



DEFINITY FINANCIAL CORPORATION PRICES \$2.1 BILLION INITIAL PUBLIC OFFERING AND CONCURRENT PRIVATE PLACEMENTS

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WATERLOO, ON, November 17, 2021 – Definity Financial Corporation (“Definity”) announced today that it has entered into an underwriting agreement for its initial public offering (the “Offering”) of 63,636,370 common shares (“Common Shares”) at a price of \$22 per Common Share (the “Offering Price”). Healthcare of Ontario Pension Plan (“HOOPP”) and Swiss Re Investments Holding Company Ltd (“Swiss Re”) have agreed to purchase 20,691,179 Common Shares and 11,450,000 Common Shares, respectively, on a private placement basis at the Offering Price (the “Cornerstone Private Placements”). The gross proceeds from the Offering and the Cornerstone Private Placements are expected to be approximately \$2.1 billion. The Offering and the Cornerstone Private Placements are expected to close on November 23, 2021, subject to the satisfaction of closing conditions.

The Offering is being 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”). Pursuant to the plan setting out the terms for the conversion of Economical Insurance (the “Conversion Plan”), Definity will be the parent company of Economical Insurance following the completion of the Demutualization. All of the net proceeds of the Offering and the Cornerstone Private Placements will be used to fund the distribution of cash benefits of the Demutualization to eligible recipients pursuant to the Conversion Plan, including \$100 million allocated to Definity Insurance Foundation, a new charitable foundation.

Definity has granted the Underwriters (as defined below) an option, exercisable in whole or in part at any time for a period of 30 days after the closing date of the Offering, to purchase up to an additional 9,545,455 Common Shares to cover over-allotments, if any (the “Over-Allotment Option”). HOOPP and Definity have also agreed that, in the event that any Common Shares are issued to the Underwriters pursuant to the exercise of the Over-Allotment Option, HOOPP will purchase such additional number of Common Shares that, when added to Common Shares purchased by HOOPP as part of the Cornerstone Private Placements, will be equal to 19.9% of the issued and outstanding Common Shares (on a non-diluted basis) after taking into account the issuance of Common Shares to the Underwriters pursuant to the exercise of the Over-Allotment Option and the issuance of such additional Common Shares to HOOPP (the “HOOPP Over-Allotment”). All of the net proceeds from the exercise of the Over-Allotment Option and the HOOPP Over-Allotment will be retained by Definity and used for general corporate purposes.

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the Common Shares, subject to Definity fulfilling certain listing requirements and conditions of the TSX. The Common Shares are expected to begin trading on the TSX on an “if, as and when issued” basis tomorrow under the symbol “DFY”.

The Offering is being 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 are also acting as private placement agents for the Cornerstone Private Placements.

The Offering is only made by prospectus. A supplemented PREP prospectus, which contains pricing information and other important detailed information relating to the Offering, will be filed with the securities regulatory authorities in each of the provinces and territories of Canada and will be available under Definity's profile on SEDAR at www.sedar.com. Investors should read the supplemented PREP prospectus before making an investment decision.

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, a newly created entity incorporated under the Insurance Companies Act (Canada), will, following the completion of the Demutualization, be 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 closing of the Offering and the Cornerstone Private Placements, the filing of the supplemented PREP prospectus, and the listing of the Common Shares on the TSX. 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, failure to complete the Demutualization and the Offering and the factors discussed under "Risk Factors" in the (final) base PREP 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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