

## DEFINITY FINANCIAL CORPORATION ANNOUNCES \$1 BILLION PRIVATE PLACEMENT OF NOTES

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**WATERLOO, ON, September 11, 2025** – [Definity Financial Corporation](#) (TSX: DFY) (“Definity”) announced today that it intends to issue \$1 billion aggregate principal amount of senior unsecured notes in two series by way of private placement to accredited investors in Canada (the “Private Placement”).

The Private Placement includes (i) \$650 million aggregate principal amount of 3.709% Series 1 senior unsecured notes due September 12, 2030 (the “2030 Notes”) and (ii) \$350 million aggregate principal amount of 4.393% Series 2 senior unsecured notes due September 12, 2035 (the “2035 Notes”) and, together with the 2030 Notes, the “Notes”). The Notes will be direct senior unsecured obligations of Definity and will rank equally and rateably with all other present and future unsecured obligations of Definity.

The 2030 Notes may be redeemed at any time prior to August 12, 2030 and the 2035 Notes may be redeemed at any time prior to June 12, 2035 (as applicable for each series of Notes, the “Par Call Date”), in each case, at the option of Definity, in whole or in part, upon prior notice at a redemption price equal to the greater of (a) the Canada Yield Price or (b) 100% of the principal amount thereof, in either case together with accrued and unpaid interest. The Notes may be redeemed at any time on or after the Par Call Date at the option of Definity, in whole or in part, on prior notice at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest to but excluding, the date fixed for redemption.

The net proceeds are intended to be used by Definity to fund a portion of the purchase price of the previously announced acquisition of the Canadian operations of The Travelers Companies, Inc. (“Travelers”) (other than select business lines retained by Travelers, including its Canadian surety business) for cash consideration of approximately \$3.3 billion (the “Transaction”) pursuant to a purchase agreement between Definity and affiliates of Travelers (the “Purchase Agreement”). If the Transaction is not completed by the Outside Date (as defined in the Purchase Agreement), or the Purchase Agreement is terminated without closing of the Transaction, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price of the Notes will be equal to 101% of the of the principal amount of such series of Notes, plus accrued and unpaid interest, if any, to, but excluding, the date of the special mandatory redemption.

The Private Placement is being conducted on a best efforts agency basis by a syndicate co-led by RBC Capital Markets and TD Securities. The Private Placement is subject to certain customary conditions and is expected to close on September 12, 2025.

The securities to be offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or under any state securities laws in the United States, and may not be offered, sold, directly or indirectly, or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. This release does not constitute an offer to sell or a solicitation to buy securities in the United States or in any other jurisdiction where such offer is or may be unlawful.

### **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 \$4.6 billion in gross written premiums for the 12 months

ended June 30, 2025 and approximately \$3.8 billion in equity attributable to common shareholders as at June 30, 2025.

## Cautionary Note Regarding Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable securities laws in Canada. Specifically, forward-looking information in this news release includes, among other things, statements in respect of: the Transaction; the Private Placement, including the closing of the Private Placement, the expected maturity date of the Notes and the expected use of the net proceeds of the Private Placement. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “aims”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “optimize”, “strengthening”, “leadership”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “can”, “may”, “could”, “delivers”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts, but instead represent management’s expectations, estimates and projections regarding possible future events or circumstances.

Forward-looking information in this news release is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. In addition to other estimates and assumptions which may be identified herein, estimates and assumptions have been made regarding, among other things: the anticipated closing of the Private Placement, the expected maturity date of the Notes, the expected use of the net proceeds of the Private Placement and that the applicable economic and political environments and current industry conditions will generally continue. However, the completion of the Private Placement is subject to customary closing conditions, termination rights and other risks and uncertainties, and there can be no assurance that the Private Placement will be completed within anticipated timeframes or at all. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as at the date such statements are made, and are subject to many factors that could cause our actual results, performance or achievements, or other future events or developments, to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors:

- Definity’s ability to continue to offer competitive pricing or product features or services that are attractive to customers;
- Definity’s ability to appropriately price its insurance products to produce an acceptable return, particularly in provinces where the regulatory environment requires auto insurance rate increases to be approved or that otherwise impose regulatory constraints on auto insurance rates;
- Definity’s ability to accurately assess the risks associated with the insurance policies that it writes;
- Definity’s ability to assess and pay claims in accordance with its insurance policies;
- Definity’s ability to obtain adequate reinsurance coverage to manage risk;
- Definity’s ability to accurately predict future claims frequency or severity, including the frequency and severity of weather-related events and the impact of climate change;
- Definity’s ability to address inflationary cost pressures through pricing, supply chain, or cost management actions;
- the occurrence of unpredictable catastrophe events;
- litigation and regulatory actions, including potential claims in relation to demutualization and our IPO and unclaimed demutualization benefits and the tax treatment of related amounts transferred to the Company, and COVID-19-related class-action lawsuits that have arisen and which may arise, together with associated legal costs;

- Definity's ability to successfully identify, complete, integrate and realize the benefits of acquisitions or manage the associated risks;
- the uncertainty of obtaining in a timely manner, or at all, the regulatory approvals required to complete the Transaction;
- the Company's ability to improve its combined ratio, retain and attract new business, retain key employees, achieve synergies, and maintain market position during and after the integration of the Transaction;
- the Company's ability to complete the integration of the Transaction within anticipated time periods and at the expected cost;
- estimates and expectations in relation to future economic and business conditions and other factors in relation to the Transaction and any resulting impacts on growth and accretion in various financial metrics, including the pricing and terms of related financing including the Private Placement;
- unfavourable capital market developments, interest rate movements, changes to dividend policies or other factors which may affect our investments or the market price of our common shares;
- changes associated with the transition to a low-carbon economy, including reputational and business implications from stakeholders' views of our climate change approach or of our environmental or climate change-related representations (i.e. "greenwashing"), those of our industry, or those of our customers;
- Definity's ability to successfully manage credit risk from its counterparties;
- foreign currency fluctuations;
- Definity's ability to meet payment obligations as they become due;
- Definity's ability to maintain its financial strength rating or credit rating;
- Definity's dependence on key people;
- Definity's ability to attract, develop, motivate, and retain an appropriate number of employees with the necessary skills, capabilities, and knowledge;
- Definity's ability to appropriately collect, store, transfer, and dispose of information;
- Definity's reliance on information technology systems, software, internet, network, data centre, voice or data communications services and the potential disruption or failure of those systems or services, including disruption as a result of cyber security risk or of a third-party service provider;
- failure of key service providers or vendors to provide services or supplies as expected, or comply with contractual or business terms;
- Definity's ability to obtain, maintain and protect its intellectual property rights and proprietary information or prevent third parties from making unauthorized use of our technology;
- Definity's ability to effectively govern the use of models, artificial intelligence, and generative AI technology;
- compliance with and changes in legislation or its interpretation or application, or supervisory expectations or requirements, including changes in the scope of regulatory oversight, effective income tax rates, risk-based capital guidelines, accounting standards, and generally accepted actuarial techniques;
- changes in domestic or foreign government policies, such as cross-border tariffs or trade policies, may negatively impact the Canadian economy and the P&C insurance industry and/or exacerbate other risks to Definity;
- failure to design, implement and maintain effective controls over financial reporting and disclosure which could have a material adverse effect on our business;
- deceptive or illegal acts undertaken by an employee or a third party, including fraud in the course of underwriting insurance or administering insurance claims;
- Definity's ability to respond to events impacting its ability to conduct business as normal;
- Definity's ability to implement its strategy or operate its business as management currently expects;
- general business, economic, financial, political, and social conditions, particularly those in Canada;
- the emergence or continuation of widespread health emergencies or pandemics, and their impact on local, national, or international economies, as well as their heightening of certain risks that may affect our business or future results;
- the competitive market environment and cyclical nature of the P&C insurance industry;
- the introduction of advanced technologies, disruptive innovation or alternative business models by current market participants or new market entrants;

- distribution channel risk, including Definity's reliance on brokers to sell its products;
- Definity's dividend payments being subject to the discretion of the Board and dependent on a variety of factors and conditions existing from time to time;
- Definity's dependence on the results of operations of its subsidiaries and the ability of the subsidiaries to pay dividends;
- Definity's ability to manage and access capital and liquidity effectively;
- management's estimates and judgments in respect of IFRS 17 and its impact on various financial metrics;
- periodic negative publicity regarding the insurance industry, Definity, Definity Insurance Foundation, or the Canadian operations of Travelers; and
- management's estimates and expectations in relation to interests in the broker distribution channel and the resulting impact on growth, income, and accretion in various financial metrics.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in Section 11 – "Risk Management and Corporate Governance" of our MD&A for the year ended December 31, 2024 should be considered carefully by readers.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, the factors above are not intended to represent a complete list and there may be other factors not currently known to us or that we currently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as at the date made. The forward-looking information contained in this news release represents our expectations as at the date of this news release (or as at the date they are otherwise stated to be made) and is subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.

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