

## **Great-West Lifeco announces Limited Recourse Capital Notes offering**

*Winnipeg, MB, August 9, 2021.* . . Great-West Lifeco Inc. (“**Lifeco**”) announced today that it intends to issue \$1.5 billion principal amount of 3.60% Limited Recourse Capital Notes Series 1 (Subordinated Indebtedness) (the “**Notes**”). Lifeco intends to file a prospectus supplement to its existing base shelf prospectus in respect of this issue.

The Notes will bear interest at a fixed rate of 3.60% per annum, payable semi-annually, for the initial period ending on but excluding December 31, 2026. Thereafter, the interest rate on the Notes will reset every five years at a rate equal to the prevailing 5-year Government of Canada Yield (as defined in the trust indenture governing the Notes) plus 2.641%. The Notes mature on December 31, 2081.

In connection with the issuance of the Notes, Lifeco will issue 1,500,000 Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series U (the “**Series U Preferred Shares**”) to be 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 U Preferred Shares except in limited circumstances.

Lifeco will have the option to redeem the Notes, in whole or in part, every five years during the period from November 30 to and including December 31, commencing on November 30, 2026, at a redemption price equal to par, together with accrued and unpaid interest up to, but excluding, the date fixed for redemption.

The net proceeds of the offering will be used to partially fund the previously announced acquisition of Prudential Financial, Inc.’s full-service retirement business by Lifeco’s subsidiary, Empower Retirement (the “**Acquisition**”). Prior to the closing of the Acquisition, Lifeco intends to invest and hold the net proceeds of the offering in short-term investment grade securities.

Lifeco will be required to redeem the Notes in full at a redemption price equal to par, together with accrued and unpaid interest up to but excluding the date fixed for redemption if either (i) the closing of the Acquisition has not occurred on or prior to May 3, 2022 (or such later date as extended pursuant to the acquisition agreement relating to the Acquisition) (the “**Outside Date**”) or (ii) such acquisition agreement is terminated at any time prior to the Outside Date in accordance with its terms without closing of the Acquisition.

The Notes are being offered on a best efforts basis by a syndicate of agents led by RBC Capital Markets and Scotiabank.

The offering is expected to close on or about August 16, 2021 and is subject to customary closing conditions.

The Notes and the Series U Preferred Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Notes or Series U Preferred Shares in any State in which such offer, solicitation or sale would be unlawful.

### **About Great-West Lifeco Inc.**

Great-West Lifeco Inc. is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. We operate in Canada, the United States and Europe under the brands Canada Life, Empower Retirement, Putnam Investments, and Irish Life. At the end of 2020, our companies had approximately 24,500 employees, 205,000 advisor relationships, and thousands of distribution partners – all serving our more than 30 million customer relationships across these regions. Lifeco and its companies have approximately \$2.2 trillion in consolidated assets under administration as of June 30, 2021 and are members of the Power Corporation group of companies. Lifeco trades on the Toronto (TSX) Stock Exchange under the ticker symbol GWO. To learn more, visit [www.greatwestlifeco.com](http://www.greatwestlifeco.com).

### ***Not for distribution to U.S. news wire services or dissemination in the United States.***

#### **Cautionary note regarding Forward-Looking Information**

This release may contain forward-looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “will”, “may”, “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “objective”, “target”, “potential” and other similar expressions or negative versions thereof. These statements include, without limitation, statements about the expected closing of the offering of the Notes, the issuance of the Notes and Series U Preferred Shares, and the intended use of proceeds from the offering of Notes.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about Lifeco, economic factors and the financial services industry generally, including the insurance, mutual fund and retirement solutions industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of Lifeco and there is no assurance that they will prove to be correct. Whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, the severity, magnitude and impact of the novel coronavirus (COVID-19) pandemic (including the effects of the COVID-19 pandemic, and the effects of governments' and other businesses' responses to the COVID-19 pandemic, on the economy and Lifeco's financial results, financial condition and operations), the duration of COVID-19 impacts and the availability and adoption of vaccines, the emergence of COVID-19 variants, assumptions around sales, fee rates, asset breakdowns, lapses, plan contributions, redemptions and market returns, the ability to integrate the acquisitions of Personal Capital Corporation (“**Personal Capital**”) and the retirement services business of Massachusetts Mutual Life Insurance Company (“**MassMutual**”) and Prudential Financial, Inc. (“**Prudential**”), the ability to leverage Empower Retirement's, Personal Capital's, MassMutual's and Prudential's retirement services businesses and achieve anticipated synergies, customer behaviour (including customer response to new products), Lifeco's reputation, market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy and plan lapse rates, participant net contribution, reinsurance arrangements, liquidity requirements, capital requirements, credit ratings, taxes, inflation, interest and foreign

exchange rates, investment values, hedging activities, global equity and capital markets (including continued access to equity and debt markets), industry sector and individual debt issuers' financial conditions (including developments and volatility arising from the COVID-19 pandemic, particularly in certain industries that may comprise part of Lifeco's investment portfolio), business competition, impairments of goodwill and other intangible assets, Lifeco's ability to execute strategic plans and changes to strategic plans, technological changes, breaches or failure of information systems and security (including cyber attacks), payments required under investment products, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, changes in actuarial standards, unexpected judicial or regulatory proceedings, catastrophic events, continuity and availability of personnel and third party service providers, Lifeco's ability to complete strategic transactions and integrate acquisitions, unplanned material changes to Lifeco's facilities, customer and employee relations or credit arrangements, levels of administrative and operational efficiencies, changes in trade organizations, and other general economic, political and market factors in North America and internationally. The reader is cautioned that the foregoing list of assumptions and factors is not exhaustive, and there may be other factors listed in other filings with securities regulators, including factors set out under "Risk Factors" in Lifeco's annual information form dated February 10, 2021, including documents incorporated by reference therein, and under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates" in Lifeco's management's discussion and analysis for the twelve months ended December 31, 2020, which, along with other filings, is available for review at [www.sedar.com](http://www.sedar.com). The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking information. Other than as specifically required by applicable law, Lifeco does not intend to update any forward-looking information whether as a result of new information, future events or otherwise.

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