NEWS RELEASE

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DEFINITY RELEASES ESTIMATE OF FINANCIAL IMPACT FROM CATASTROPHE LOSSES

WATERLOO, ON, **September 5, 2023** – Definity Financial Corporation (TSX: DFY) today released its estimate of the financial impact to Definity arising from catastrophe losses in July and August 2023. Although the British Columbia wildfires were the single largest contributor, at least ten events reached Definity's catastrophe loss threshold in those two months.[1] Other notable events included severe wind and rainstorms leading to flooding in Ontario, Quebec, and Nova Scotia, and tornados in Ontario and Quebec. Our personal property business experienced the vast majority of the losses.

"Severe storms and wildfires continue to impact communities across the country. Our claims team is working tirelessly to provide support for our customers and affected communities so they can recover as quickly as possible," said Rowan Saunders, Definity's President and Chief Executive Officer. "The ongoing elevated level of severe weather events underscores the importance of building a resilient organization capable of delivering on our purpose to help our clients and communities adapt and thrive."

Definity estimates a negative impact on operating income for July and August 2023 of approximately $120 million net of reinsurance recoveries and inclusive of reinstatement premiums, or approximately $0.76 per common share, net of taxes.

This assessment is based on information received to date from customers, as well as analysis of exposures. Given that the Q3 2023 catastrophe losses will be materially above our original expectation, we expect to provide an update for the full quarter during the first half of October.

About Definity Financial Corporation

Definity Financial Corporation ("Definity", which includes its subsidiaries where the context so requires) is one of the leading property and casualty insurers in Canada, with over $3.8 billion in gross written premiums for the 12 months ended June 30, 2023 and approximately $2.7 billion in equity attributable to common shareholders as at June 30, 2023.

Forward-Looking Statements

This news release contains forward-looking information within the meaning of applicable securities laws, including, without limitation, statements related to estimated catastrophe losses, including on a per common share basis. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely", "potential" or the negative or other variations of these words or other similar or comparable words or phrases, are intended to identify forward-looking statements. This information reflects Definity's current expectations regarding future events, the terms and operation of Definity's reinsurance arrangements, and the anticipated effect of applicable current and future federal and provincial tax legislation. 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 control, including the fact that the referenced wildfires are still active. Such risks and uncertainties are included in the "Cautionary Note Regarding Forward-looking Information" section of the Company's Q2-2023 Management's Discussion and Analysis dated August 3, 2023 and the "Risk Management and Corporate Governance" section of Definity's Management's Discussion and Analysis for the year ended December 31, 2022, each of which is available on our web site at www.definityfinancial.com or on SEDAR+ at www.sedarplus.ca. Due to these risks and uncertainties, actual results could differ materially from those projected herein. Unless otherwise indicated, all forward-looking statements in this press release are made as of September 5, 2023 and are subject to change after that date. Definity does not undertake 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.

Non-GAAP Measures

This news release contains a measure of the negative impact on net income, net of taxes and reinsurance, that does not have any standardized meaning prescribed by generally accepted accounting principles ("GAAP"). This non-GAAP measure may be used by management and financial analysts to assess our performance, but may not be comparable to any similar measures presented by other companies. Accordingly, this measure should not be considered in isolation or as a substitute for analysis of our financial information reported under GAAP.

[1]We consider losses to be catastrophe losses if they are the result of either i) an event causing gross losses in excess of $2 million, and generally greater than 100 claims, or ii) a single claim with a gross loss in excess of $3 million.

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