynch International and each of their affiliates 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. 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 is not intended to, and does not, constitute or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction. Any offer (if made) will be made solely by certain offer documentation which will contain the full terms and conditions of any offer (if made), including details of how such offer may be accepted.

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.

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 Takeover Panel's website at 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.

Other information

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Notice to US investors

If Intact and Tryg made an offer for RSA, then US holders of RSA shares should note that the steps of any transaction requiring approval by RSA shareholders may be implemented under a UK scheme of arrangement provided for under English company law. If so, it is expected that any shares to be issued under the transaction to RSA shareholders would be issued in reliance upon the exemption from the registration requirements of the US Securities Act of 1933 (the "US Securities Act"), provided by Section 3(a)(10) thereof and would be subject to UK disclosure requirements (which are different from those of the United States). The transaction may instead be implemented by way of a takeover offer under English law. If so, any securities to be issued under the transaction to RSA shareholders will either be registered under the US Securities Act or subject to an applicable exemption from registration. If the transaction is implemented by way of UK takeover offer, it will also be effected in compliance with the applicable rules under the US Exchange Act of 1934, including any applicable exemptions provided under Rule 14d-1(d) thereunder.

This filing shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Any securities offered as part of the Tryg rights issue will not be registered under the US Securities Act and may not be offered or sold in, or into, the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act.

Neither the acquisition nor this announcement have been approved or disapproved by the Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the



information contained in this announcement or the merits of this acquisition. Any representation to the contrary is a criminal offence in the US.

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 and Tryg's intention in relation to the Proposal, the Consortium and RSA, pro-forma entities following completion of the Proposal 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 and Tryg, are subject to risks and uncertainties about Intact, Tryg and RSA and are dependent on many factors, some of which are outside of Intact's and Tryg'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 and Tryg undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-IFRS financial measures

Intact uses both IFRS and non-IFRS financial measures to assess its performance. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures used by other companies in Intact's industry. The non-IFRS measures included in this announcement are: direct premiums written (DPW), net operating income per share (NOIPS) and internal rate of return (IRR). Non-IFRS financial measures and other insurance-related terms are defined in the glossary available in the "Investors" section of Intact's web site at www.Intactfc.com