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TRISURA GROUP REPORTS SECOND QUARTER 2022 RESULTS

TORONTO, August 4, 2022 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading specialty insurance provider, today announced financial results for the second quarter of 2022.

David Clare, President and CEO of Trisura, stated, “Our business performed well in the quarter, recording net income of \$20.2 million. Strong growth and stable underwriting, supported by investment income, generated a 19.2% return on equity⁽¹⁾, despite continued investment in infrastructure.

Continuation of established trends drove the result. Expansion of market share, and maturation of our platform resulted in premium growth of 76.7% in the quarter. In Canada, disciplined underwriting generated an 80.6% combined ratio⁽¹⁾ for the quarter. Our US business bound a quarterly record \$447.6 million of gross premiums, and reported deferred fee income of \$34.7 million.

Subsequent to quarter-end we raised \$144.0 million in equity capital, the proceeds of which are expected to support growth across the platform.”

Financial Highlights

- ✓ EPS of \$0.48 in Q2 2022 compared to \$0.40 in Q2 2021. Adjusted EPS⁽²⁾ of \$0.46 for the quarter compared to \$0.35 in the prior period. Pro forma EPS⁽³⁾, including the impact of the public offering, is \$0.43 for the quarter and \$0.88 YTD. Pro forma adjusted EPS⁽³⁾ is 0.41 for the quarter and 0.82 YTD.
- ✓ Book value per share⁽¹⁾ of \$8.62 increased 7.3% from June 30, 2021, driven by strong earnings but diluted by unrealized losses on investments in the quarter. Including the impact of the public offering, pro forma BVPS⁽³⁾ is \$10.92.
- ✓ Gross written premiums growth of 76.7% in Q2 2022 reflected a step change in scale with sustained growth in Canada and a significant expansion in US fronting.
- ✓ Net income of \$20.2 million in the quarter grew 19.6% compared to Q2 2021, driven by growth and profitable underwriting in Canada and the US.
- ✓ ROE of 19.2% compared to 18.3% in Q2 2021, exceeding our mid-teens target despite significant growth.
- ✓ Consolidated combined ratio is 79.1%, and consolidated loss ratio⁽¹⁾ is 28.3% for Q2 2022.



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Amounts in C\$ millions	Q2 2022	Q2 2021	Variance	Q2 2022 YTD	Q2 2021 YTD	Variance
Gross premiums written	642.2	363.5	76.7%	1,123.6	673.8	66.8%
Net income	20.2	16.9	19.6%	41.2	36.2	13.9%
EPS – diluted, \$	0.48	0.40	20.0%	0.98	0.86	14.0%
Adjusted EPS – diluted, \$	0.46	0.35	31.4%	0.91	0.75	21.3%
Book value per share, \$	8.62	8.03	7.3%	8.62	8.03	7.3%
Debt-to-Capital ratio ⁽¹⁾	22.7%	18.4%	4.3pts	22.7%	18.4%	4.3pts
LTM ROE	19.2%	18.3%	0.9pts	19.2%	18.3%	0.9pts
Adjusted LTM ROE ⁽⁴⁾	19.6%	16.1%	3.5pts	19.6%	16.1%	3.5pts
Combined ratio – Canada	80.6%	83.3%	(2.7pts)	80.1%	75.4%	4.7pts
Fronting operational ratio – US ⁽¹⁾	82.2%	69.8%	12.4pts	78.8%	68.6%	10.2pts

Insurance Operations

- Disciplined underwriting in Canada contributed to a loss ratio of 14.2% for the quarter.
- Growth continued in the US, with GPW of \$447.6 million in the quarter, compared to \$220.6 million in Q2 2021, and fee income of \$15.5 million in the quarter compared to \$11.1 million in Q2 2021. Growth was the result of maturing and new programs.
- GPW in Canada increased by 36.2% in Q2 2022. Strong underwriting performance across all lines contributed to a combined ratio of 80.6% and a 31.6% ROE.
- New fronting arrangements in Canada contributed \$86.7 million premiums in the quarter.
- US premium grew by 102.9% and fee income grew by 39.5% in the quarter compared to Q2 2021, reaching \$447.6 million and \$15.5 million, respectively. This contributed to improved net income of \$8.0 million in the quarter and a 13.7% ROE.

Capital

- The Minimum Capital Test ratio⁽⁵⁾ of our regulated Canadian subsidiary was 232% as at June 30, 2022 (229% as at December 31, 2021), which comfortably exceeded regulatory requirements⁽⁶⁾ of 150%.
- The Risk-Based Capital of the regulated insurance companies of Trisura US was in excess of the various Company Action Levels of the states in which it is licensed at June 30, 2022.
- Consolidated debt-to-capital ratio of 22.7% as at June 30, 2022 is above our long-term target of 20.0%, but is expected to fall below the target given the recent equity raise.

Investments

- Interest and dividend income rose 37.5% in the quarter compared to Q2 2021. The Canadian and US portfolios benefited from improved diversification and increased capital generated from strong operational performance.



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Corporate Development

- Subsequent to quarter-end the Company raised \$144.0 million in equity capital to support growth across the platform.

Earnings Conference Call

Trisura will host its Second Quarter Earnings Conference Call to review financial results at 9:00 a.m. ET on Friday August 5th, 2022.

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

<https://edge.media-server.com/mmc/p/me2jn4xb>

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, fronting and reinsurance 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.

For more information, please contact:

Name: Bryan Sinclair

Tel: 416 607 2135

Email: bryan.sinclair@trisura.com



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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2022 and December 31, 2021
(in thousands of Canadian dollars, except as otherwise noted)

As at	June 30, 2022	December 31, 2021
Cash and cash equivalents	367,966	341,319
Investments	606,756	641,140
Premiums and accounts receivable, and other assets	397,259	311,629
Recoverable from reinsurers	1,706,310	1,375,354
Deferred acquisition costs	376,212	304,580
Capital assets and intangible assets	19,379	17,109
Deferred tax assets	15,253	9,223
Total assets	3,489,135	3,000,354
Accounts payable, accrued and other liabilities	87,827	216,633
Reinsurance premiums payable	451,233	335,673
Unearned premiums	1,229,602	965,245
Unearned reinsurance commissions	208,072	152,003
Unpaid claims and loss adjustment expenses	1,050,721	897,011
Debt outstanding	105,000	75,000
Total liabilities	3,132,455	2,641,565
Shareholders' equity	356,680	358,789
Total liabilities and shareholders' equity	3,489,135	3,000,354



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

	Q2 2022	Q2 2021	Q2 2022 YTD	Q2 2021 YTD
Gross premiums written	642,215	363,514	1,123,595	673,788
Net premiums written	145,933	100,200	254,103	177,565
Net premiums earned	102,671	67,028	191,020	119,652
Fee income	16,311	12,112	34,538	25,896
Net investment income (loss)	5,077	2,780	9,100	(2,537)
Net gains	1,441	4,801	967	8,635
Total revenues	125,500	86,721	235,625	151,646
Net claims and loss adjustment expenses	(29,055)	(21,390)	(52,660)	(25,497)
Net commissions	(44,311)	(26,330)	(81,419)	(44,889)
Operating expenses	(24,112)	(19,737)	(45,236)	(36,751)
Interest expenses	(642)	(281)	(1,233)	(468)
Total claims and expenses	(98,120)	(67,738)	(180,548)	(107,605)
Income before income taxes	27,380	18,983	55,077	44,041
Income tax expense	(7,185)	(2,094)	(13,832)	(7,834)
Net income	20,195	16,889	41,245	36,207
Other comprehensive (loss) income	(22,381)	3,835	(43,435)	4,597
Comprehensive (loss) income	(2,186)	20,724	(2,190)	40,804



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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Cash Flows
For the three and six months ended June 30
(in thousands of Canadian dollars, except as otherwise noted)

	Q2 2022	Q2 2021	Q2 2022 YTD	Q2 2021 YTD
Net income	20,195	16,889	41,245	36,207
Non-cash items	2,403	(1,150)	7,338	9,792
Change in working capital	50,372	69,950	53,670	72,403
Realized gains	(3,593)	(611)	(5,485)	(1,481)
Income taxes paid	(9,890)	(5,996)	(21,524)	(7,187)
Interest paid	(997)	(107)	(1,496)	(357)
Net cash from operating activities	58,490	78,975	73,748	109,377
Proceeds on disposal of investments	44,266	23,436	97,855	60,280
Purchases of investments	(75,684)	(104,742)	(176,667)	(174,677)
Net purchases of capital and intangible assets	(116)	(1,669)	(406)	(2,525)
Net cash used in investing activities	(31,534)	(82,975)	(79,218)	(116,922)
Shares issued	1,115	602	1,666	859
Shares purchased under Restricted Share Units plan	-	(116)	(2,106)	(1,930)
Issuance of note payable	-	74,700	-	74,700
Loans received	30,000	-	30,000	26,970
Loans repaid	-	(26,970)	-	(54,525)
Lease payments	(445)	(354)	(947)	(688)
Net cash from financing activities	30,670	47,862	28,613	45,386
Net increase in cash and cash equivalents	57,626	43,862	23,143	37,841
Cash and cash equivalents, beginning of period	304,464	129,649	341,319	136,519
Currency translation	5,876	(694)	3,504	(1,543)
Cash and cash equivalents, end of period	367,966	172,817	367,966	172,817



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Non-IFRS Financial Measures

Table 1 – Reconciliation of reported Net income to Adjusted net income⁽⁷⁾: reflect Net income, adjusted for certain items to normalize earnings to core operations in order to better reflect our North American specialty operations.

	Q2 2022	Q2 2021	Q2 2022 YTD	Q2 2021 YTD
Net income	20,195	16,889	41,245	36,207
Adjustments:				
Impact of share based compensation	194	4,394	(2,948)	7,165
Net gains	(1,441)	(4,801)	(967)	(8,635)
Net losses (gains) from life annuity	-	56	77	(1,399)
Tax impact of above items	393	(475)	938	(748)
Adjustments relating to income tax benefits	-	(1,221)	-	(1,221)
Adjusted net income	19,341	14,842	38,345	31,369

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

	Q2 2022	Q2 2021
LTM net income	67,597	53,691
LTM average equity	352,242	293,528
ROE	19.2%	18.3%
LTM net income	67,597	53,691
Adjustments:		
Impact of share based compensation	111	11,641
Loss on sale of structured insurance assets	1,336	-
Net gains	(6,816)	(15,635)
Net losses (gains) from life annuity	2,035	(679)
Impact of Catastrophe programs reinsurance	2,158	-
Tax impact of above items	2,160	(639)
Adjustments relating to non-recurring income tax benefits	285	(1,221)
Adjusted LTM net income ⁽⁴⁾	68,866	47,158
LTM average equity	352,242	293,528
Adjusted LTM ROE	19.6%	16.1%

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

	Q2 2022	Q2 2021
Average equity	343,653	300,032
Adjustments: days in quarter proration	8,589	(6,504)
LTM average equity	352,242	293,528



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Table 4 – Pro forma EPS and pro forma adjusted EPS: reflect pro forma EPS and adjusted EPS including the impact of equity raise on July 14, 2022.

	Q2 2022	Q2 2022 YTD
Net income	20,195	41,245
Pro forma Weighted-average number of common shares outstanding – diluted (in thousands of shares)	46,651	46,637
Pro forma Earnings per common share – diluted (in dollars)	0.43	0.88
Adjusted net income, per table 1	19,341	38,345
Pro forma Weighted-average number of common shares outstanding – diluted (in thousands of shares)	46,651	46,637
Pro forma Adjusted earnings per common share – diluted (in dollars)	0.41	0.82

Table 5 – Pro forma BVPS: reflects pro forma BVPS including the impact of equity raise on July 14, 2022.

	Q2 2022
Book value as of June 30, 2022	356,680
Net proceeds from equity raise on July 14, 2022	144,023
Pro forma book value	500,703
Total common shares outstanding as of June 30, 2022 (in thousands of shares)	41,359
Pro forma common shares outstanding (in thousands of shares)	45,871
Pro forma BVPS (in dollars)	10.92



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Footnotes

(1) This is a supplementary financial measure. Refer to Q2 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 Q2 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) This is a non-IFRS ratio. See Table 10.5 and 10.6 in Q2 2022 MD&A, Section 10, Non-IFRS Financial Measures and Other Financial Measures for details on composition, as well as each non-IFRS financial measure used as a component of this ratio, and an explanation of how it provides useful information to an investor.

(4) This is a non-IFRS ratio. See table 10.4 in Q2 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) This measure is calculated in accordance with the Office of the Superintendent of Financial Institutions Canada's (OSFI's) Guideline A, Minimum Capital Test.

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

(7) 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.

(8) 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 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: developments related to COVID-19, including the impact of COVID-19 on the economy and global financial markets; 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; 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; 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; 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.

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 six months ended June 30, 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.