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TRISURA GROUP REPORTS THIRD QUARTER 2024 RESULTS

TORONTO, November 7, 2024 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading specialty insurance provider, today announced financial results for the third quarter of 2024.

David Clare, President and CEO of Trisura, stated, “Trisura reported strong performance in the quarter with Operating net income of \$33.2 million, or \$0.68 per share, driven by growth, profitable underwriting in Trisura Specialty, growing earnings from US Programs and higher Net investment income.

Maturation of our business and continued expansion with distribution partners drove insurance revenue growth of 10.5%. Our platforms demonstrated disciplined underwriting, supporting growing net income and an 18.6% operating ROE.

We are excited to observe strong growth in US Surety, with \$36.5 million in premiums written in the quarter as our relationships expand.

Growth, strong earnings, and unrealized gains on the investment portfolio lifted book value to almost \$750 million. We have a growing pipeline of opportunities, and remain optimistic for the years ahead.”

Financial Highlights

- ✓ Insurance revenue growth of 10.5% in Q3 2024 reflected continued momentum across North America.
- ✓ Net income of \$36.1 million in the quarter was higher than Q3 2023 as the prior period included certain costs associated with a run-off program. Operating net income⁽¹⁾ of \$33.2 million in the quarter grew 4.7% compared to Q3 2023, despite particularly strong loss ratios in Trisura Specialty in 2023, as a result of growth in the business, growing earnings from US Programs and higher Net investment income.
- ✓ EPS of \$0.74 in Q3 2024 was greater compared to \$0.31 in Q3 2023, as a result of costs associated with a run-off program. Operating EPS⁽²⁾ of \$0.68 for the quarter compared to \$0.67 in the prior year, demonstrating the profitability of core operations⁽³⁾ through continued growth, despite a particularly strong comparative period and an increase in shares outstanding.
- ✓ Book value per share⁽⁴⁾ of \$15.64 increased 24.3% from September 30, 2023, primarily the result of earnings in Trisura Specialty and US Programs and unrealized gains on the investment portfolio.
- ✓ ROE⁽⁴⁾ of 16.7% increased compared to 2.8% in Q3 2023, demonstrating a return to our mid-teens target despite the impact of a run-off program in 2023. Operating ROE⁽⁵⁾ of 18.6% was lower than Q3 2023, as a result of a higher loss ratio at Trisura Specialty, as well as higher Shareholders' equity due to unrealized gains on the investment portfolio in 2024.



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Amounts in C\$ millions	Q3 2024	Q3 2023	Variance	Q3 2024 YTD	Q3 2023 YTD	Variance
Insurance revenue	807.6	730.7	10.5%	2,324.2	2,034.2	14.3%
Net income	36.1	14.8	143.2%	99.7	55.6	79.2%
Operating net income ⁽¹⁾	33.2	31.7	4.7%	97.7	84.3	15.8%
EPS – diluted, \$	0.74	0.31	138.7%	2.05	1.18	73.7%
Operating EPS – diluted, \$ ⁽²⁾	0.68	0.67	1.5%	2.01	1.80	11.7%
Book value per share, \$ ⁽⁴⁾	15.64	12.58	24.3%	15.64	12.58	24.3%
Debt-to-Capital ratio ⁽⁴⁾	11.6%	11.1%	0.5pts	11.6%	11.1%	0.5pts
ROE ⁽⁴⁾	16.7%	2.8%	13.9pts	16.7%	2.8%	13.9pts
Operating ROE ⁽⁵⁾	18.6%	20.2%	(1.6pts)	18.6%	20.2%	(1.6pts)
Operating combined ratio - Trisura Specialty ⁽⁶⁾	85.2%	79.0%	6.2pts	85.1%	80.9%	4.2pts
Operating FOR - Trisura US Programs ⁽⁷⁾	87.4%	86.0%	1.5pts	85.7%	84.2%	1.4pts

Insurance Operations

- Insurance revenue from Trisura Specialty (previously referred to as Trisura Canada) of \$261.7 million increased by 18.4% compared to Q3 2023, reflecting increased market share, expansion of distribution and fronting relationships, and growth of US Surety and Canadian Fronting. Strong underwriting contributed to a loss ratio of 18.9%, a ROE of 26.5% and Operating ROE of 24.9% in Q3 2024.
- Insurance revenue from Trisura US Programs (previously referred to as Trisura US) of \$546.0 million in the quarter increased by 7.1%, compared to Q3 2023, reflecting maturation of existing programs. Fee income⁽⁸⁾ of \$23.5 million in the quarter increased by 13.0% compared to Q3 2023. Operating net income of \$12.7 million grew 11.6% and supported a 15.0% Operating ROE.
- Operating FOR in the quarter increased as a result of a higher Operating loss ratio and higher program retention which increases the fronting operational ratio despite higher profitability, as well as continued investment in internal infrastructure.

Capital

- The Minimum Capital Test ratio⁽⁹⁾ of our regulated Canadian subsidiary was 263% as at September 30, 2024 (251% as at December 31, 2023), which comfortably exceeded regulatory requirements⁽¹⁰⁾ of 150%.
- As at December 31, 2023, the Risk-Based Capital⁽¹¹⁾ of the regulated US insurance companies were in excess of the various company action levels of the states in which they are licensed.
- Consolidated debt-to-capital ratio of 11.6% as at September 30, 2024 is below our long-term target of 20.0%.



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Investments

- Net investment income rose 20.4% in the quarter compared to Q3 2023. The portfolio benefited from higher risk-adjusted yields, and increased capital generated from strong operational performance.

Earnings Conference Call

Trisura will host its Third Quarter Earnings Conference Call to review financial results at 9:00a.m. ET on Friday, November 8th, 2024.

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

<https://edge.media-server.com/mmc/p/brggon5m>

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

About Trisura Group

Trisura Group Ltd. is a specialty insurance provider operating in the Surety, Warranty, 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 <http://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.ca.

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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2024 and December 31, 2023
(in thousands of Canadian dollars, except as otherwise noted)

As at	September 30, 2024	December 31, 2023
Cash and cash equivalents	262,850	604,016
Investments	1,324,286	890,157
Other assets	39,692	53,712
Reinsurance contract assets	2,418,331	2,003,589
Capital assets and intangible assets	28,764	16,657
Deferred tax assets	37,204	16,314
Total assets	4,111,127	3,584,445
Insurance contract liabilities	3,107,035	2,769,951
Other liabilities	158,439	120,065
Loan payable	98,272	75,000
Total liabilities	3,363,746	2,965,016
Shareholders' equity	747,381	619,429
Total liabilities and shareholders' equity	4,111,127	3,584,445



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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Comprehensive Income
For the three and nine months ended September 30,
(in thousands of Canadian dollars, except as otherwise noted)

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Insurance revenue	807,645	730,714	2,324,160	2,034,234
Insurance service expenses	(702,514)	(562,419)	(1,866,111)	(1,630,079)
Net income (expense) from reinsurance contracts assets	(69,539)	(143,546)	(355,604)	(322,979)
Insurance service result	35,592	24,749	102,445	81,176
Operating insurance service result ⁽¹²⁾	39,988	40,124	113,771	104,613
Net investment income (loss)	16,252	13,493	49,907	35,463
Net gains (losses)	11,379	(8,708)	24,117	(17,790)
Net credit impairment losses	(324)	(258)	(2,304)	(31)
Total investment income	27,307	4,527	71,720	17,642
Finance expenses from insurance contracts	(29,356)	(11,521)	(71,507)	(48,159)
Finance income from reinsurance contracts	25,130	10,623	61,824	42,248
Net insurance finance expenses	(4,226)	(898)	(9,683)	(5,911)
Net financial result	23,081	3,629	62,037	11,731
Net insurance and financial result	58,673	28,378	164,482	92,907
Other income	816	847	6,998	6,927
Other operating expenses	(11,056)	(7,094)	(36,128)	(22,601)
Other finance costs	(998)	(643)	(2,323)	(1,844)
Income before income taxes	47,435	21,488	133,029	75,389
Income tax expense	(11,347)	(6,650)	(33,367)	(19,768)
Net income	36,088	14,838	99,662	55,621
Operating net income	33,228	31,725	97,668	84,327
Other comprehensive income (loss)	14,340	1,826	26,649	(2,124)
Comprehensive income	50,428	16,664	126,311	53,497



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Trisura Group Ltd.

Condensed Interim Consolidated Statements of Cash Flows For the three and nine months ended September 30, (in thousands of Canadian dollars, except as otherwise noted)

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023
Net income	36,088	14,838	99,662	55,621
Non-cash items	(11,776)	8,758	(17,390)	16,991
Change in working capital	51,527	130,075	(34,022)	93,736
Realized gains losses	(2,253)	1,740	(1,530)	2,181
Income taxes paid	(12,031)	(432)	(25,707)	(8,105)
Interest paid	(362)	(85)	(1,656)	(1,324)
Net cash (used in) from operating activities	61,193	154,894	19,357	159,100
Proceeds on disposal of investments	77,167	36,619	201,926	89,598
Purchases of investments	(281,477)	(52,352)	(573,793)	(178,120)
Acquisition of subsidiary	-	-	(15,015)	-
Net purchases of capital and intangible assets	(690)	(339)	(3,188)	(746)
Net cash used in investing activities	(205,000)	(16,072)	(390,070)	(89,268)
Shares issued	410	50,859	2,989	51,570
Shares purchased under Restricted Share Units plan	65	(175)	(3,137)	(1,845)
Loans received	23,339	-	46,607	-
Loans repaid	(23,335)	-	(23,335)	-
Principal portion of lease payments	(642)	(502)	(1,772)	(1,524)
Net cash from (used in) financing activities	(163)	50,182	21,352	48,201
Net decrease in cash and cash equivalents, during the period	(143,970)	189,004	(349,361)	118,033
Cash and cash equivalents, beginning of period	405,590	340,825	604,016	406,368
Currency translation	1,230	1,655	8,195	7,083
Cash and cash equivalents, end of period	262,850	531,484	262,850	531,484



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Non-IFRS Financial Measures and other Financial Measures

Table 1 – Reconciliation of reported Net income to Operating net income⁽⁴⁾: reflect Net income, adjusted for certain items to normalize earnings to core operations in order to reflect our North American specialty operations.

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Net income	36,088	14,838	99,662	55,621
Adjustments:				
Non-recurring Surety revenues	-	(4,596)	-	(4,596)
Loss from run-off program	-	19,971	3,714	28,033
Impact of certain changes in Fronting reinsurance structures	-	-	2,535	-
Claims from exited programs	5,238	-	5,238	-
Non-recurring items	(1,012)	-	327	-
Impact of SBC	1,030	(1,948)	4,346	(3,503)
Impact of movement in yield curve within Finance (expenses) income from insurance and reinsurance contracts	2,061	(1,204)	1,602	(1,348)
Net (gains) losses	(11,379)	8,708	(24,117)	17,790
Net credit impairment losses (reversals)	324	258	2,304	31
Tax impact of above items, and other tax adjustments	878	(4,302)	2,057	(7,700)
Operating net income	33,228	31,725	97,668	84,328

Table 2 – ROE⁽⁴⁾ and Operating ROE⁽⁵⁾: a measure of the Company's use of equity.

	Q3 2024	Q3 2023
LTM net income	110,982	14,911
LTM average equity	662,480	526,049
ROE	16.7%	2.8%
Operating LTM net income ⁽⁵⁾	123,543	106,253
LTM average equity	662,480	526,049
Operating LTM ROE	18.6%	20.2%

Table 3 – Reconciliation of Average equity⁽¹³⁾ to LTM average equity: LTM average equity is used in calculating Operating ROE.

	Q3 2024	Q3 2023
Average equity	673,034	567,857
Adjustments: days in quarter proration	(10,554)	(41,808)
LTM average equity	662,480	526,049

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Footnotes

(1) See section on Non-IFRS financial measures table 10.2 in Q3 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 Q3 2024 MD&A, Section 10, Operating Metrics table.

(2) This is a non-IFRS ratio. 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. Details on composition and an explanation of how it provides useful information to an investor can be found in the Q3 2024 MD&A, Section 10, table 10.17.

(3) See Section 10, Operating Metrics in Q3 2024 MD&A for the definition of Operating Net Income, and for further explanation of “core operations”.

(4) This is a supplementary financial measure. Refer to Q3 2024 MD&A, Section 10, Operating Metrics table for its composition.

(5) This is a non-IFRS ratio. See table 10.18 in Q3 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.

(6) This is a non-IFRS ratio. Refer to Q3 2024 MD&A, Section 10, Operating Metrics table for its composition. Operating combined ratio excludes the impact of certain items to normalize results in order to reflect our Trisura Specialty operations.

(7) This is a non-IFRS ratio and excludes the impact of a 2023 run-off program. See table 10.22 in Q3 2024 MD&A for details on composition.

(8) This is a non-IFRS financial measure. See table 10.12 in Q3 2024 MD&A for details on composition.

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

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

(11) This measure is calculated in accordance with the National Association of Insurance Commissioners, Risk Based Capital for Insurers Model Act.

(12) This is a non-IFRS financial measure. Refer Q3 2024 MD&A, Section 10, Operating Metrics table for details on its composition and an explanation of how it provides useful information to an investor.

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

PRESS RELEASE

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 and nine months ended September 30, 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.