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Q1-2025 QUARTERLY REPORT

May 9, 2025



ADVISORY REGARDING FORWARD-LOOKING INFORMATION

- This presentation contains forward-looking information.
- Forward-looking information is information regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action, and it includes information regarding our expectations, intentions, projections or other characterizations of future results, performance, events or circumstances.
- Actual results may vary materially from those anticipated in the forward-looking information.
- Forward-looking information is based on our opinions, estimates and assumptions.
- Our opinions, estimates and assumptions are subject to factors that could cause our actual results or other future events to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors set out in FURTHER ADVISORY REGARDING FORWARD-LOOKING INFORMATION included later in this presentation.
- There can be no assurance that our opinions, estimates and assumptions will prove to be correct.
- Forward-looking information in this presentation represents our expectations as at the date of this presentation (or as at the date it is otherwise stated to be made) and is subject to change after that date.
- We disclaim any intention, 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.
- Forward-looking information contained in this presentation is expressly qualified by this advisory.

SUPPLEMENTARY FINANCIAL MEASURES AND NON-GAAP FINANCIAL MEASURES AND RATIOS

The Company's unaudited condensed interim consolidated financial statements and accompanying notes as at and for the quarter ended March 31, 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP").

We measure and evaluate performance of our business using a number of financial measures. Among these measures are the "supplementary financial measures", "non-GAAP financial measures", and "non-GAAP ratios" (as such terms are defined under Canadian Securities Administrators' National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure) included in this presentation, and in each case are not standardized financial measures under GAAP. The supplementary financial measures, non-GAAP financial measures, and non-GAAP ratios in this presentation may not be comparable to similar measures presented by other companies. These measures should not be considered in isolation or as a substitute for analysis of our financial information reported under GAAP.

The information presented in this presentation includes the following supplementary financial measures, non-GAAP financial measures, and non-GAAP ratios:

Supplementary Financial Measures: Book value per share, catastrophe losses, financial capacity, gross written premiums, leverage capacity, and underwriting loss from exited lines.

Non-GAAP Financial Measures: Core accident year claims and adjustment expenses, distribution income, net claims and adjustment expenses, net commissions, net operating expenses, net premium taxes, net underwriting expenses, net underwriting revenue, non-operating gains (losses), operating income, operating net income, prior year claims development, and underwriting income.

Non-GAAP Ratios: Claims ratio, combined ratio, expense ratio, return on equity ("ROE"), operating return on equity ("operating ROE"), operating earnings per common share ("operating EPS"), and certain other ratios.



ROWAN SAUNDERS

President & Chief Executive Officer

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Q1-2025 FINANCIAL HIGHLIGHTS

Operating EPS⁽¹⁾

\$0.65

Gross Written Premiums⁽¹⁾

\$1.03B

9.6% y/y
(adjusted for exited lines)

Combined Ratio⁽¹⁾

94.5%

Book Value per Share⁽¹⁾

\$29.52

16.2% y/y

Financial Capacity^(1,2)

~\$1.8B

Operating ROE (TTM)⁽¹⁾

10.3%

¹ This is a supplementary financial measure, non-GAAP financial measure, or a non-GAAP ratio. Refer to Supplementary Financial Measures and Non-GAAP Financial Measures and Ratios advisory and Section 11 – *Supplementary financial measures and non-GAAP financial measures and ratios* in the Q1-2025 MD&A for further details.

² See "Q1-2025 Capital Management" slides for more information on financial capacity.

12-MONTH INDUSTRY OUTLOOK



Personal Auto

We expect conditions in auto lines to remain firm as insurers aim to keep pace with the combined impact of inflationary cost pressures, ongoing regulatory constraints in Alberta, and uncertainty related to the extent and impact of potential U.S. tariffs and retaliatory actions.



Personal Property

We expect market conditions in personal property to remain firm over the next 12 months, particularly given last year's record of approximately \$9 billion in industry catastrophe losses, the move to higher reinsurance attachment points, and the potential for continuing elevated inflation.



Commercial Insurance

We expect overall commercial lines market conditions to remain attractive as carriers focus on ensuring long-term profitability and sustainable availability of capacity; we are seeing that some commercial segments have become more competitive.

KEY FINANCIAL METRICS



GWP⁽¹⁾ Growth
Q1-2025 y/y

9.6%

(Adjusted for exited lines)

TARGET⁽²⁾

Grow GWP at a rate of upper single digit to 10%



Combined Ratio⁽¹⁾
Q1-2025

94.5%

TARGET⁽²⁾

Achieve a sub-95% full year combined ratio



Operating ROE⁽¹⁾
Q1-2025 TTM

10.3%

TARGET⁽²⁾

Generate a full year operating ROE in the range of 10% to below teens

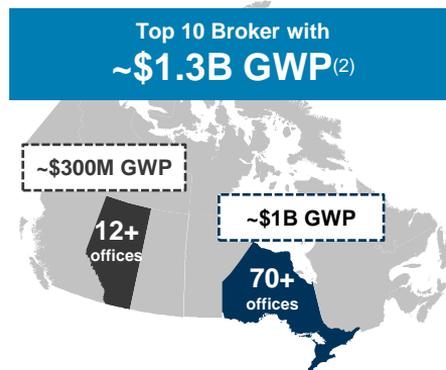
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² Current full-year financial targets for 2025, as of May 9, 2025.

OUR LEADING BROKER PLATFORM

Our national broker platform provides ongoing opportunities to scale and grow the earnings profile of the business

Year	Activity	Acquired GWP ^(1,2)
2022	1 acquisition	~\$500M
2023	6 acquisitions	~\$400M
2024	9 acquisitions	~\$200M
2025 YTD ⁽¹⁾	4 acquisitions	~\$150M



Year-End
2026 Target

\$1.5B+
GWP⁽¹⁾

- Platform is now the 10th largest P&C insurance broker in Canada
- Scale positions in two priority provinces (Ontario and Alberta) with deep management team and proven M&A expertise
- Well positioned to source additional opportunities



Full Year Guidance (unchanged):

Portfolio of broker investments is expected to generate an operating income⁽¹⁾ before finance costs, taxes and minority interests, **~15% higher** than the \$76 million in 2024

¹ Year to date May 8, 2025; includes 3 closed deals and 1 committed deal (expected to close in June 2025)
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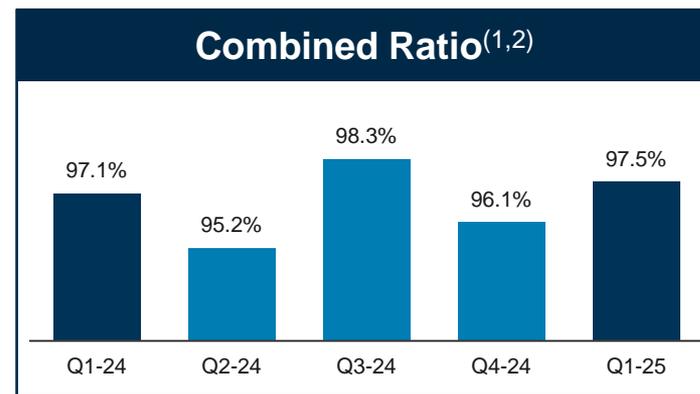
PHILIP MATHER

Executive Vice-President &
Chief Financial Officer

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Q1-2025 PERSONAL AUTO

(\$ in millions, except as otherwise noted)	Q1-25	Q1-24	Δ
Gross Written Premiums⁽¹⁾ <i>Adjusted for exit of Sonnet Alberta Auto</i>	\$438.8	\$413.5	6.1% 10.2%
Net Underwriting Revenue⁽¹⁾	\$428.2	\$385.7	11.0%
Underwriting Income^(1,2)	\$10.6	\$10.9	(\$0.3)
Core AY Claims Ratio⁽¹⁾	71.8%	71.5%	0.3 pts
CAT Losses⁽¹⁾	0.7%	0.1%	0.6 pts
Prior Year Favourable Claims Development⁽¹⁾	(0.8%)	(0.8%)	- pts
Claims Ratio^(1,2)	71.7%	70.8%	0.9 pts
Expense Ratio⁽¹⁾	25.8%	26.3%	(0.5) pts
Combined Ratio^(1,2)	97.5%	97.1%	0.4 pts

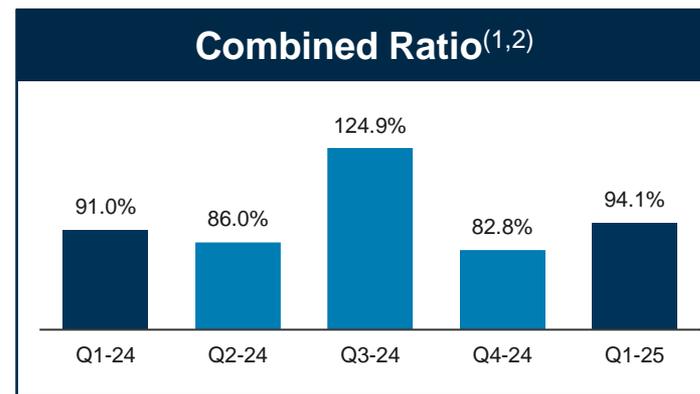
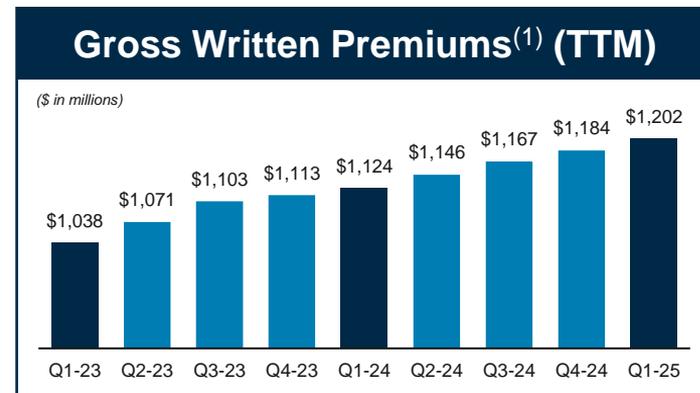


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² The claims ratio, combined ratio, and underwriting income exclude the impact of discounting.

Q1-2025 PERSONAL PROPERTY

(\$ in millions, except as otherwise noted)	Q1-25	Q1-24	Δ
Gross Written Premiums⁽¹⁾	\$255.0	\$236.5	7.8%
Net Underwriting Revenue⁽¹⁾	\$283.2	\$260.7	8.6%
Underwriting Income^(1,2)	\$16.8	\$23.5	(\$6.7)
Core AY Claims Ratio⁽¹⁾	52.0%	51.3%	0.7 pts
CAT Losses⁽¹⁾	11.8%	5.9%	5.9 pts
Prior Year Favourable Claims Development⁽¹⁾	(3.9%)	(2.0%)	(1.9) pts
Claims Ratio^(1,2)	59.9%	55.2%	4.7 pts
Expense Ratio⁽¹⁾	34.2%	35.8%	(1.6) pts
Combined Ratio^(1,2)	94.1%	91.0%	3.1 pts

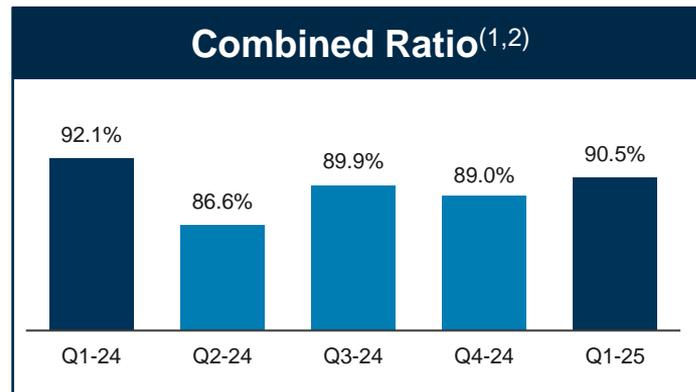


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Q1-2025 COMMERCIAL INSURANCE

(\$ in millions, except as otherwise noted)	Q1-25	Q1-24	Δ
Gross Written Premiums⁽¹⁾	\$336.3	\$305.6	10.0%
Net Underwriting Revenue⁽¹⁾	\$290.4	\$258.9	12.2%
Underwriting Income^(1,2)	\$27.6	\$20.4	\$7.2
Core AY Claims Ratio⁽¹⁾	54.7%	52.0%	2.7 pts
CAT Losses⁽¹⁾	4.8%	6.8%	(2.0) pts
Prior Year Favourable Claims Development⁽¹⁾	(2.1%)	(1.1%)	(1.0) pts
Claims Ratio^(1,2)	57.4%	57.7%	(0.3) pts
Expense Ratio⁽¹⁾	33.1%	34.4%	(1.3) pts
Combined Ratio^(1,2)	90.5%	92.1%	(1.6) pts

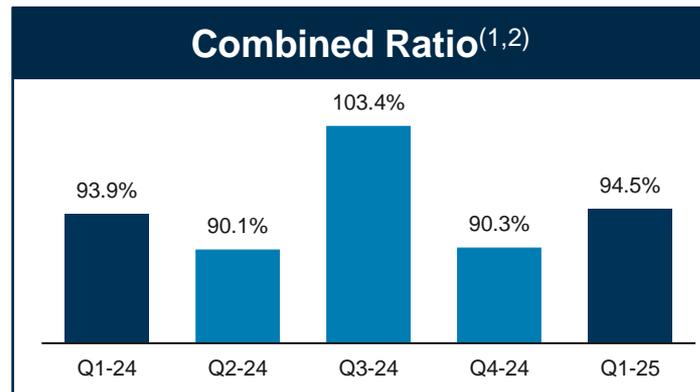


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² The claims ratio, combined ratio, and underwriting income exclude the impact of discounting.

Q1-2025 CONSOLIDATED PERFORMANCE

(\$ in millions, except as otherwise noted)	Q1-25	Q1-24	Δ
Gross Written Premiums⁽¹⁾ <i>Adjusted for exit of Sonnet Alberta Auto</i>	\$1,030.1	\$955.6	7.8% 9.6%
Net Underwriting Revenue⁽¹⁾	\$1,001.8	\$905.3	10.7%
Underwriting Income^(1,2)	\$55.0	\$54.8	\$0.2
Core AY Claims Ratio⁽¹⁾	61.3%	60.2%	1.1 pts
CAT Losses⁽¹⁾	5.0%	3.7%	1.3 pts
Prior Year Favourable Claims Development⁽¹⁾	(2.1%)	(1.3%)	(0.8) pts
Claims Ratio^(1,2)	64.2%	62.6%	1.6 pts
Expense Ratio⁽¹⁾	30.3%	31.3%	(1.0) pts
Combined Ratio^(1,2)	94.5%	93.9%	0.6 pts

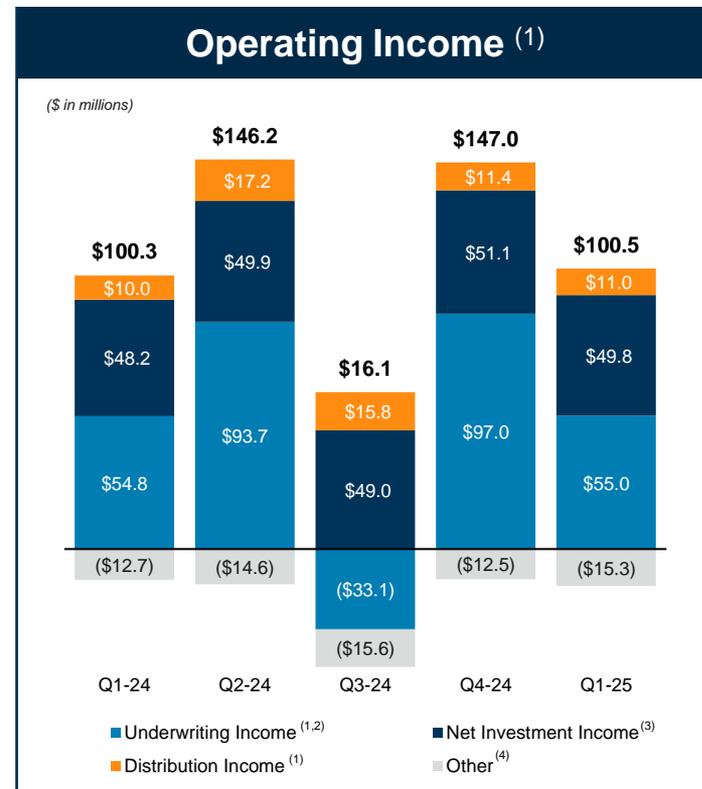


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² The claims ratio, combined ratio, and underwriting income exclude the impact of discounting.

Q1-2025 CONSOLIDATED PROFITABILITY

(\$ in millions, except as otherwise noted)	Q1-25	Q1-24	Δ
Underwriting Income ^(1,2)	\$55.0	\$54.8	\$0.2
Net Investment Income ⁽³⁾	\$49.8	\$48.2	\$1.6
Distribution Income ⁽¹⁾	\$11.0	\$10.0	\$1.0
Other ⁽⁴⁾	(\$15.3)	(\$12.7)	(\$2.6)
Operating Income ⁽¹⁾	\$100.5	\$100.3	\$0.2
Operating Net Income ⁽¹⁾	\$75.9	\$76.1	(\$0.2)
Operating EPS (in dollars) ⁽¹⁾	\$0.65	\$0.65	-
Operating ROE (TTM) ⁽¹⁾	10.3%	9.5%	80 bps



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² Underwriting income excludes the impact of discounting.

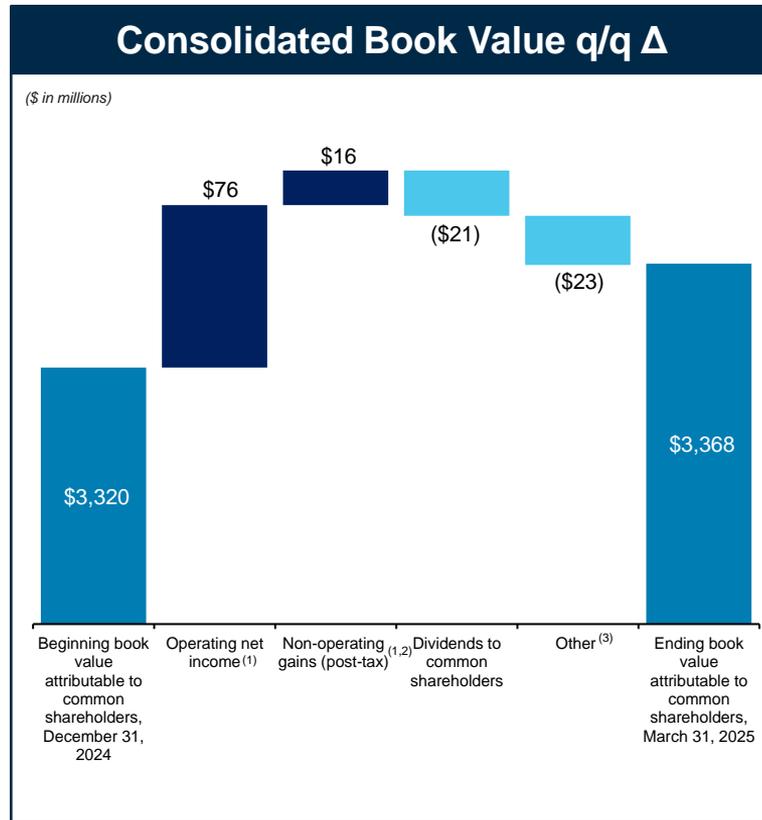
³ Net investment income is dividend & interest income less investment expenses.

⁴ Includes corporate expenses, interest expense, non-controlling interests, and other.

Q1-2025 BALANCE SHEET STRENGTH

(\$ in millions, except as otherwise noted)	Mar 31-24	Dec 31-24	Mar 31-25
Total assets	\$7,213	\$7,693	\$7,780
Investments	\$4,784	\$5,271	\$5,448
Total liabilities	\$4,125	\$4,187	\$4,197
Insurance contract liabilities	\$3,376	\$3,603	\$3,585
Equity attributable to common s/h	\$2,927	\$3,320	\$3,368
Book value per share⁽¹⁾	\$25.40	\$29.13	\$29.52

(\$ in millions, except as otherwise noted)	Mar 31-24	Mar 31-25
Excess Capital at:		
Definity Insurance Company and ICA subs.	\$117	\$184
Definity Financial Corporation and non-ICA subs.	\$282	\$528
Total Excess Capital	\$399	\$712
Leverage Capacity⁽¹⁾	\$915	\$1,080
Financial Capacity⁽¹⁾	\$1,314	\$1,792



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² Non-operating gains pre-tax of \$21.8 million, less income tax expense of \$5.7 million.

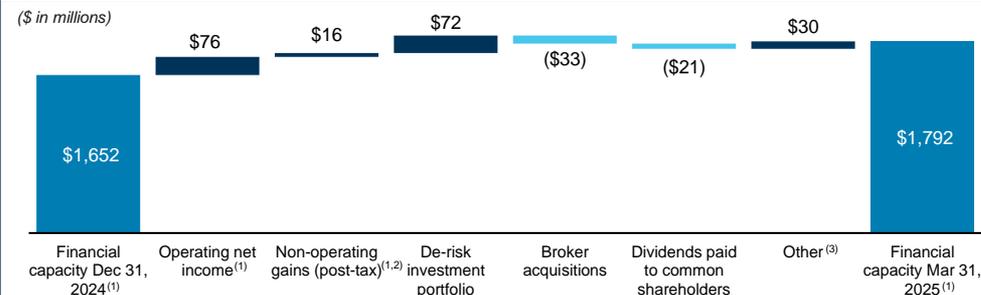
³ Other represents other comprehensive (loss) income, return of restricted cash, and changes in share capital and contributed surplus.

Q1-2025 CAPITAL MANAGEMENT

Capital Management Actions

- As of May 8, we have committed to four broker transactions totaling ~\$130M in 2025, of which three have already closed
- Proactive measures were taken during the quarter to de-risk our investment portfolio, by reducing our holdings of common stocks, as a result of increased macroeconomic risks
- Regulatory capital ratios remain in a strong position, well above minimum targets even with recent capital markets volatility

Financial Capacity q/q Δ



Capital Deployment Priorities

Organic Growth

We retain capital to support the growth in our premium volumes as well as invest in talent and technology that advance our strategic objectives

Common Shareholder Dividends

We intend to have a sustainable and growing dividend per common share that will be reviewed on a regular basis

Inorganic Growth

We intend to actively pursue carrier and distribution acquisition opportunities in the Canadian market. To fund these transactions, we expect to utilize excess capital, introduce leverage, and, if required, access the capital markets

Share Buybacks

We will consider the use of share buybacks as a flexible capital management tool

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² Non-operating gains pre-tax of \$21.8 million, less income tax expense of \$5.7 million.

³ Other represents other changes in book value, regulatory capital available and capital required, other cash flows in non-ICA entities, and changes in leverage capacity not related to broker acquisitions.

OUR STRATEGY

OUR PURPOSE

Building a better world by helping our clients and communities adapt and thrive

OUR AMBITION

To be one of Canada's leading and most innovative P&C insurers

OUR PROMISE

Making insurance better

STRATEGIC OBJECTIVES

Become one of the five largest P&C insurers in Canada

Maintain our digital leadership

Consistently deliver disciplined financial management

Position Definity as a purpose-driven sustainability leader

KEY FOCUS AREAS

- Drive profitable growth in personal lines with digital capabilities across broker and digital direct channels
- Grow and diversify our Commercial Insurance business
- Deliver a superior claims experience while prudently managing claim costs
- Diversify and strengthen our growth through acquisitions and partnerships
- Attract and retain top talent
- Maintain our pace of innovation
- Thoughtfully integrate sustainability priorities and deliver on our targets



QUESTIONS?

FURTHER ADVISORY REGARDING FORWARD-LOOKING INFORMATION

Forward-looking information in this presentation 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 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"), 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, 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;
- 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;
- 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. Forward-looking information contained in this presentation is expressly qualified by the foregoing cautionary statements.

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