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TRISURA GROUP REPORTS FOURTH QUARTER AND 2022 ANNUAL RESULTS

TORONTO, February 28, 2023 — Trisura Group Ltd. ("Trisura" or "Trisura Group") (TSX: TSU), a leading specialty insurance provider, today announced financial results for the fourth quarter and year ended December 31, 2022.

David Clare, President and CEO of Trisura, stated, "Despite strong adjusted earnings and operating performance, results in the quarter were impacted by a one-time $64.4 million write down (tax effected) of reinsurance recoverables in our US fronting business, resulting in a consolidated quarterly loss of $40.3 million or ($0.86) per share. Adjusted quarterly net income which provides a normalized view of performance, was $23.7 million or $0.51 per share.

Notwithstanding the impact of this write down, Trisura is a larger, more diversified entity than at any stage in our history. We believe firmly that this is an isolated event, and are confident in our ability to scale the platform profitably in the long term.

Operating performance was strong in the quarter. Premium growth, Canadian underwriting and investment income were exceptional. Interest and dividend income rose 102.3% in the quarter. Expansion of market share and maturation of our platform resulted in premium growth of 37.2% in the quarter and 55.7% for the year.

Our capital demonstrated resilience, with a debt to capital ratio of 13.4% supported by $483 million in equity capital, $50 million in undrawn revolver capacity and a conservatively positioned investment portfolio."

Financial Highlights

- ✓ EPS of ($0.86) in Q4 2022 and $0.56 for the full year compared to $0.24 and $1.49 respectively in 2021. Adjusted EPS(2) of $0.51 for the quarter and $1.87 for the full year compared to $0.31 and $1.47 in the prior periods.
- ✓ Book value per share(1) of $10.53 increased 21.0% from December 31, 2021, driven by our equity raise, strong Canadian earnings and foreign currency movements, but diluted by the write down on reinsurance recoverables and unrealized losses on investments. The impact to book value per share from the write down on reinsurance recoverables was $1.46 per share.
- ✓ Gross written premiums growth of 37.2% in Q4 2022 and 55.7% for the full year reflected sustained growth in Canada and expansion in US fronting.
- ✓ Net loss of ($40.3) million in the quarter and net income of $24.7 million for the full year fell compared to prior periods as a result of the write down on reinsurance recoverables. Adjusted net income of $23.7 million in the quarter and $83.0 million for the full year grew by 79.3% and 34.0% compared to prior periods, respectively, driven by profitable growth in Canada and core operations in the US.
- ✓ ROE of 5.9% compared to 19.0% in Q4 2021, below our mid-teens target as a result of the write down on reinsurance recoverables. Adjusted ROE of 20.0% exceeded our target despite significant growth and a larger capital base.
- ✓ Our Canadian business had its best year to date. Disciplined underwriting and greater scale generated a combined ratio(1) of 83.5% in the quarter and 81.9% for the year.
- ✓ Premiums grew in our US business by 52.3% in the quarter to $446.8 million, reaching $1.7 billion for the year.

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Amounts in C$ millions	Q4 2022	Q4 2021	Variance	2022	2021	Variance
Gross premiums written	664.8	484.7	37.2%	2,433.2	1,563.2	55.7%
Net (loss) income	(40.3)	10.3	(491.8%)	24.7	62.6	(60.6%)
Adjusted net income(3)	23.7	13.2	79.3%	83.0	61.9	34.0%
EPS – diluted, $	(0.86)	0.24	(458.3%)	0.56	1.49	(62.4%)
Adjusted EPS – diluted, $	0.51	0.31	64.5%	1.87	1.47	27.2%
Book value per share, $	10.53	8.70	21.0%	10.53	8.70	21.0%
Debt-to-Capital ratio(1)	13.4%	17.3%	(3.9pts)	13.4%	17.3%	(3.9pts)
LTM ROE	5.9%	19.0%	(13.1pts)	5.9%	19.0%	(13.1pts)
Adjusted LTM ROE(4)	20.0%	18.8%	1.2pts	20.0%	18.8%	1.2pts
Combined ratio – Canada	83.5%	91.2%	(7.7pts)	81.9%	81.1%	0.8pts
Fronting operational ratio – US(1)	241.7%	79.0%	162.7pts	128.8%	72.7%	56.1pts
Adjusted Fronting operational ratio – US(5)	82.2%	79.0%	3.2pts	81.0%	72.7%	8.3pts

Write Down on Reinsurance Recoverables

- Write down of reinsurance recoverables of $81.5 million, pre-tax ($64.4 million tax effected), in Q4 2022 was related to one particular program. No further impact to reinsurance recoverables will occur on this program, and the reinsurer does not participate on any other programs in our portfolio.
- This write down was related to a disagreement over obligations under a quota share reinsurance contract. The program included captive participation and required catastrophe reinsurance, making it unique in our portfolio. Higher catastrophe reinsurance costs had the effect of depleting collateral and contributed to the write down. We are exploring all available remedies with all parties involved in order to mitigate the loss we have experienced, and have taken steps to implement policy and organizational changes in the US.
- The program has been put into accelerated run-off.
- We may experience one-time costs in exiting this program over the next year, but will ultimately benefit from savings related to reinsurance costs, and a further reduction of catastrophe exposed business.
- Our remaining reinsurance recoverables are high quality – 83% are represented by rated reinsurers and the remainder are appropriately collateralized. An exhibit demonstrating this can be found in the notes to our financial statements.

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Insurance Operations

- GPW in Canada increased by 13.9% in the quarter and 29.7% for the full year. Strong underwriting performance across all lines contributed to a combined ratio of 83.5% in the quarter and 81.9% for the full year, as well as an ROE of 30.2% in Q4 2022.
- GPW in the US of $446.8 million in the quarter, increased by 52.3%, compared to $293.3 million in Q4 2021, and fee income of $19.4 million in the quarter increased by 62.5% compared to $11.9 million in Q4 2021. Full year GPW of $1.7 billion rose 70.3% compared to 2021, the result of maturing and new programs. Net loss of ($53.3) million in the quarter and ($29.9) million for the full year was driven by the write down on reinsurance recoverables and drove a negative ROE. Excluding the write down income in the quarter was $11.1 million and $34.4 million for the year with a 14.3% ROE.

Capital

- The Minimum Capital Test ratio(6) of our regulated Canadian subsidiary was 233% as at December 31, 2022 (229% as at December 31, 2021), which comfortably exceeded regulatory requirements(7) of 150%.
- The Risk-Based Capital of the regulated insurance companies of Trisura US are expected to be in excess of the various Company Action Levels of the states in which they are licensed. Calculations are finalized as statutory returns are completed.
- Consolidated debt-to-capital ratio of 13.4% as at December 31, 2022 is below our long-term target of 20.0%.

Investments

- Interest and dividend income rose 102.3% in the quarter compared to Q4 2021 and 57.5% for the full year compared to 2021. The portfolio benefited from higher yields and increased capital generated from strong operational performance and the equity raise.

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Governance

- Adopted an Environmental, Social and Governance policy and we are working to providing enhanced disclosure on these initiatives.

Earnings Conference Call

Trisura will host its Fourth Quarter Earnings Conference Call to review financial results at 8:00 a.m. ET on Wednesday, March 1st, 2023.

To listen to the call via live audio webcast, please follow the link below:

https://app.webinar.net/Pl0egLn74r8

A replay of the call will be available through the link above.

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About Trisura Group

Trisura Group Ltd. is a specialty insurance provider operating in the surety, risk solutions, corporate insurance, and fronting segments of the market. Trisura has investments in wholly owned subsidiaries through which it conducts insurance and reinsurance operations. Those operations are primarily in Canada ("Trisura Canada") and the United States ("Trisura US"). Trisura Group Ltd. is listed on the Toronto Stock Exchange under the symbol "TSU".

Further information is available at http://www.trisura.com/group. Important information may be disseminated exclusively via the website; investors should consult the site to access this information. Details regarding the operations of Trisura Group Ltd. are also set forth in regulatory filings. A copy of the filings may be obtained on Trisura Group's SEDAR profile at www.sedar.com.

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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Financial Position
As at December 31, 2022 and December 31, 2021
(in thousands of Canadian dollars, except as otherwise noted)

As at	December 31, 2022	December 31, 2021
Cash and cash equivalents	406,368	341,319
Investments	765,375	641,140
Premiums and accounts receivable, and other assets	494,935	311,629
Recoverable from reinsurers	2,148,617	1,375,354
Deferred acquisition costs	429,430	304,580
Capital assets and intangible assets	19,529	17,109
Deferred tax assets	19,116	9,223
Total assets	4,283,370	3,000,354
Accounts payable, accrued and other liabilities	103,066	216,633
Reinsurance premiums payable	488,656	335,673
Unearned premiums	1,432,077	965,245
Unearned reinsurance commissions	223,082	152,003
Unpaid claims and loss adjustment expenses	1,478,195	897,011
Debt outstanding	75,000	75,000
Total liabilities	3,800,076	2,641,565
Shareholders' equity	483,294	358,789
Total liabilities and shareholders' equity	4,283,370	3,000,354

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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Comprehensive (Loss) Income
For the three and twelve months ended December 31
(in thousands of Canadian dollars, except as otherwise noted)

	Q4 2022	Q4 2021	2022	2021
Gross premiums written	664,802	484,740	2,433,217	1,563,206
Net premiums written	137,594	115,941	498,111	398,137
Net premiums earned	115,605	82,768	418,621	277,909
Fee income	20,124	12,625	73,517	49,879
Net investment income	9,479	7,430	25,162	7,605
Net gains	4,112	3,726	8,802	14,484
Total revenues	149,320	106,549	526,102	349,877
Net claims and loss adjustment expenses	(41,075)	(36,823)	(127,192)	(82,330)
Net commissions	(47,613)	(33,341)	(177,542)	(107,757)
Write down on reinsurance recoverables	(81,473)	-	(81,473)	-
Operating expenses	(28,319)	(21,957)	(101,818)	(77,709)
Interest expenses	(588)	(578)	(2,644)	(1,638)
Total claims and expenses	(199,068)	(92,699)	(490,669)	(269,434)
(Loss) income before income taxes	(49,748)	13,850	35,433	80,443
Income tax benefit (expense)	9,408	(3,555)	(10,782)	(17,884)
Net (loss) income	(40,340)	10,295	24,651	62,559
Other comprehensive (loss) income	(3,966)	(2,173)	(47,619)	4,897
Comprehensive (loss) income	(44,306)	8,122	(22,968)	67,456

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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Cash Flows
For the three and twelve months ended December 31
(in thousands of Canadian dollars, except as otherwise noted)

	Q4 2022	Q4 2021	2022	2021
Net income	(40,340)	10,295	24,651	62,559
Non-cash items	(65)	5,559	2,872	21,579
Change in working capital including write down on reinsurance recoverables	96,831	113,822	167,236	244,047
Realized gains	(3,087)	(2,261)	(10,066)	(4,096)
Income taxes paid	(2,272)	(4,537)	(31,101)	(15,705)
Interest paid	(1,056)	(1,079)	(2,662)	(1,535)
Net cash from operating activities	50,011	121,799	150,930	306,849
Proceeds on disposal of investments	24,085	27,384	144,168	135,730
Purchases of investments	(50,712)	(52,559)	(384,030)	(280,918)
Net purchases of capital and intangible assets	(397)	(481)	(2,131)	(3,460)
Net cash used in investing activities	(27,024)	(25,656)	(241,993)	(148,648)
Shares issued	282	456	145,442	1,315
Shares purchased under Restricted Share Units plan	221	44	(1,946)	(2,011)
Issuance of note payable	-	-	-	75,000
Loans received	-	-	30,000	26,970
Loans repaid	-	-	(30,000)	(54,525)
Lease payments	(481)	(442)	(1,905)	(1,596)
Net cash from financing activities	22	58	141,591	45,153
Net increase in cash and cash equivalents	23,009	96,201	50,528	203,354
Cash and cash equivalents, beginning of period	384,553	245,332	341,319	136,519
Currency translation	(1,194)	(214)	14,521	1,446
Cash and cash equivalents, end of period	406,368	341,319	406,368	341,319

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Non-IFRS Financial Measures

Table 1 – Reconciliation of reported Net income to Adjusted net income[3]: reflect Net income, adjusted for certain items to normalize earnings to core operations in order to better reflect our North American specialty operations.

	Q4 2022	Q4 2021	2022	2021
Net income	**(40,340)**	10,295	**24,651**	62,559
Adjustments:				
Write down on reinsurance recoverables	**81,473**	-	**81,473**	-
Impact of share based compensation	**3,991**	1,942	**1,484**	10,224
Loss on sale of structured insurance assets	**-**	-	**-**	1,336
Net gains	**(4,112)**	(3,726)	**(8,802)**	(14,484)
Net losses from life annuity	**-**	2,591	**-**	559
Impact of CAT Programs Reinsurance	**-**	2,158	**-**	2,158
Tax impact of above items	**(17,330)**	(49)	**(15,846)**	474
Adjustments relating to income tax benefits	**-**	-	**-**	(936)
Adjusted net income	**23,682**	13,211	**82,960**	61,890

Table 2 – ROE and Adjusted ROE: a measure of the Company's use of equity.

	Q4 2022	Q4 2021
LTM net income	**24,651**	62,559
LTM average equity	**415,721**	328,548
ROE	**5.9%**	19.0%
Adjusted LTM net income[3]	**82,960**	61,890
LTM average equity	**415,721**	328,548
Adjusted LTM ROE	**20.0%**	18.8%

Table 3 – Reconciliation of Average equity[8] to LTM average equity: LTM average equity is used in calculating adjusted ROE.

	Q4 2022	Q4 2021
Average equity	**421,042**	324,327
Adjustments: days in quarter proration	**(5,321)**	4,221
LTM average equity	**415,721**	328,548

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Footnotes

(1) This is a supplementary financial measure. Refer to Q4 2022 MD&A, Section 10, Operating Metrics table for its composition. To access MD&A, see Trisura's website or SEDAR at www.sedar.com.

(2) This is a non-IFRS ratio, see table 10.2 in Q4 2022 MD&A for details on composition, as well as each non-IFRS financial measure used as a component of ratio, and an explanation of how it provides useful information to an investor. Non-IFRS ratios are not standardized under the financial reporting framework used to prepare the financial statements of the Company to which the ratio relates and might not be comparable to similar ratios disclosed by other companies.

(3) See section on Non-IFRS financial measures, Reconciliation of reported Net income to Adjusted net income. Adjusted net income is a non-IFRS financial measure. Non-IFRS financial measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the Company to which the measure relates and might not be comparable to similar financial measures disclosed by other companies. Details and an explanation of how it provides useful information to an investor can be found in the reconciliation table.

(4) This is a non-IFRS ratio. See table 10.4 in Q4 2022 MD&A for details on composition, as well as each non-IFRS financial measure used as a component of ratio, and an explanation of how it provides useful information to an investor.

(5) Adjusted figures exclude the impacts from write down of reinsurance recoverables.

(6) This measure is calculated in accordance with the Office of the Superintendent of Financial Institutions Canada's (OSFI's) Guideline A, Minimum Capital Test.

(7) This target is in accordance with OSFI's Guideline A-4, Regulatory Capital and Internal Capital Targets.

(8) Average equity is calculated as the sum of opening equity and closing equity over the last twelve months, divided by two.

Cautionary Statement Regarding Forward-Looking Statements and Information

Note: This news release contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Company and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "likely," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could".

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of our Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behaviour of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; insurance risks including pricing risk, concentration risk and exposure to large losses, and risks associated with estimates of loss reserves; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; changes in capital requirements; changes in reinsurance arrangements and availability and cost of reinsurance; ability to collect amounts owed; catastrophic events, such as earthquakes, hurricanes or pandemics; developments related to COVID-19, including the impact of COVID-19 on the economy and global financial markets; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; risks associated with reliance on distribution partners, capacity providers and program administrators; third party risks; risk that models used to manage the business do not function as expected; climate change risk; risk of economic downturn; risk of inflation and other risks and factors detailed from time to time in our documents filed with securities regulators in Canada.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

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Cautionary Non-IFRS and Other Financial Measures

Reported results conform to generally accepted accounting principles (GAAP), in accordance with IFRS. In addition to reported results, the Company also presents certain financial measures, including non-IFRS financial measures that are historical, non-IFRS ratios, and supplementary financial measures, to assess results. Non-IFRS financial measures, such as adjusted net income, are utilized to assess the Company's overall performance. To arrive at adjusted results, the Company adjusts for certain items to normalize earnings to core operations, in order to better reflect our North American specialty operations. Non-IFRS ratios include a non-IFRS financial measure as one or more of its components. Examples of non-IFRS ratios include adjusted diluted earnings per share and adjusted ROE. The Company believes that non-IFRS financial measures and non-IFRS ratios provide the reader with an enhanced understanding of our results and related trends and increase transparency and clarity into the core results of the business. Non-IFRS financial measures and non-IFRS ratios are not standardized terms under IFRS and, therefore, may not be comparable to similar terms used by other companies. Supplementary financial measures depict the Company's financial performance and position, and are explained in this document where they first appear, and incorporates information by reference to the Company's current MD&A, for the three and twelve months ended December 31, 2022. To access MD&A, see Trisura's website or SEDAR at www.sedar.com. These measures are pursuant to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.