



# A Growing and Profitable Specialty Insurer

Investor Day – June 3, 2024

# Agenda

---

- 1 Who We Are
- 2 Where We Have Come From
- 3 Where We Are Going
- 4 Why Trisura
- 5 Appendix

# Who We Are

- ✓ Company Overview
- ✓ What is Specialty Insurance

## A growing and profitable North American specialty insurance group



Canada



United States

1

**Primary Insurance:**  
\$439M 2023 GPW<sup>1</sup>  
(Surety, Warranty, and  
Corporate Insurance)

2

**Fronting:**  
\$469M 2023 GPW<sup>1</sup>  
(Property and Casualty)

1

**Program Insurance:**  
\$2B 2023 GPW<sup>1</sup>  
(E&S and Admitted)

2

**Primary Insurance:**  
\$25M 2023 GPW<sup>1</sup>  
(Surety and Corporate  
Insurance)

## Specialty insurance relies on niche underwriting and structuring expertise

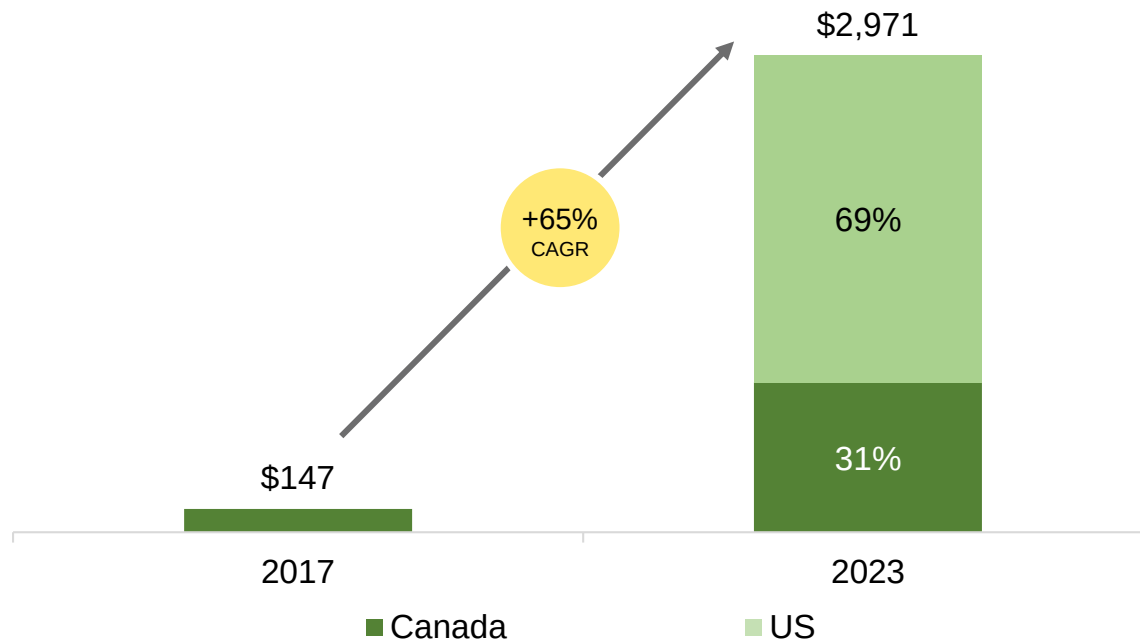
---

- ✓ Difficult to Underwrite: Classes of business that require deep, differentiated expertise to underwrite, administer and service
- ✓ Complex to Structure: Structures that balance the needs of our distribution and capital partners with appropriate alignment
- ✓ Experience Matters: Our team is uniquely focused on specialty lines and has been for decades

# Where We Have Come From

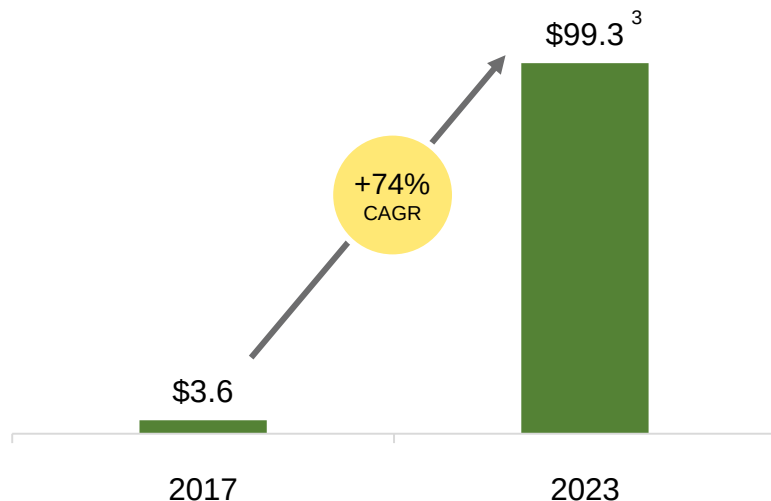
- ✓ Progress on Key Metrics
- ✓ Evolution of Earnings Composition

## Growth in gross premium written has maintained early momentum

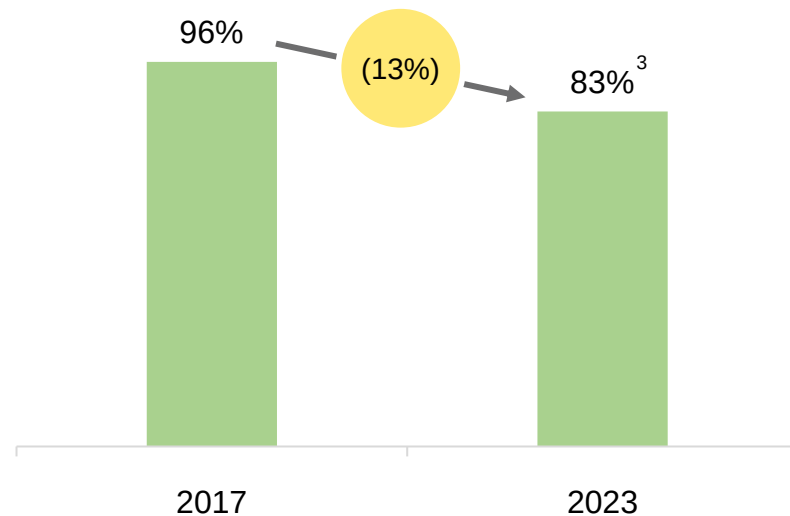


## Specialty focus has driven strong net underwriting income alongside growth...

Net Underwriting Income<sup>1</sup>:

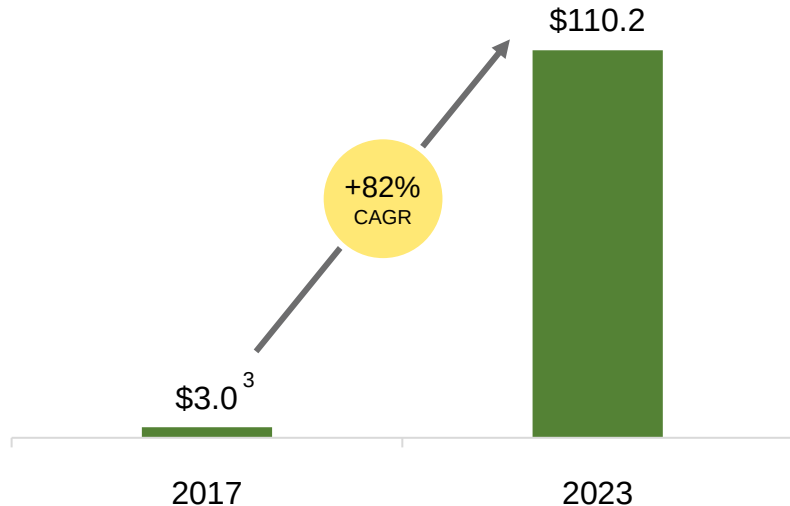


Consolidated Combined Ratio<sup>2</sup>:

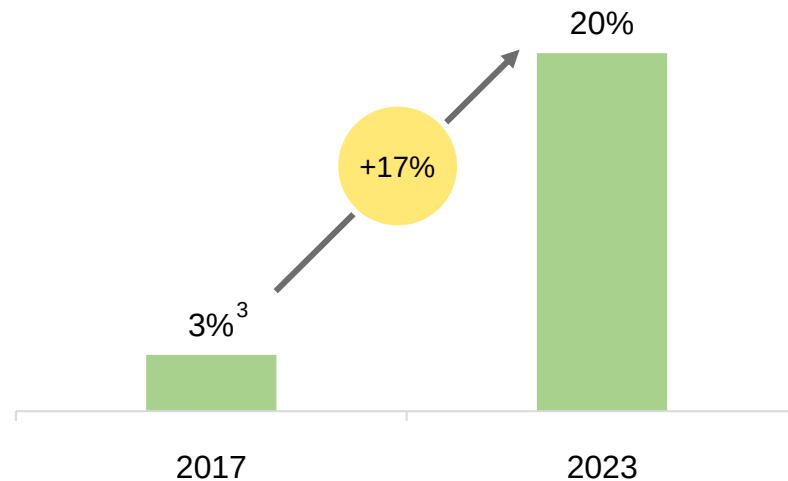


## ...which has supported growing net income and industry-leading ROE...

Operating Net Income<sup>1</sup>:

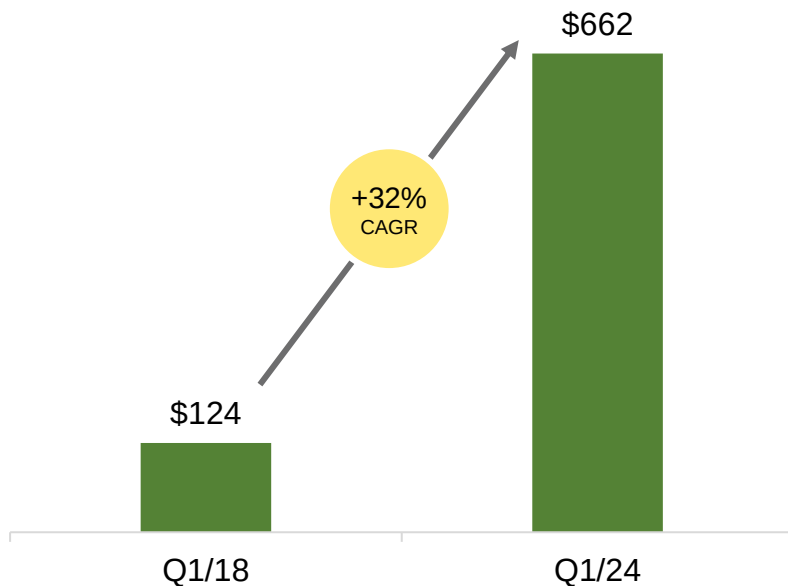


Operating ROE<sup>2</sup>:

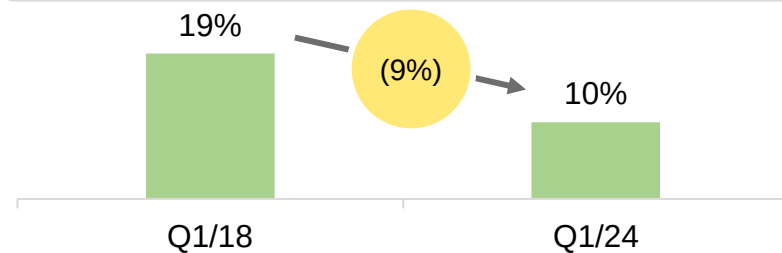


## ...as well as significant growth in book value

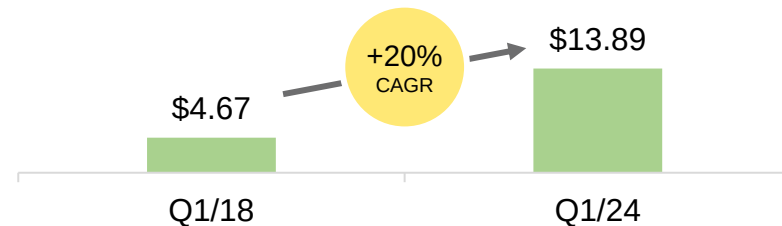
Book Value:



Debt-to-Capital<sup>1</sup>:



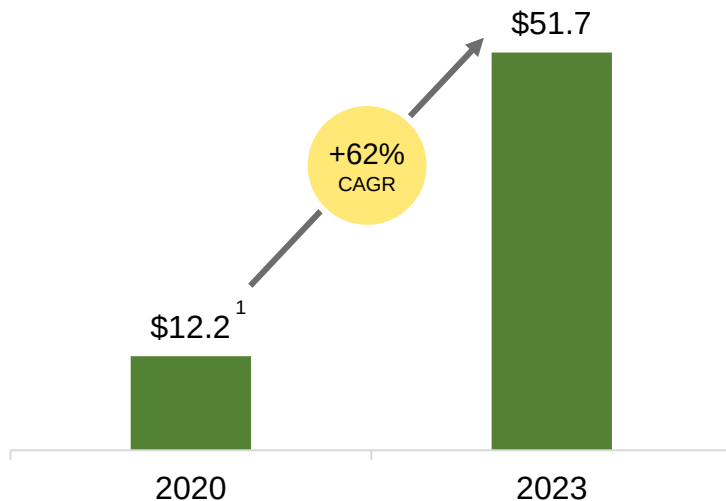
Book Value Per Share<sup>1</sup>:



## Higher interest rates and a growing portfolio support investment income

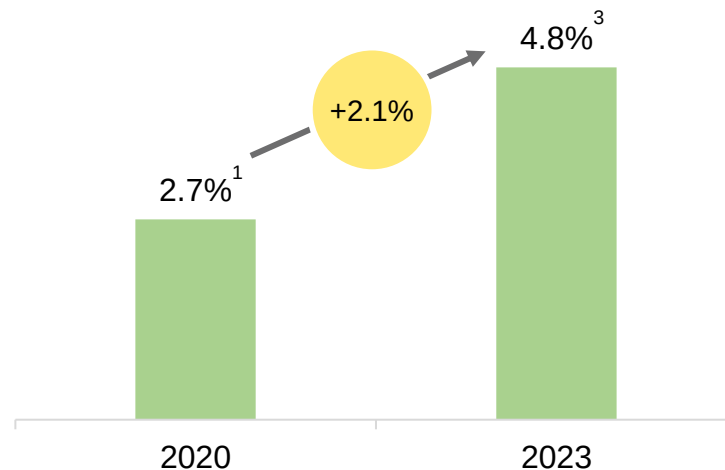
### 1 5%+ new investment yields

Net Investment Income:



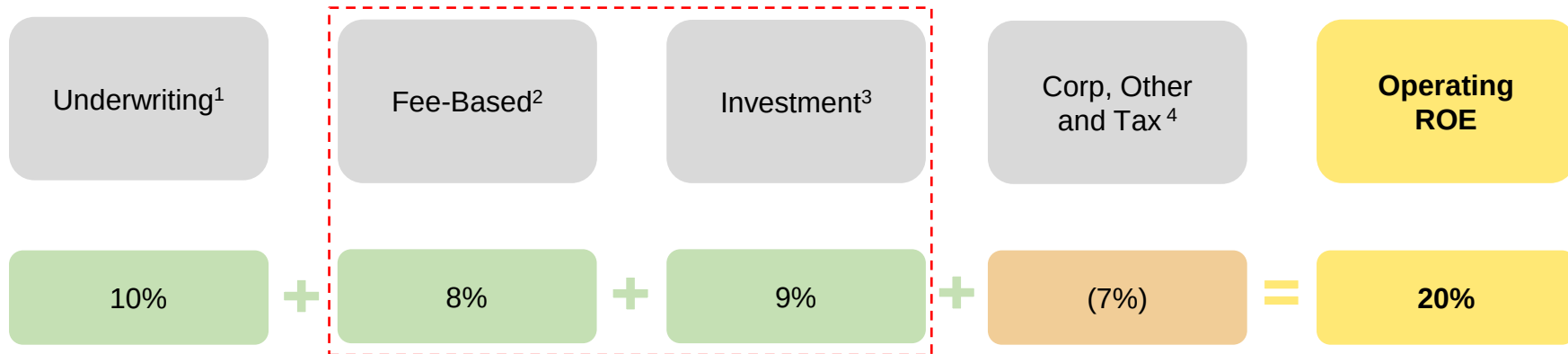
### 2 Extending duration to lock in yields

Net Investment Yield<sup>2</sup>:



## Strong underwriting income enhanced by growing fee and investment income

### 2023 Operating ROE



## As a result, shares have outperformed the market

---

Total Return: December 2017 – May 2024<sup>1</sup>

Trisura

+525%

TSX Financials

+60%

TSX

+66%

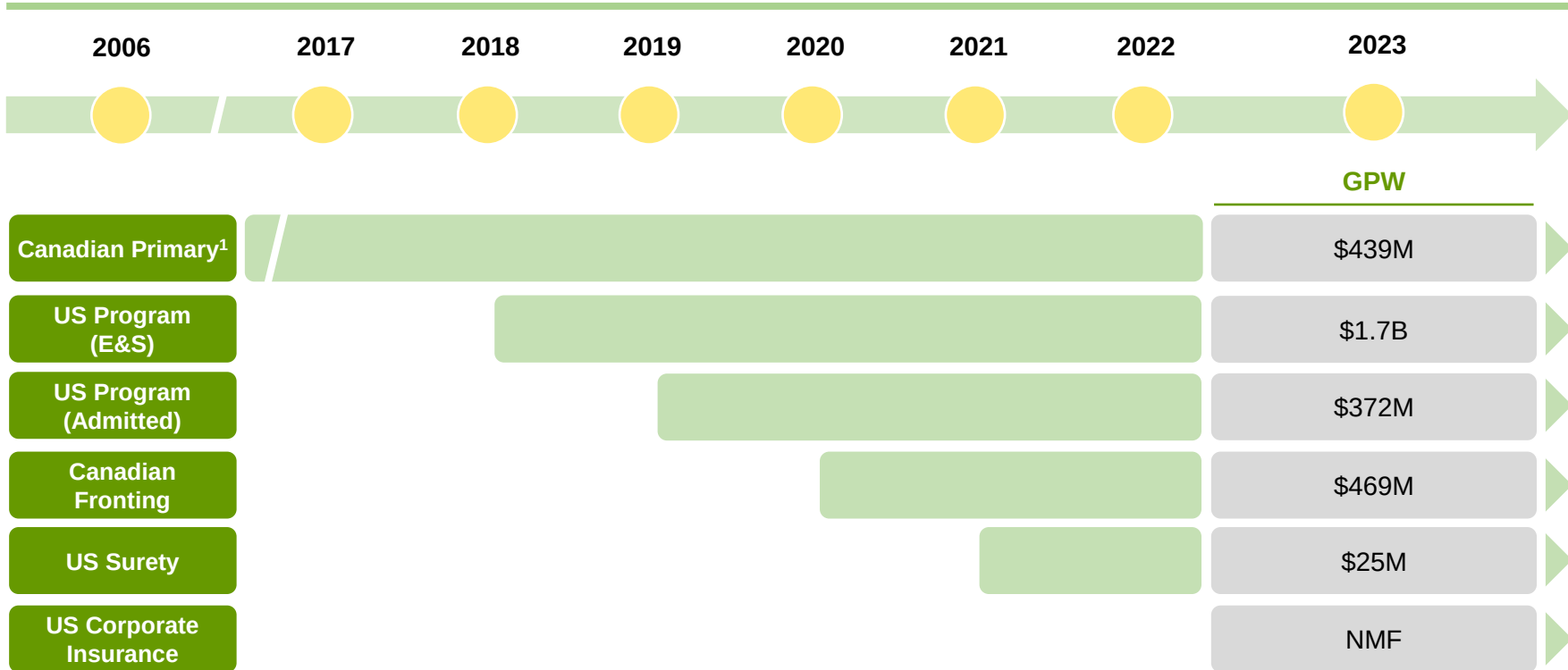
S&P 500

+119%

# Where We Are Going

- ✓ Track Record of Building Businesses
- ✓ Industry and Macro Tailwinds
- ✓ Strategic Roadmap and Key Metrics

## Demonstrable track record of building businesses



## Growth in specialty and MGA markets has outpaced P&C

| Canada    | 2017 – 2022 CAGR <sup>1</sup> | 2022 Market Size <sup>1</sup> |
|-----------|-------------------------------|-------------------------------|
| Specialty | +13.2%                        | \$8.5B                        |
| P&C       | +7.8%                         | \$89.5B                       |
| US        | 2017 – 2022 CAGR <sup>1</sup> | 2022 Market Size <sup>1</sup> |
| MGA       | +10.5%                        | US\$70.8B                     |
| E&S       | +19.0%                        | US\$75.5B                     |
| P&C       | +6.4%                         | US\$876.1B                    |

## Specialty focus expected to perform across cycles

|                                | Hard Market         | Soft Market          |
|--------------------------------|---------------------|----------------------|
| Capacity:                      | Scarce              | Abundant             |
| Pricing:                       | Increasing          | Decreasing           |
| Terms and Conditions:          | Tightening          | Loosening            |
| Impact/Navigation for Trisura: | Increased Rates     | Reinsurance Capacity |
|                                | Improved T&C        | Fronting/Program Fee |
|                                | E&S Premium         | Admitted Premium     |
|                                | Optimized Retention | Broker Relationships |

## Strong growth and operating environment in niche specialty lines

### Surety

- Remains a highly competitive line of business
- Stable interest rates and economic environment is supportive
- Trisura continues to pursue growing market share in Canada and US

### Corporate Insurance

- Price dynamic is balancing following strength through Covid
- Trisura targets niche markets in the D&O, E&O, fidelity and general liability lines
- Volume growth and momentum with distribution partners is critical

### Warranty

- Consumer demand recovering post pandemic
- Inflation receding and interest rates stabilizing provide a strong backdrop for growth
- Trisura remains committed to growth in North American warranty

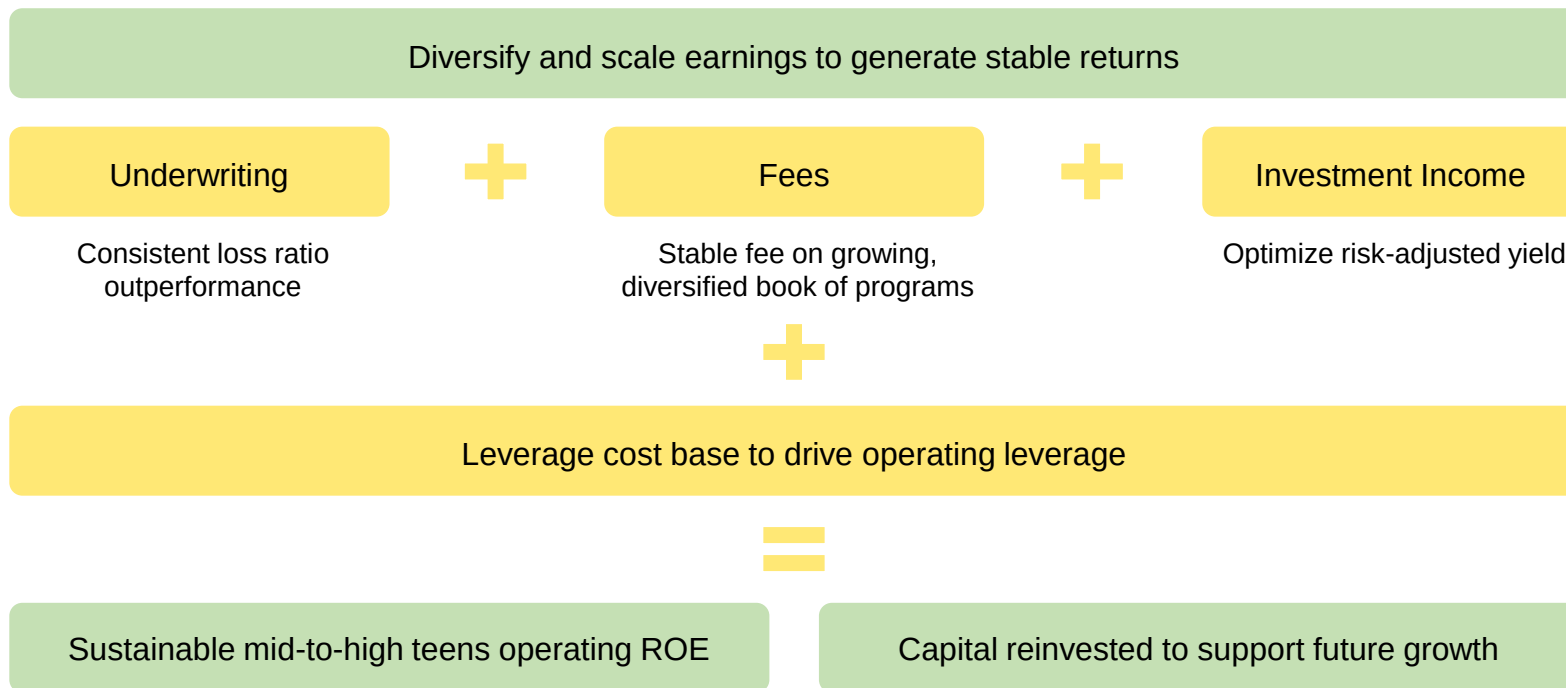
### Canadian Fronting

- Favourable P&C underwriting environment
- Growth relies on foreign reinsurer appetite for Canadian P&C premium
- Trisura is in a unique position to serve this market as it continues to develop

### US Programs

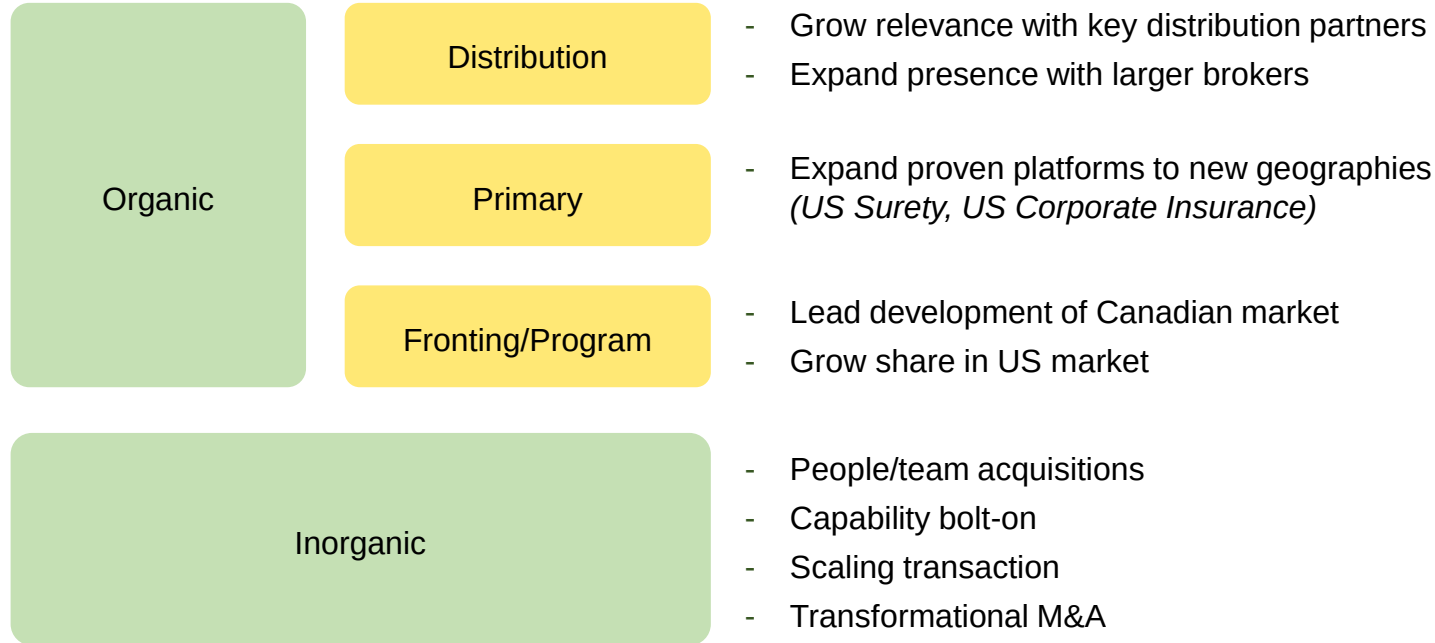
- Submissions continue to originate primarily from the E&S market
- Property prices are attractive, though reinsurance costs remain high
- Trisura is pursuing measured growth, focused on casualty

## Proven profitability enhanced by growing scale



## Growth expected to continue with expansion across North America

---

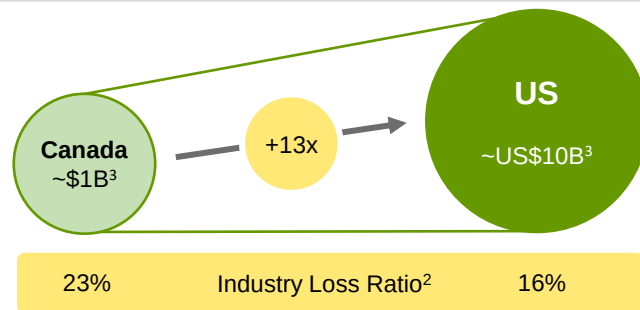


# The opportunity to grow profitably in US Surety is significant

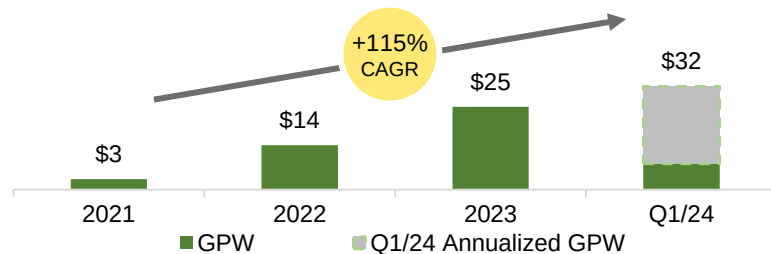
## North American Surety Expansion

- ✓ Deep expertise in Canadian Surety market
  - Fourth largest Canadian Surety (11% share)
  - GPW growth<sup>1</sup>: 20%
  - Loss ratio<sup>2</sup>: 15%
- ✓ Leverage Canadian underwriting approach and infrastructure with 'boots on the ground' presence in regional US markets
- ✓ Expand treasury-listed capabilities and licenses
- ✓ Capitalize on expected US infrastructure spend

## Surety Market Opportunity



## Trisura US Surety Growth



## How we will measure our performance over the next 5 years

---

### Key Metrics

Revenue Growth

Mid to high teens (~15%+)

Operating ROE

Mid to high teens (~15%+)

BVPS Growth

Mid to high teens (~15%+)

**Targeting \$1 billion in book value by end of 2027**

# Why Trisura

- ✓ Why Partner With Us
- ✓ Why Invest In Us

## Why Partner With Us

---

- ✓ Exceptional Service: Responsive, collaborative and solutions-oriented
- ✓ Specialized Focus: Defined appetite and empowered workforce
- ✓ Underwriting Expertise: Track record of profitable performance
- ✓ Stability and Depth of Leadership: Led by underwriters with decades of experience in specialty lines
- ✓ Scale: Capital, rating, licenses

## Why Invest In Us

---

- ✓ Rare: Pure-play diversified specialty platform
- ✓ Stable: Strong capital position and risk management
- ✓ Margin Outperformance: Performance culture, supporting industry-leading profitability
- ✓ Growth: Significant, de-risked growth levers
- ✓ Experience: Long-tenured management and board of directors

# Appendix

- ✓ Risk Management
- ✓ Fronting/Programs
- ✓ Reconciliation of Operating Net Income and Operating ROE

## Disciplined risk management governed by board and management level oversight

---

Group Board of Directors

- Oversight of risk management and internal control systems and policies

Group Risk Committee

- Board level risk committee comprised of mostly independent directors

Canada  
Risk Committee

US  
Risk Committee

- Oversee and challenge the development and effectiveness of risk management frameworks and priorities and review risk reporting

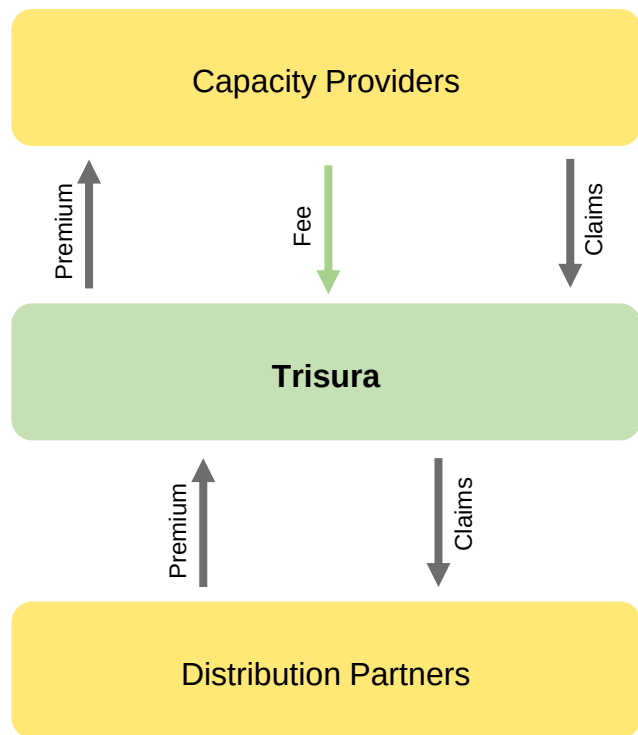
Group Risk Management Function

- Lead the risk management functions at the various subsidiaries

Management Level Underwriting and Risk  
Committees

- Risk officers report to relevant risk committees
- Escalation process to board level committees

## Fronting/Programs connect premiums with aligned, reliable and unconflicted capital



### Fronting/Programs Value Add:

**MGA**

**Reinsurer**

Licenses

Rating

MGA Diligence

Infrastructure

Niche Underwriting

Unconflicted Capital

Monitoring

Alignment of Interests

## Reconciliation of 2017 operating net income and operating ROE

|                                     | 2017         |
|-------------------------------------|--------------|
| <b>Net Income</b>                   | <b>(0.3)</b> |
| Adjustments                         |              |
| Impact of share based compensation  | 0.4          |
| Net loss (income) from life annuity | (2.1)        |
| Change in minority interests        | 5.1          |
| Tax impact of above items           | (0.1)        |
| <b>Operating Net Income</b>         | <b>3.0</b>   |
| LTM Average Equity                  | 96.2         |
| <b>Operating ROE</b>                | <b>3%</b>    |

# Notice to recipients

Trisura Group Ltd. ("Trisura") is not making any offer or invitation of any kind by communication of this document to the recipient and under no circumstances is it to be construed as a prospectus or an advertisement.

Except where otherwise indicated herein, the information provided herein is based on matters as they exist as of the date of preparation and not as of any future date, is subject to change, and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof. Unless otherwise noted, all references to "\$" or "Dollars" are to Canadian Dollars.

## CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This presentation 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, Trisura Group Ltd. 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.

Past performance is not necessarily indicative of future results and there can be no assurance that comparable results will be achieved, that an investment will be similar to the historic investments presented herein (because of economic conditions, the availability of investment opportunities or otherwise), that targeted returns, diversification or asset allocations will be met or that an investment strategy or investment objectives will be achieved.

## OTHER CAUTIONARY STATEMENTS

Certain of the information contained herein is based on or derived from information provided by independent third-party sources. While Trisura believes that such information is accurate as of the date it was produced and that the sources from which such information has been obtained are reliable, Trisura does not guarantee the accuracy or completeness of such information and has not independently verified such information or the assumptions on which such information is based. This document is subject to the assumptions (if any) and notes contained herein.

The information in this document does not take into account your investment objectives, financial situation or particular needs and nothing contained herein should be construed as legal, business or tax advice. Each prospective investor should consult its own attorney, business adviser and tax advisor as to legal, business, tax and related matters concerning the information contained herein.

## NON-IFRS AND OTHER FINANCIAL MEASURES

We present certain financial measures, including non-IFRS financial measures that are historical, non-IFRS ratios, and supplementary financial measures, to assess results. We believe 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 and prior MD&A, for the quarter ended March 31<sup>st</sup>, 2024 and for the year ended December 31<sup>st</sup>, 2023. To access MD&A, see Trisura's website or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).