

## DEFINITY FINANCIAL CORPORATION COMPLETES \$385 MILLION PRIVATE PLACEMENTS OF COMMON SHARES

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**WATERLOO, ON, June 11, 2025** — [Definity Financial Corporation](#) (“Definity” or the “Company”) (TSX: DFY) announced today that it has completed its previously announced private placement of common shares with a syndicate of underwriters led by RBC Capital Markets as Sole Bookrunner (collectively the “Underwriters”), pursuant to which Definity has issued 4,631,000 common shares of the Company (“Common Shares”) at an offering price of \$66.65 per Common Share (the “Offering Price”) for gross proceeds of approximately \$309 million (the “Offering”). The Common Shares were offered by way of private placement to accredited investors and other exempt purchasers. The Common Shares are subject to a four-month hold period under applicable securities laws in Canada.

As previously announced, in connection with the exercise by Healthcare of Ontario Pension Plan Trust Fund (“HOOPP”) of its pre-emptive right under the Governance Agreement dated November 23, 2021 between Definity and HOOPP, HOOPP has purchased, on a private placement basis, 1,151,256 Common Shares at a price of \$66.65 per Common Share, for aggregate gross proceeds of \$76,731,212 (the “HOOPP Private Placement”). The net proceeds from the Offering and HOOPP Private Placement 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 Travelers (other than Travelers’ Canadian surety business) for cash consideration of approximately \$3.3 billion (the “Transaction”). The Transaction is not subject to any financing condition or contingency. In the event that the Transaction does not ultimately close, the net proceeds from the Offering are intended to be used by Definity for general corporate purposes.

The Common Shares 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 Common Shares 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” or the “Company”, which include its subsidiaries where the context so requires) is one of the leading property and casualty insurers in Canada, with over \$4.5 billion in gross written premiums for the 12 months ended March 31, 2025 and approximately \$3.4 billion in equity attributable to common shareholders as at March 31, 2025.

### Cautionary Note Regarding Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future business, financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, plans and objectives. 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. Specifically, forward-looking information in this news release includes, among other things, statements in respect of: the Transaction; the terms of the Transaction, including the anticipated purchase price; expectations regarding Transaction financing; and the intended use of the net proceeds of the Offering and the HOOPP Private Placement. 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: that the Transaction will be effected as currently proposed; that sources of funding of the Transaction will be available in a timely manner on terms acceptable to Definity; that all requisite approvals will be obtained in a timely manner in form and substance acceptable to Definity; that the Transaction will otherwise proceed on the currently anticipated timing; that the expected benefits of the Transaction will be realized; and that the applicable economic and political environments and current industry conditions will generally continue. 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;
- unfavourable capital market developments, interest rate movements, changes to dividend policies or other factors which may affect our investments or the market price of the 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"), that of our industry, or that 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 and 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 its board of directors and dependent on a variety of factors and conditions existing from time to time;
- the discontinuance, modification, or failure to renew or complete Definity's normal course issuer bid;
- 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;
- Definity's ability to successfully identify, complete, integrate and realize the benefits of acquisitions or manage the associated risks, including with respect to the Transaction;
- 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, or Definity Insurance Foundation; 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.

To the extent any forward-looking information in this presentation constitutes a “financial outlook” within the meaning of applicable securities laws, such information is being provided to assist investors in understanding the potential financial impact of the Transaction. Such information may not be appropriate for other purposes.

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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