

DEFINITY RELEASES ESTIMATE OF FINANCIAL IMPACT FROM CATASTROPHE LOSSES

WATERLOO, ON, August 26, 2024 – [Definity Financial Corporation](#) (TSX: DFY) today released its estimate of the financial impact to Definity arising from catastrophe losses in July and August 2024.¹ Notable events in July included the Jasper wildfire and severe rainstorms that led to flooding in Ontario, while August experienced flooding in Quebec, a significant hailstorm in Alberta and, most recently, significant rainstorms in Ontario.

"This summer's severe weather and wildfire activity have been devastating to several communities across Canada, demonstrating just how extensively our customers continue to be impacted by the effects of climate change," said Rowan Saunders, Definity's President and Chief Executive Officer. "In these times, the immediate work of our catastrophe response teams to help our customers recover truly underscores our purpose at Definity – to help our clients and communities adapt and thrive."

Definity estimates a negative impact on operating income of approximately \$150 million net of reinsurance recoveries, or approximately \$0.97 per common share, net of taxes and reinsurance. Reinsurance recoveries include the full utilization of the \$25 million available under the company's catastrophe aggregate treaty.

This assessment is based on information received to date from customers, as well as analysis of exposures. The summer catastrophe season has been active and additional events may occur. Given that the Q3 2024 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 approximately \$4.3 billion in gross written premiums for the 12 months ended June 30, 2024 and over \$3.0 billion in equity attributable to common shareholders as at June 30, 2024.

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 the events noted above, 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 Q2-2024 Management's Discussion and Analysis dated August 1, 2024 and the "Risk Management and Corporate Governance" section of Definity's Management's Discussion and Analysis for the year ended December 31, 2023, 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 August 26, 2024 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.

¹We 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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