



DEFINITY FINANCIAL CORPORATION COMPLETES INITIAL PUBLIC OFFERING AND CONCURRENT PRIVATE PLACEMENTS FOR GROSS PROCEEDS IN EXCESS OF \$2.3 BILLION

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WATERLOO, ON, November 23, 2021 – Definity Financial Corporation (“Definity”) announced today the closing of its initial public offering (the “Offering”) of 73,181,825 common shares (“Common Shares”), including 9,545,455 Common Shares issued pursuant to the exercise in full by the Underwriters (as defined below) of the over-allotment option granted by Definity (the “Over-Allotment Option”), at a price of \$22.00 per Common Share (the “Offering Price”), for aggregate gross proceeds of approximately \$1.6 billion.

Definity also announced the closing of its private placements of 20,691,179 Common Shares to Healthcare of Ontario Pension Plan (“HOOPP”) and 11,450,000 Common Shares to Swiss Re Investments Holding Company Ltd (“Swiss Re”), each at the Offering Price, for aggregate gross proceeds of approximately \$0.7 billion (together, the “Cornerstone Private Placements”). Pursuant to the subscription agreement entered into with HOOPP, HOOPP will purchase an additional 2,371,467 Common Shares at the Offering Price (the “HOOPP Over-Allotment” and, together with the Offering and the Cornerstone Private Placements, the “Transactions”). The HOOPP Over-Allotment is expected to close on November 24, 2021. Upon completion of the Transactions, HOOPP and Swiss Re will own 19.9% and approximately 9.9%, respectively, of the issued and outstanding Common Shares.

The Offering and Cornerstone Private Placements were made in connection with the conversion of Economical Mutual Insurance Company (“Economical Insurance”) from a mutual insurance company to a company with share capital pursuant to the Insurance Companies Act (Canada), a process known as “demutualization” (the “Demutualization”). The Demutualization was completed today, immediately prior to the closing of the Offering and, pursuant to the plan setting out the terms for the conversion of Economical Insurance (the “Conversion Plan”) and in connection with the completion of the Demutualization, Definity became the parent company of Economical Insurance.

Following completion of the HOOPP Over-Allotment, the aggregate gross proceeds from the Transactions will be approximately \$2.4 billion. The net proceeds of the Offering and the Cornerstone Private Placements of approximately \$2 billion will be used to fund the distribution of cash benefits of the Demutualization to eligible recipients, including \$100 million allocated to Definity Insurance Foundation. In accordance with the terms of the Conversion Plan, the net proceeds from the issuance of Common Shares to the Underwriters pursuant to the exercise of the Over-Allotment Option, and to HOOPP pursuant to the HOOPP Over-Allotment, will be retained by Definity for general corporate purposes.

The Common Shares trade on the Toronto Stock Exchange under the symbol “DFY”.

The Offering was made through a syndicate of underwriters led by BMO Capital Markets, RBC Capital Markets and Barclays, as global coordinators and joint bookrunners, Scotiabank and TD Securities Inc., as joint bookrunners, and CIBC Capital Markets, National Bank Financial Inc., UBS Securities Canada Inc., Desjardins Securities Inc., Raymond James Ltd., Canaccord Genuity Corp. and Cormark Securities Inc., as co-managers (collectively, the “Underwriters”). BMO Capital Markets and RBC Capital Markets also acted as private placement agents for the Cornerstone Private Placements.

The Offering was completed pursuant to Definity’s supplemented PREP prospectus dated November 17, 2021 (the “Prospectus”), which was filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the Prospectus is available under Definity’s profile on SEDAR at www.sedar.com.

No securities regulatory authority has approved or disapproved the contents of this news release. This news release does not constitute an offer to sell or solicitation of an offer to buy any of these securities in any jurisdiction in which the offering or sale is not permitted. The securities under the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (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, in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

About Definity

Definity is incorporated under the Insurance Companies Act (Canada), and is the parent company of Economical Insurance, Family Insurance Solutions Inc., Petline Insurance Company, and Sonnet Insurance Company.

Forward-Looking Statements

This news release may contain forward-looking information within the meaning of applicable securities laws, which reflects Definity's and Economical Insurance's current expectations regarding future events, including statements with regard to the use of proceeds by Definity and completion of the HOOPP Over-Allotment. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Definity's and Economical Insurance's control, respectively. Such risks and uncertainties include, but are not limited to, the factors discussed under "Risk Factors" in the Prospectus. Actual results could differ materially from those projected herein. Neither Definity nor Economical Insurance undertakes any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required under applicable securities laws.

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