



PRESS RELEASE

TRISURA GROUP REPORTS FIRST QUARTER 2024 RESULTS

TORONTO, May 2, 2024 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading specialty insurance provider, today announced financial results for the first quarter of 2024.

David Clare, President and CEO of Trisura, stated, “Trisura demonstrated strong performance in the quarter with Operating net income of \$33.2 million, or \$0.68 per share, driven by continued growth, profitable underwriting and higher investment income.

Continued expansion of market share and distribution partners drove insurance revenue growth of 16.5%. In Canada, disciplined underwriting resulted in a Combined ratio of 81.8%, while in US Fronting continued growth and an improved loss ratio resulted in a strong insurance service result and improved fronting operational ratio.

Net investment income grew 66.3% in the quarter, reaching \$16.8 million through higher yields and an increased size of the investment portfolio.

Growth, strong earnings, and gains on the investment portfolio lifted book value to over \$662 million. In the quarter, we closed the acquisition of our Treasury-listed surety company and look forward to expanding our US surety presence in the coming years. With a larger capital base, increased financial flexibility and ample opportunities to grow, we are optimistic for the years ahead.”

Financial Highlights

- ✓ Insurance revenue growth of 16.5% compared to Q1 2023 demonstrated continued momentum across the organization.
- ✓ Net income of \$36.4 million in the quarter was higher than Q1 2023 as a result of growth in the business, improved profitability in US Fronting, unrealized gains in the investment portfolio and higher net investment income. Operating net income⁽¹⁾ of \$33.2 million in the quarter increased 16.0% compared to Q1 2023, driven by growth in the business, profitable underwriting and higher net investment income.
- ✓ EPS of \$0.75 in Q1 2024 was greater than Q1 2023. Operating EPS⁽²⁾ of \$0.68 for the quarter increased by 11.5%.
- ✓ Book value per share⁽³⁾ of \$13.89 increased 24.6% from March 31, 2023, primarily the result of earnings in the Canadian operations, higher Net investment income and the equity raise in Q3 2023.
- ✓ ROE⁽³⁾ was 15.3% for the period ended Q1 2024 demonstrating an increase compared to recent quarters and a return to our mid-teens target despite the impact of the run-off program in 2023. Operating ROE⁽⁴⁾ of 20.0% was comparable to Q1 2023 and benefitted from growth, as well as higher Net investment income.



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Amounts in C\$ millions	Q1 2024	Q1 2023	Variance
Insurance revenue	744.3	639.1	16.5%
Net income	36.4	14.0	160.7%
Operating net income ⁽¹⁾	33.2	28.6	16.0%
EPS – diluted, \$	0.75	0.30	150.0%
Operating EPS – diluted, \$ ⁽²⁾	0.68	0.61	11.5%
Book value per share, \$ ⁽³⁾	13.89	11.15	24.6%
Debt-to-Capital ratio ⁽³⁾	10.2%	12.8%	(2.6pts)
ROE ⁽³⁾	15.3%	4.1%	11.2pts
Operating ROE ⁽⁴⁾	20.0%	20.6%	(0.6pts)
Combined ratio – Canada	81.8%	80.7%	1.1pts
Fronting operational ratio excluding certain non-recurring items – US ⁽⁵⁾	84.8%	86.0%	(1.2pts)

Insurance Operations

- Insurance revenue in Canada of \$221.9 million in the quarter increased by 23.4% compared to Q1 2023, reflecting increased market share, expansion of distribution relationships, expanding fronting and growth of US Surety. Strong underwriting contributed to a Combined ratio of 81.8%, a ROE of 28.8% and Operating ROE of 28.1% in Q1 2024.
- Insurance revenue in the US of \$522.4 million in the quarter increased by 13.7%, compared to Q1 2023, reflecting favourable market conditions and maturation of existing programs. Fee income⁽⁶⁾ of \$22.1 million in the quarter increased by 23.0% compared to Q1 2023. Net income of \$12.5 million and operating net income of \$13.4 million in the quarter was driven by strong underwriting performance and increased investment income, which supported a 14.3% Operating ROE.

Capital

- The Minimum Capital Test ratio⁽⁷⁾ of our regulated Canadian subsidiary was 259% as at March 31, 2024 (251% as at December 31, 2023), which comfortably exceeded regulatory requirements⁽⁸⁾ of 150%.
- As at December 31, 2023, the Risk-Based Capital of the regulated insurance companies of Trisura US were in excess of the various company action levels of the states in which they are licensed.
- Consolidated debt-to-capital ratio of 10.2% as at March 31, 2024 is below our long-term target of 20.0%.

Investments

- Net investment income rose 66.3% in the quarter compared to Q1 2023. The portfolio benefited from higher risk-adjusted yields, increased capital generated from strong operational performance and recent equity raises.



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Corporate Development

- Closed the acquisition of First Founders Assurance Company, a US Treasury listed surety company.

Governance

- Appointed Lilia Sham to the Company's Board of Directors.

Earnings Conference Call

Trisura will host its First Quarter Earnings Conference Call to review financial results at 9:00a.m. ET on Friday, May 3rd, 2024.

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

<https://edge.media-server.com/mmc/p/w5mnnx7z>

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

Investor Day

Immediately following the Company's Annual General Meeting, which will be held on Monday, June 3rd, 2024 at 10:00am (Eastern Time) at the North Tower, 200 Bay Street, Suite 1600 in Toronto, Trisura will host an investor presentation to discuss long-term strategy and market conditions.

To register for the Investor Day, or to access the live audio webcast, please follow the link below:

<https://reg.lumiengage.com/trisura-2024>

About Trisura Group

Trisura Group Ltd. is a specialty insurance provider operating in the Surety, Risk Solutions, Corporate Insurance, and Fronting business lines of the market. Trisura has investments in wholly owned subsidiaries through which it conducts insurance and reinsurance operations. Those operations are primarily in Canada and the United States. Trisura Group Ltd. is listed on the Toronto Stock Exchange under the symbol "TSU".

Further information is available at <https://www.trisura.com>. 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.sedarplus.com.

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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2024 and December 31, 2023
(in thousands of Canadian dollars, except as otherwise noted)

As at	March 31, 2024	December 31, 2023
Cash and cash equivalents	636,186	604,016
Investments	1,056,639	890,157
Other assets	33,678	53,712
Reinsurance contract assets	1,947,341	2,003,589
Capital assets and intangible assets	28,053	16,657
Deferred tax assets	34,890	16,314
Total assets	3,736,787	3,584,445
Insurance contract liabilities	2,871,676	2,769,951
Other liabilities	127,897	120,065
Loan payable	75,000	75,000
Total liabilities	3,074,573	2,965,016
Shareholders' equity	662,214	619,429
Total liabilities and shareholders' equity	3,736,787	3,584,445



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

	Q1 2024	Q1 2023
Insurance revenue	744,266	639,100
Insurance service expenses	(580,940)	(500,443)
Net expense from reinsurance contracts assets	(127,878)	(121,942)
Insurance service result	35,448	16,715
Net investment income	16,753	10,071
Net gains (losses)	12,276	(2,215)
Net credit impairment losses	(1,830)	(149)
Total investment income	27,199	7,707
Finance expenses from insurance contracts	(36,658)	(36,628)
Finance income from reinsurance contracts	32,800	31,902
Net insurance finance (expenses) income	(3,858)	(4,726)
Net financial result	23,341	2,981
Net insurance and financial result	58,789	19,696
Other income	5,345	5,178
Other operating expenses	(15,012)	(5,432)
Other finance costs	(614)	(600)
Income before income taxes	48,508	18,842
Income tax expense	(12,075)	(4,866)
Net income	36,433	13,976
Operating net income	33,188	28,613
Other comprehensive income	8,939	5,921
Comprehensive income	45,372	19,897



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

	Q1 2024	Q1 2023
Net income	36,433	13,976
Non-cash items	(6,384)	5,232
Change in working capital	160,070	(1,046)
Realized losses	330	245
Income taxes paid	(4,056)	(3,837)
Interest paid	(115)	(127)
Net cash from operating activities	186,278	14,443
Proceeds on disposal of investments	38,368	31,601
Purchases of investments	(179,636)	(79,987)
Acquisition of subsidiary	(15,015)	-
Net purchases of capital and intangible assets	(532)	(177)
Net cash used in investing activities	(156,815)	(48,563)
Shares issued	1,335	711
Shares purchased under Restricted Share Units plan	(3,076)	(869)
Lease payments	(586)	(512)
Net cash (used in) from financing activities	(2,327)	(670)
Net increase in cash and cash equivalents, during the period	27,136	(34,790)
Cash and cash equivalents, beginning of period	604,016	406,368
Currency translation	5,034	(3,368)
Cash and cash equivalents, end of period	636,186	368,210



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Non-IFRS Financial Measures

Table 1 – Reconciliation of reported Net income to Operating net income⁽¹⁾: reflect Net income, adjusted for certain items to normalize earnings to core operations in order to reflect our North American specialty operations.

	Q1 2024	Q1 2023
Net income	36,433	13,976
Adjustments:		
Non-recurring items	3,714	14,691
Impact of share based compensation	2,923	(3,370)
Impact of movement in yield curve within Finance income from insurance and reinsurance contracts	(436)	4,726
Net (gains) losses	(12,276)	2,215
Net credit impairment losses	1,830	149
Tax impact of above items	1,000	(3,774)
Operating net income	33,188	28,613

Table 2 – ROE⁽³⁾ and Operating ROE⁽⁴⁾: a measure of the Company's use of equity.

	Q1 2024	Q1 2023
LTM net income	89,398	18,433
LTM average equity	583,798	449,417
ROE	15.3%	4.1%
Operating LTM net income ⁽⁴⁾	116,819	92,666
LTM average equity	583,798	449,417
Operating LTM ROE	20.0%	20.6%

Table 3 – Reconciliation of Average equity⁽⁹⁾ to LTM average equity: LTM average equity is used in calculating Operating ROE.

	Q1 2024	Q1 2023
Average equity	587,336	439,502
Adjustments: days in quarter proration	(3,538)	9,915
LTM average equity	583,798	449,417



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Footnotes

(1) See section on Non-IFRS financial measures table 10.2.1 in Q1 2024 MD&A for details on composition. Operating 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 Q1 2024 MD&A, Section 10, Operating Metrics table.

(2) This is a non-IFRS ratio, see table 10.2 in Q1 2024 MD&A for details on composition, as well as each non-IFRS financial measure used as a component of the 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. To access MD&A, see Trisura's website or SEDAR+ at www.sedarplus.ca.

(3) This is a supplementary financial measure. Refer to Q1 2024 MD&A, Section 10, Operating Metrics table for its composition.

(4) This is a non-IFRS ratio. See table 10.4 in Q1 2024 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) This is a non-IFRS financial measure. Adjusted figures exclude the impacts from write down of reinsurance recoverables, and the run-off program.

(6) This is a non-IFRS financial measure. See table 10.5.4 in Q1 2024 MDA for details on composition.

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

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

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



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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 legislation. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of our 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,” “potential” 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; 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; risks relating to cyber-security; risks relating to credit ratings; 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 and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, our 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, our 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 operating net income, are utilized to assess the Company's overall performance. To arrive at operating results, our Company adjusts for certain items to normalize earnings to core operations, in order to 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 operating diluted earnings per share and operating 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 our Company's current MD&A, for the three months ended March 31, 2024. To access MD&A, see Trisura's website or SEDAR+ at www.sedarplus.ca. These measures are pursuant to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.