



## DEFINITY FINANCIAL CORPORATION FILES PRELIMINARY PROSPECTUS FOR INITIAL PUBLIC OFFERING

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

**WATERLOO, ON, August 27, 2021** – Definity Financial Corporation (“Definity”) and Economical Mutual Insurance Company (“Economical Insurance”) announced today that Definity has filed with the securities regulatory authorities in each of the provinces and territories in Canada, and obtained a receipt for, a preliminary base PREP prospectus (the “Preliminary Prospectus”) for a proposed initial public offering (the “Offering”) of common shares of Definity (the “Common Shares”). The number and price of the Common Shares to be sold have not yet been determined.

The Offering is being made in connection with the conversion of Economical Insurance from a mutual insurance company to a company with share capital pursuant to the *Insurance Companies Act* (Canada) and regulations thereunder, a process known as “demutualization” (the “Demutualization”). Definity, a newly created entity incorporated under the *Insurance Companies Act* (Canada), will be the parent company of Economical Insurance following the completion of the Demutualization.

BMO Capital Markets, RBC Capital Markets and Barclays are acting as global coordinators and joint bookrunners, and Scotia Capital and TD Securities Inc. are acting as joint bookrunners, for the Offering (collectively, the “Underwriters”).

The Preliminary Prospectus contains important information relating to the Offering and has not yet become final for purposes of a distribution of securities to the public. No securities regulatory authority has either approved or disapproved the contents of this news release. This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale or any acceptance of an offer to buy these securities in any province or territory of Canada prior to the time that a receipt for the final prospectus or other authorization is obtained from the securities regulatory authorities in each of the provinces and territories. The Preliminary Prospectus will be available under Definity’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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. 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.

### **About Economical Insurance**

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Economical Insurance is a property and casualty insurer in Canada which, together with its subsidiaries, has more than one million policies in force across the country. Economical Insurance and its subsidiaries offer both personal and commercial insurance products and distribute products on a primarily intermediated basis, through brokers, as well as directly to customers.

### **About Definity**

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Definity, a newly created entity incorporated under the *Insurance Companies Act* (Canada), will be the parent company of Economical Insurance, Family Insurance Solutions Inc., Petline Insurance Company, and Sonnet Insurance Company, following the completion of the demutualization of Economical Insurance.

## **Forward-Looking Statements**

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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. 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 Preliminary 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.

## **Contact**

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### **For policyholder inquiries relating to demutualization please contact:**

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