



Trisura Group Ltd.

Condensed Interim Consolidated Financial Statements (unaudited)

For the three and six months ended June 30, 2022

TRISURA GROUP LTD.
Condensed Interim Consolidated Financial Statements (unaudited)

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TRISURA GROUP LTD.**Condensed Interim Consolidated Statements of Financial Position (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

| As at | <i>Note</i> | June 30, 2022 | December 31, 2021 |
|--|-------------|----------------------|--------------------------|
| Assets | | | |
| Cash and cash equivalents | | 367,966 | 341,319 |
| Investments | 4 | 606,756 | 641,140 |
| Premiums and accounts receivable, and other assets | 7 | 397,259 | 311,629 |
| Recoverable from reinsurers | 8 | 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 |
| Liabilities | | | |
| Accounts payable, accrued and other liabilities | 9 | 87,827 | 216,633 |
| Reinsurance premiums payable | 8 | 451,233 | 335,673 |
| Unearned premiums | | 1,229,602 | 965,245 |
| Unearned reinsurance commissions | | 208,072 | 152,003 |
| Unpaid claims and loss adjustment expenses | 10 | 1,050,721 | 897,011 |
| Debt outstanding | 11 | 105,000 | 75,000 |
| | | 3,132,455 | 2,641,565 |
| Shareholders' equity | | | |
| Common shares | 12, 20 | 284,595 | 285,035 |
| Contributed surplus | | 4,018 | 3,497 |
| Retained earnings | | 107,937 | 66,692 |
| Accumulated other comprehensive (loss) income | | (39,870) | 3,565 |
| | | 356,680 | 358,789 |
| Total liabilities and shareholders' equity | | 3,489,135 | 3,000,354 |

See accompanying notes to the Condensed Interim Consolidated Financial Statements

TRISURA GROUP LTD.**Condensed Interim Consolidated Statements of Income (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

| For the periods ended June 30, | Note | Three months | | Six months | |
|---|------|------------------|-----------|------------------|-----------|
| | | 2022 | 2021 | 2022 | 2021 |
| Gross premiums written | | 642,215 | 363,514 | 1,123,595 | 673,788 |
| Reinsurance premiums ceded | | (496,282) | (263,314) | (869,492) | (496,223) |
| Net premiums written | | 145,933 | 100,200 | 254,103 | 177,565 |
| Change in unearned premiums | | (43,262) | (33,172) | (63,083) | (57,913) |
| 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) | 13 | 5,077 | 2,780 | 9,100 | (2,537) |
| Net gains | 14 | 1,441 | 4,801 | 967 | 8,635 |
| Total revenues | | 125,500 | 86,721 | 235,625 | 151,646 |
| Net claims and loss adjustment expenses | 10 | (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 | 11 | (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 | 15 | (7,185) | (2,094) | (13,832) | (7,834) |
| Net income attributable to shareholders | | 20,195 | 16,889 | 41,245 | 36,207 |
| Weighted average number of common shares outstanding during the period (in thousands) – basic | 16 | 41,278 | 41,148 | 41,256 | 41,114 |
| Earnings per common share (in dollars) – basic | 16 | 0.49 | 0.41 | 1.00 | 0.88 |
| Earnings per common share (in dollars) – diluted | 16 | 0.48 | 0.40 | 0.98 | 0.86 |

See accompanying notes to the Condensed Interim Consolidated Financial Statements

TRISURA GROUP LTD.**Condensed Interim Consolidated Statements of Comprehensive (Loss) Income (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

| For the periods ended June 30, | <i>Note</i> | Three months | | Six months | |
|---|-------------|---------------------|-------------|-------------------|-------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Net income attributable to shareholders | | 20,195 | 16,889 | 41,245 | 36,207 |
| Net unrealized (losses) gains on available-for-sale ("AFS") investments | | (35,319) | 9,512 | (57,460) | 13,008 |
| Income tax benefit (expense) | | 8,322 | (3,406) | 13,866 | (4,170) |
| Items that may be reclassified subsequently to net income | | (26,997) | 6,106 | (43,594) | 8,838 |
| Net realized (gains) losses | | (2,520) | 95 | (4,471) | (294) |
| Impairment loss | 4.2 | - | - | - | 529 |
| Income tax benefit (expense) | | 279 | (68) | 1,005 | (50) |
| Items reclassified to net income | | (2,241) | 27 | (3,466) | 185 |
| Items other than cumulative translation gain (loss) | | (29,238) | 6,133 | (47,060) | 9,023 |
| Cumulative transaction gain (loss) | | 6,857 | (2,298) | 3,625 | (4,426) |
| Other comprehensive (loss) income | | (22,381) | 3,835 | (43,435) | 4,597 |
| Total comprehensive (loss) income | | (2,186) | 20,724 | (2,190) | 40,804 |

See accompanying notes to the Condensed Interim Consolidated Financial Statements

TRISURA GROUP LTD.**Condensed Interim Consolidated Statements of Changes in Equity (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

| | <i>Note</i> | Common shares | Contributed surplus | Retained earnings | Accumulated other comprehensive income (loss) (net of income taxes) | Total |
|---|-------------|----------------------|----------------------------|--------------------------|--|-----------------|
| Balance at January 1, 2022 | | 285,035 | 3,497 | 66,692 | 3,565 | 358,789 |
| Net income | | - | - | 41,245 | - | 41,245 |
| Other comprehensive loss | | - | - | - | (43,435) | (43,435) |
| Comprehensive loss | | - | - | 41,245 | (43,435) | (2,190) |
| Share issuance | 12 | 1,666 | - | - | - | 1,666 |
| Shares under Restricted Share Units ("RSUs") plan | 12 | (2,106) | - | - | - | (2,106) |
| Share based payments | | - | 521 | - | - | 521 |
| Balance at June 30, 2022 | | 284,595 | 4,018 | 107,937 | (39,870) | 356,680 |

| | | Common shares | Contributed surplus | Retained earnings | Accumulated other comprehensive (loss) income (net of income taxes) | Total |
|---------------------------------|--|----------------------|----------------------------|--------------------------|--|----------------|
| Balance at January 1, 2021 | | 285,731 | 1,332 | 4,133 | (1,332) | 289,864 |
| Net income | | - | - | 36,207 | - | 36,207 |
| Other comprehensive income | | - | - | - | 4,597 | 4,597 |
| Comprehensive income | | - | - | 36,207 | 4,597 | 40,804 |
| Share issuance | | 1,075 | - | - | - | 1,075 |
| Shares under RSUs plan | | (1,930) | - | - | - | (1,930) |
| Share based payments | | - | 812 | - | - | 812 |
| Balance at June 30, 2021 | | 284,876 | 2,144 | 40,340 | 3,265 | 330,625 |

See accompanying notes to the Condensed Interim Consolidated Financial Statements

TRISURA GROUP LTD.**Condensed Interim Consolidated Statements of Cash Flows (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

| For the six months ended June 30, | <i>Note</i> | 2022 | 2021 |
|--|-------------|------------------|-------------|
| Operating activities | | | |
| Net income | | 41,245 | 36,207 |
| Items not involving cash: | | | |
| Depreciation and amortization | | 2,117 | 1,309 |
| Unrealized loss | | 3,486 | 7,349 |
| Impairment loss | 4.2 | - | 529 |
| Share based compensation | | 1,735 | 605 |
| Change in working capital | 19 | 53,670 | 72,403 |
| Realized gains | | (5,485) | (1,481) |
| Income taxes paid | | (21,524) | (7,187) |
| Interest paid | | (1,496) | (357) |
| Net cash flows from operating activities | | 73,748 | 109,377 |
| Investing activities | | | |
| Proceeds on disposal of investments | | 97,855 | 60,280 |
| Purchases of investments | | (176,667) | (174,677) |
| Purchases of capital assets | | (290) | (2,449) |
| Purchases of intangible assets | | (116) | (76) |
| Net cash flows used in investing activities | | (79,218) | (116,922) |
| Financing activities | | | |
| Shares issued | 12 | 1,666 | 859 |
| Shares purchased under RSUs plan | 12 | (2,106) | (1,930) |
| Proceeds from issuance of debt, net of issuance costs | | - | 74,700 |
| Loans received | 11.1 | 30,000 | 26,970 |
| Loans repaid | | - | (54,525) |
| Principal portion of lease payments | | (947) | (688) |
| Net cash flows from financing activities | | 28,613 | 45,386 |
| Net increase in cash and cash equivalents during the period | | 23,143 | 37,841 |
| Cash, beginning of period | | 330,202 | 120,538 |
| Cash equivalents, beginning of period | | 11,117 | 15,981 |
| Cash and cash equivalents, beginning of period | | 341,319 | 136,519 |
| Impact of foreign exchange on cash and cash equivalents | | 3,504 | (1,543) |
| Cash, end of period | | 337,440 | 160,910 |
| Cash equivalents, end of period | | 30,526 | 11,907 |
| Cash and cash equivalents, end of period | | 367,966 | 172,817 |

See accompanying notes to the Condensed Interim Consolidated Financial Statements

TRISURA GROUP LTD.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

(in thousands of Canadian dollars, except as otherwise noted)

Note 1 – The Company

Trisura Group Ltd. (the “Company”) was incorporated under the *Business Corporations Act* (Ontario) (the “Act”) on January 27, 2017. The Company’s head office is located at 333 Bay Street, Suite 1610, Box 22, Toronto Ontario, M5H 2R2.

The Company 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 Canada operates as a Canadian property and casualty insurance company. Certain lines of Trisura Canada’s business operate as a fronting carrier with a large portion of gross premiums written ceded to reinsurers. Trisura US is a domestic surplus lines insurer that can write business as a non-admitted surplus line insurer in all states and admitted business in most states. Trisura US primarily operates as a hybrid fronting carrier where a large portion of its gross premiums written are ceded to reinsurers. Trisura US earns fee income from the reinsurers to whom it cedes premiums.

The common shares of the Company are publicly traded on the Toronto Stock Exchange under the symbol “TSU”.

Note 2 – Basis of presentation

These Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). The Condensed Interim Consolidated Financial Statements should be read in conjunction with the annual financial statements for the year ended December 31, 2021, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The Condensed Interim Consolidated Financial Statements comprise the financial results of the Company and all entities controlled by the Company, on a consolidated basis of presentation. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

In accordance with IFRS, presentation of assets and liabilities on the Condensed Interim Consolidated Statements of Financial Position is in order of liquidity. The Company’s functional and presentation currency is Canadian dollars.

These Condensed Interim Consolidated Financial Statements were authorized for issuance by the Company’s Board of Directors on August 4, 2022.

Note 3 – Summary of significant accounting policies

The accounting policies applied during the three and six months ended June 30, 2022 are the same as those described and disclosed in Note 2 – *Summary of significant accounting policies* of the December 31, 2021 Consolidated Financial Statements.

TRISURA GROUP LTD.**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

Note 4 – Investments**4.1 Classification of cash and cash equivalents and investments**

The following table presents the classification of cash and cash equivalents, and investments:

| As at June 30, 2022 | AFS | Cash, loans and receivables | Total |
|--|----------------|--------------------------------|----------------|
| Cash and cash equivalents | - | 367,966 | 367,966 |
| Investments | | | |
| Fixed income | 429,144 | - | 429,144 |
| Common shares | 50,760 | - | 50,760 |
| Preferred shares | 87,474 | - | 87,474 |
| Alternatives | 39,378 | - | 39,378 |
| Total Investments | 606,756 | - | 606,756 |
| Total cash and cash equivalents and investments | 606,756 | 367,966 | 974,722 |

| As at December 31, 2021 ⁽¹⁾ | AFS | Designated FVTPL | Cash, loans and receivables | Total |
|--|----------------|---------------------|--------------------------------|----------------|
| Cash and cash equivalents (see Note 10) | - | - | 341,319 | 341,319 |
| Investments | | | | |
| Short-term securities | - | - | 5,000 | 5,000 |
| Fixed income (see Note 10) | 375,341 | 60,261 | 8,042 | 443,644 |
| Common shares | 75,929 | - | - | 75,929 |
| Preferred shares | 102,927 | - | - | 102,927 |
| Alternatives | 13,640 | - | - | 13,640 |
| Total Investments | 567,837 | 60,261 | 13,042 | 641,140 |
| Total cash and cash equivalents and investments | 567,837 | 60,261 | 354,361 | 982,459 |

(1) Certain common shares and preferred shares totaling \$13,640 have been reclassified to Alternatives to conform with the current period financial statement presentation.

TRISURA GROUP LTD.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

(in thousands of Canadian dollars, except as otherwise noted)

4.2 Unrealized gains and losses and carrying value of investments

The amortized cost and carrying value of investments as at June 30, 2022 and December 31, 2021 were as follows:

| As at June 30, 2022 | Amortized cost | Unrealized gains | Unrealized losses | Carrying value |
|---------------------|----------------|------------------|-------------------|----------------|
| Fixed income | 467,791 | 70 | (38,717) | 429,144 |
| Common shares | 54,326 | 1,866 | (5,432) | 50,760 |
| Preferred shares | 95,239 | 2,171 | (9,936) | 87,474 |
| Alternatives | 37,252 | 4,146 | (2,020) | 39,378 |
| | 654,608 | 8,253 | (56,105) | 606,756 |

| As at December 31, 2021 ⁽¹⁾ | FVTPL investments | Other investments | | | | Total investments |
|--|-------------------|-------------------|------------------|-------------------|----------------|-------------------|
| | At carrying value | Amortized cost | Unrealized gains | Unrealized losses | Carrying value | At carrying value |
| Short-term securities | - | 5,000 | - | - | 5,000 | 5,000 |
| Fixed income | 60,261 | 385,635 | 2,011 | (4,263) | 383,383 | 443,644 |
| Common shares | - | 68,315 | 8,864 | (1,250) | 75,929 | 75,929 |
| Preferred shares | - | 94,462 | 8,495 | (30) | 102,927 | 102,927 |
| Alternatives | - | 11,352 | 4,099 | (1,811) | 13,640 | 13,640 |
| | 60,261 | 564,764 | 23,470 | (7,355) | 580,879 | 641,140 |

(1) Certain common shares and preferred shares totaling \$13,640 have been reclassified to Alternatives to conform with the current period financial statement presentation.

The Company is currently assessing the cash flow characteristics test, to determine if the securities the Company holds would pass the solely payments of principal and interest test. Based on a preliminary assessment, most of the debt securities would pass the test, however the composition of debt securities may change significantly by the time IFRS 9 *Financial instruments* is adopted along with IFRS 17 *Insurance Contracts*, effective for fiscal year commencing January 1, 2023.

Management has reviewed currently available information regarding those investments with a fair value less than carrying value. For the three and six months ended June 30, 2022, no impairment has been recognized on AFS investments (June 30, 2021 – nil and \$529, respectively). Assumptions are used when estimating the value of impairment based on the Company's impairment policy.

4.3 Pledged assets

In the normal course of insurance and reinsurance operations, the Company must secure its obligations under certain insurance and reinsurance contracts by collateralizing them with letters of credit or trust arrangements. These trusts and letters of credit may, in turn, be secured by the Company's fixed income investments. As at June 30, 2022, the Company has pledged cash amounting to \$698 and pledged no fixed income investments (December 31, 2021 – \$8,601 and \$63,646, respectively), under insurance and reinsurance trust arrangements and are therefore not readily available for general use by the Company.

As at June 30, 2022, the Company pledged \$7,199 (December 31, 2021 – \$7,687) of fixed income investments as security deposits to various US state insurance departments to be held in trust for various states and are therefore not readily available for general use by the Company.

TRISURA GROUP LTD.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

(in thousands of Canadian dollars, except as otherwise noted)

Note 5 – Fair value and notional amount of derivatives

The following sets out the fair value and notional amount of derivatives as at June 30, 2022 and December 31, 2021:

| As at | June 30, 2022 | | | December 31, 2021 | | |
|-----------------------------------|-----------------|---------------|----------|-------------------|---------------|----------|
| | Notional amount | Fair value | | Notional amount | Fair value | |
| Asset | | Liability | Asset | | Liability | |
| Foreign currency contracts | | | | | | |
| Forwards | 113,082 | 119 | - | 81,400 | 641 | - |
| Equity contracts | | | | | | |
| Swap agreements | 14,613 | 10,236 | - | 14,300 | 14,620 | - |
| Interest rate contracts | | | | | | |
| Swap agreements | 5,181 | 967 | - | 40,566 | 436 | - |
| | 132,876 | 11,322 | - | 136,266 | 15,697 | - |
| Term to maturity | | | | | | |
| less than one year | 127,695 | 10,355 | - | 94,484 | 14,060 | - |
| from one to five years | - | - | - | 1,216 | 1,201 | - |
| over five years | 5,181 | 967 | - | 40,566 | 436 | - |

The Company uses foreign currency forward contracts to reduce its exposure to fluctuations in the exchange rates that could arise from its USD, EUR and GBP denominated investments. The notional amounts of the forwards as at June 30, 2022 are \$76,599 USD (December 31, 2021 – \$55,265 USD), €1,777 EUR (December 31, 2021 – €1,777 EUR) and £5,604 GBP (December 31, 2021 – £4,701 GBP). The Company also uses swap agreements to mitigate exposure to interest rate on its investment portfolio and equity market fluctuations associated with its share based compensation. These derivatives are recorded at fair value (see Note 6 and Note 7) and gains and losses are recorded in Net gains (see Note 14).

Note 6 – Fair value measurement

The following sets out the financial instruments classified in accordance with the fair value hierarchy as at June 30, 2022 and December 31, 2021:

| As at June 30, 2022 | Total fair value | Level 1 | Level 2 | Level 3 |
|------------------------------------|------------------|----------------|----------------|---------------|
| Fixed income | 429,144 | - | 429,144 | - |
| Common shares | 50,760 | 50,760 | - | - |
| Preferred shares | 87,474 | 87,474 | - | - |
| Alternatives | 39,378 | - | - | 39,378 |
| Total investments | 606,756 | 138,234 | 429,144 | 39,378 |
| Derivative financial assets | 11,322 | - | 11,322 | - |
| | 618,078 | 138,234 | 440,466 | 39,378 |

TRISURA GROUP LTD.**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

Note 6 – Fair value measurement (continued)

| As at December 31, 2021 ⁽¹⁾ | Total fair value | Level 1 | Level 2 | Level 3 |
|--|------------------|---------|---------|---------|
| Fixed income | 435,602 | - | 435,602 | - |
| Common shares | 75,926 | 75,926 | - | - |
| Preferred shares | 102,930 | 102,930 | - | - |
| Alternatives | 13,640 | - | - | 13,640 |
| Total investments | 628,098 | 178,856 | 435,602 | 13,640 |
| Derivative financial assets | 15,697 | - | 15,697 | - |
| | 643,795 | 178,856 | 451,299 | 13,640 |

(1) Certain common shares and preferred shares totaling \$13,640 have been reclassified to Alternatives to conform with the current period financial statement presentation.

For the six months ended June 30, 2022, \$9,572 has been transferred into Level 3 investments (December 31, 2021 – nil).

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the hierarchy for the three and six months ended June 30, 2022 and the year ended December 31, 2021:

| | June 30, 2022 | December 31, 2021 |
|------------------------------|---------------|-------------------|
| Balance, beginning of period | 13,640 | 20,667 |
| Transfers | 9,572 | - |
| Purchase of securities | 16,216 | 3,426 |
| Sale of securities | (292) | (8,699) |
| Unrealized gains (losses) | 1,060 | (1,662) |
| Foreign exchange loss | (818) | (92) |
| Balance, end of period | 39,378 | 13,640 |

Note 7 – Premiums and accounts receivable, and other assets

As at June 30, 2022 and December 31, 2021, Premiums and accounts receivable, and other assets consist of:

| As at | June 30, 2022 | December 31, 2021 |
|-----------------------------|---------------|-------------------|
| Premiums receivable | 356,642 | 271,311 |
| Receivable from reinsurers | 14,708 | 14,084 |
| Derivative assets | 11,322 | 15,697 |
| Tax recoveries | 9,160 | 626 |
| Accrued investment income | 3,062 | 2,846 |
| Prepaid expenses | 1,687 | 964 |
| Unsettled investments sales | - | 2,126 |
| Miscellaneous assets | 678 | 3,975 |
| | 397,259 | 311,629 |

As at June 30, 2022, Premiums receivable of \$356,642 (December 31, 2021 – \$271,311) includes an amount of \$264,984 (December 31, 2021 – \$184,485) related to Trisura US fronting arrangements for which agreed upon levels of collateral are held and there is a reinsurance payable of \$329,223 (December 31, 2021 – \$232,345).

TRISURA GROUP LTD.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

(in thousands of Canadian dollars, except as otherwise noted)

Note 8 – Reinsurance

The Company uses reinsurance in the ordinary course of business to reduce its exposure to any one claim or event under the policies it issues. A large portion of this reinsurance is affected under reinsurance agreements known as treaty reinsurance. In some instances, it is negotiated on a facultative (one-off) basis for individual policies, generally when the exposures under these policies are not sufficiently mitigated by the treaty reinsurance.

The Company's fronting operations cede the majority of the premium generated through it to reinsurers. As such, Reinsurers' share of claims liabilities and Reinsurers share of unearned premiums are significant to the Company's financial position, and the associated credit risk is monitored each reporting period.

Reinsurance does not relieve the Company of its obligations to policyholders. A contingent liability exists with respect to reinsurance ceded which would become a liability of the Company in the event that any reinsurer fails to honour its contractual obligations. For this reason, the Company evaluates the financial condition of its reinsurers and monitors concentration of credit risk to minimize its exposure to losses from reinsurer insolvencies. Reinsurers providing reinsurance policies are generally required to have a minimum A.M. Best credit rating of A- at the inception of each policy or are otherwise required to post agreed upon levels of collateral. Unlicensed reinsurers must post an agreed upon level of collateral. The Company has determined that a provision is not required for potentially uncollectible reinsurance as at June 30, 2022 and December 31, 2021.

The following table summarizes the components of Recoverable from reinsurers as at June 30, 2022 and December 31, 2021:

| As at | June 30, 2022 | December 31, 2021 |
|---|----------------------|--------------------------|
| Reinsurers' share of claims liabilities (see Note 10) | 904,432 | 773,258 |
| Reinsurers' share of unearned premiums | 801,878 | 602,096 |
| | 1,706,310 | 1,375,354 |

The following table summarizes the components of Reinsurance premiums payable as at June 30, 2022 and December 31, 2021:

| As at | June 30, 2022 | December 31, 2021 |
|-------------------------|----------------------|--------------------------|
| Reinsurance payable | 525,571 | 357,226 |
| Reinsurance recoverable | (74,338) | (21,553) |
| | 451,233 | 335,673 |

Note 9 – Accounts payable, accrued and other liabilities

As at June 30, 2022 and December 31, 2021, Accounts payable, accrued and other liabilities consist of:

| As at | June 30, 2022 | December 31, 2021 |
|----------------------------------|----------------------|--------------------------|
| Accrued liabilities | 19,962 | 21,645 |
| Deposits in trust ⁽¹⁾ | 19,803 | 63,895 |
| Payable to intermediaries | 14,458 | 8,281 |
| Lease liabilities | 12,346 | 9,678 |
| Premium taxes payable | 9,048 | 14,460 |
| Share based payment plan | 8,679 | 12,004 |
| Taxes payable | 2,007 | 10,253 |
| Other liabilities | 1,524 | 3,977 |
| Due on novation (see Note 10) | - | 72,440 |
| | 87,827 | 216,633 |

(1) The Company periodically holds deposits in trust from reinsurers and other counterparties as a form of collateral.

TRISURA GROUP LTD.**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

Note 10 – Unpaid claims and loss adjustment expenses

The following changes have occurred to the claim reserves:

| For the three months ended June 30, 2022 | Direct | Ceded | Net |
|--|---------------|--------------|------------|
| Unpaid claims, beginning of period | 921,589 | 790,040 | 131,549 |
| Claims occurring in current period (including paid) | 252,393 | 220,380 | 32,013 |
| Change in undiscounted estimates for losses of prior years | 15,071 | 16,658 | (1,587) |
| Change in discounting | (5,469) | (4,040) | (1,429) |
| Change in provision for adverse deviation | 1,202 | 1,144 | 58 |
| Total claims incurred | 263,197 | 234,142 | 29,055 |
| Claims paid | (157,577) | (141,672) | (15,905) |
| Foreign exchange | 23,512 | 21,922 | 1,590 |
| Unpaid claims, end of period | 1,050,721 | 904,432 | 146,289 |

| For the six months ended June 30, 2022 | Direct | Ceded | Net |
|--|---------------|--------------|------------|
| Unpaid claims, beginning of period | 897,011 | 773,258 | 123,753 |
| Claims occurring in current period (including paid) | 475,385 | 410,645 | 64,740 |
| Change in undiscounted estimates for losses of prior years | (11,684) | (2,850) | (8,879) |
| Change in discounting | (8,746) | (5,262) | (3,484) |
| Change in provision for adverse deviation | (348) | (478) | 130 |
| Total claims incurred | 454,607 | 402,100 | 52,507 |
| Claims paid | (313,938) | (283,054) | (30,884) |
| Foreign exchange | 13,041 | 12,128 | 913 |
| Unpaid claims, end of period | 1,050,721 | 904,432 | 146,289 |

| For the three months ended June 30, 2021 | Direct | Ceded | Net |
|--|---------------|--------------|------------|
| Unpaid claims, beginning of period | 545,307 | 382,988 | 162,319 |
| Claims occurring in current year (including paid) | 145,336 | 123,276 | 22,060 |
| Change in undiscounted estimates for losses of prior years | 16,034 | 16,047 | (13) |
| Change in discounting | (1,903) | (355) | (1,548) |
| Change in provision for adverse deviation | 1,492 | 601 | 891 |
| Total claims incurred | 160,959 | 139,569 | 21,390 |
| Claims paid | (70,116) | (60,028) | (10,088) |
| Foreign exchange | (4,744) | (4,416) | (328) |
| Unpaid claims, end of period | 631,406 | 458,113 | 173,293 |

TRISURA GROUP LTD.**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

Note 10 – Unpaid claims and loss adjustment expenses (continued)

| For the six months ended June 30, 2021 | Direct | Ceded | Net |
|--|-----------|-----------|----------|
| Unpaid claims, beginning of period | 487,271 | 313,904 | 173,367 |
| Claims occurring in current year (including paid) | 290,625 | 249,851 | 40,774 |
| Change in undiscounted estimates for losses of prior years | 10,088 | 14,595 | (4,507) |
| Change in discounting | (12,530) | (508) | (12,022) |
| Change in provision for adverse deviation | 2,109 | 857 | 1,252 |
| Total claims incurred | 290,292 | 264,795 | 25,497 |
| Claims paid | (133,273) | (112,202) | (21,071) |
| Foreign exchange | (12,884) | (8,384) | (4,500) |
| Unpaid claims, end of period | 631,406 | 458,113 | 173,293 |

Unpaid claims and loss adjustment balances due from reinsurers are grouped with unearned reinsurance assets in Recoverable from reinsurers on the Condensed Interim Consolidated Statements of Financial Position.

In 2021 the Company entered into an agreement to transfer, by way of novation, all of the Trisura International Insurance Ltd. (“Trisura International”) rights, liabilities and obligations under its life reinsurance agreement to a third-party reinsurer. Such transfer and assumption, effective December 31, 2021, was enforceable and binding upon the Company and the assuming reinsurer, and which the cedant had approved. As at December 31, 2021, the novation price of \$72,440 due to the assuming reinsurer was included in Accounts payable, accrued and other liabilities (see Note 9). During the six months ended June 30, 2022, cash of \$8,436 and FVTPL fixed income investments of \$64,004 were transferred to the assuming reinsurer (see Note 4).

Note 11 – Debt outstanding**11.1 Loan payable**

The Company maintains a five-year revolving credit facility (the “Facility”) with a Canadian Schedule I bank (the “Bank”) which allows for drawings of up to \$50,000. Under this arrangement, the Company is able to draw funds in the form of short-term banker’s acceptances, Canadian prime rate advances, base rate advances or SOFR loans. The interest rate is based on the current periods’ bankers’ acceptance rate, Canadian prime rate, base rate, or SOFR loans rate, plus a margin. The loan balance is accounted for at amortized cost, which is equal to the carrying value. The minimum required annual payment consists only of interest, with no mandatory principal payments required.

On June 23, 2022, \$30,000 was drawn under the Facility. As at June 30, 2022, the loan balance is \$30,000 (December 31, 2021 – nil).

11.2 Senior unsecured notes

In June 2021, the Company completed an offering of senior unsecured notes (the “Notes”), with a principal amount of \$75,000, which will mature on June 11, 2026. The Notes bear interest at a fixed annual rate of 2.64%. Interest is payable in semi-annual instalments which commenced on December 11, 2021. The Notes are direct unsecured obligations and will rank equally with all other unsecured and unsubordinated indebtedness of the Company.

The following table provides details of the total debt outstanding as at June 30, 2022 and December 31, 2021.

| | Maturity date | Term (years) | Fixed rate | Coupon (payment) | Principal amount | Carrying value | |
|-------------------------------|---------------|--------------|------------|------------------|------------------|----------------|-------------------|
| | | | | | | June 30, 2022 | December 31, 2021 |
| Loan payable | | | | | 30,000 | 30,000 | - |
| Senior unsecured notes | June 11, 2026 | 5 | 2.64% | June, Dec | 75,000 | 75,000 | 75,000 |
| Total debt outstanding | | | | | 105,000 | 105,000 | 75,000 |

For the three and six months ended June 30, 2022, the Company incurred \$642 and \$1,233 of interest expense, respectively (June 30, 2021 – \$281 and \$468, respectively), of which \$540 and \$1,028 (June 30, 2021 – \$194 and \$293) are related to the loan payable and senior unsecured notes.

TRISURA GROUP LTD.**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

Note 12 – Share capital

The Company's authorized share capital consists of: (i) an unlimited number of common shares; (ii) an unlimited number of non-voting shares; and (iii) an unlimited number of preference shares (issuable in series). As at June 30, 2022 and December 31, 2021, no non-voting shares were issued and no preferred shares are outstanding.

During the six months ended June 30, 2022, 134,741 (December 31, 2021 – 148,620) stock options issued under the Company's existing stock option plan were exercised. Consideration paid by stock option holders to exercise the options resulted in an increase to share capital.

In July 2021, the Company completed a four-for-one split of the Company's outstanding common stock. The additional shares required to give effect to the share split were issued to shareholders of record at the close of business on June 30, 2021. The Company's shareholders approved the share split at the annual and special meeting of shareholders held on May 26, 2021.

The following table shows the common shares issued and outstanding, excluding treasury shares:

| As at | June 30, 2022 | | December 31, 2021 | |
|------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | Number of common shares | Amount (in thousands) | Number of common shares | Amount (in thousands) |
| Balance, beginning of period | 41,165,198 | 285,035 | 41,075,476 | 285,731 |
| Shares under RSUs plan | (48,574) | (2,106) | (58,898) | (2,011) |
| Common shares issued | 134,741 | 1,666 | 148,620 | 1,315 |
| Balance, end of period | 41,251,365 | 284,595 | 41,165,198 | 285,035 |

As part of the RSUs plan, the Company purchases its own shares which are classified as treasury shares and the costs of these shares are recorded as a reduction to equity. As at June 30, 2022, the Company has an aggregate of 41,358,837 common shares (December 31, 2021 – 41,224,096 common shares) outstanding, which includes 107,472 treasury shares (December 31, 2021 – 58,898 treasury shares).

Note 13 – Net investment income (loss)

| | Three months ended June 30 | | Six months ended June 30 | |
|--|-------------------------------|----------------|-----------------------------|-----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Cash and cash equivalents, and short-term securities | 168 | 64 | 257 | 148 |
| AFS fixed income | 3,298 | 2,342 | 5,867 | 4,365 |
| FVTPL fixed income | - | 232 | - | 476 |
| Interest income | 3,466 | 2,638 | 6,124 | 4,989 |
| AFS common shares | 893 | 565 | 1,737 | 1,119 |
| AFS preferred shares | 1,213 | 849 | 2,290 | 1,641 |
| Dividend income | 2,106 | 1,414 | 4,027 | 2,760 |
| Losses on investments held at FVTPL | - | (1,228) | (78) | (10,151) |
| Commission income on structured insurance assets | - | 345 | - | 635 |
| Investment expenses | (495) | (389) | (973) | (770) |
| Other investment loss | (495) | (1,272) | (1,051) | (10,286) |
| Net investment income (loss) | 5,077 | 2,780 | 9,100 | (2,537) |

TRISURA GROUP LTD.**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

Note 14 – Net gains

| | Three months ended June 30 | | Six months ended June 30 | |
|-------------------------------------|-------------------------------|--------------|-----------------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net gains from: | | | | |
| financial instruments: | | | | |
| AFS common shares | 1,281 | 176 | 4,589 | 567 |
| AFS preferred shares | 375 | - | (17) | 58 |
| AFS fixed income | 751 | 284 | 833 | 591 |
| | 2,407 | 460 | 5,405 | 1,216 |
| derivatives: | | | | |
| swap agreements ⁽¹⁾ | (99) | 4,206 | (3,866) | 7,576 |
| Embedded derivatives | 113 | (554) | (172) | (920) |
| Net foreign currency (losses) gains | (980) | 689 | (400) | 1,292 |
| Impairment on investments | - | - | - | (529) |
| Net gains | 1,441 | 4,801 | 967 | 8,635 |

(1) Excluding foreign currency contracts, which are reported in the line Net foreign currency (losses) gains.

Note 15 – Income taxes

The following table shows the major components of income tax expense for the three and six months ended June 30, 2022 and 2021:

| | Three months ended June 30 | | Six months ended June 30 | |
|--|-------------------------------|--------------|-----------------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Current tax expense | 6,960 | 5,033 | 14,310 | 8,606 |
| Deferred tax expense (benefit) | 225 | (2,939) | (478) | (772) |
| Income tax expense | 7,185 | 2,094 | 13,832 | 7,834 |
| Income taxes recorded in other comprehensive (loss) income: | | | | |
| Net changes in unrealized (losses) gains on AFS investments | (5,065) | 1,337 | (8,436) | 2,491 |
| Reclassification to net income of net (losses) gains on AFS investments | (316) | 68 | (989) | 50 |
| Origination and reversal of temporary differences | (3,220) | 2,069 | (5,446) | 1,679 |
| Total income tax (benefit) expense recorded in other comprehensive (loss) income | (8,601) | 3,474 | (14,871) | 4,220 |

TRISURA GROUP LTD.**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

Note 15 – Income taxes (continued)

The following is a reconciliation of income taxes calculated at the statutory income tax rate to the income tax provision included in the Condensed Interim Consolidated Statements of Income for the three and six months ended June 30, 2022 and 2021:

| | Three months ended June 30 | | Six months ended June 30 | |
|---|-------------------------------|---------|-----------------------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| Income before income taxes | 27,380 | 18,983 | 55,077 | 44,041 |
| Statutory income tax rate | 26.5% | 26.5% | 26.5% | 26.5% |
| | 7,256 | 5,030 | 14,595 | 11,671 |
| Variations due to: | | | | |
| Permanent differences | (1) | (1,359) | (291) | (1,546) |
| International operations subject to different tax rates | (444) | (427) | (1,030) | (1,133) |
| Unrecognized tax loss | 148 | - | 177 | - |
| Rate differentials: | | | | |
| Current rate versus future rate | - | 71 | - | 71 |
| Change in future rate | - | - | 2 | 12 |
| True up | 226 | (1,221) | 379 | (1,241) |
| Income tax expense | 7,185 | 2,094 | 13,832 | 7,834 |

The permanent differences relate primarily to investment income or losses that are non-taxable or taxed at rates lower than the statutory income tax rate, such as non-taxable dividend income and capital gains.

As at June 30, 2022, the Company has unused tax losses of \$8,266 (December 31, 2021 – \$9,160), which will expire in the following years:

| | June 30, 2022 |
|------|---------------|
| 2041 | 7,141 |
| 2042 | 1,125 |
| | 8,266 |

Note 16 – Earnings per share

Basic earnings per common share are calculated by dividing the net income attributable to common shareholders for the reporting period by the weighted-average number of common shares.

Diluted earnings per share is calculated to give effect to the potential dilutive effect that could occur if additional equity shares were assumed to be issued under securities or instruments that may entitle their holders to obtain equity shares in the future, such as share option awards.

| | Three months ended June 30 | | Six months ended June 30 | |
|---|-------------------------------|---------------------|-----------------------------|---------------------|
| | 2022 | 2021 ⁽¹⁾ | 2022 | 2021 ⁽¹⁾ |
| Net income attributable to common shareholders | 20,195 | 16,889 | 41,245 | 36,207 |
| Weighted-average number of common shares outstanding (in shares) | 41,278,291 | 41,147,712 | 41,256,160 | 41,113,948 |
| EPS – basic (in dollars) | 0.49 | 0.41 | 1.00 | 0.88 |
| Dilutive effect of the conversion of options on common shares (in shares) | 860,602 | 998,472 | 869,157 | 887,100 |
| Diluted weighted-average number of common shares outstanding (in shares) | 42,138,893 | 42,146,184 | 42,125,317 | 42,001,048 |
| EPS – diluted (in dollars) | 0.48 | 0.40 | 0.98 | 0.86 |

(1) Adjusted to reflect the four-for-one stock split effective July 9, 2021. The number of common shares is presented on a post-split basis.

TRISURA GROUP LTD.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

(in thousands of Canadian dollars, except as otherwise noted)

Note 17 – Capital management

The Company's capital is its shareholders' equity, which consists of common shares, contributed surplus, retained earnings and accumulated other comprehensive (loss) income. The Company reviews its capital structure on a regular basis to ensure an appropriate capital structure in keeping with all regulatory, business and shareholder obligations.

Oversight of the capital of the Company rests with management and the board of directors. Their objectives are twofold: (i) to ensure the Company is prudently capitalized relative to the amount and type of risks assumed and the requirements established by the laws and regulations applicable to the Company's regulated subsidiaries; and (ii) to ensure shareholders receive an appropriate return on their investment.

a) *Trisura Canada*

Under guidelines established by the Office of the Superintendent of Financial Institutions which apply to the regulated insurance company of Trisura Canada, Canadian property and casualty insurance companies must maintain minimum levels of capital as determined in accordance with a prescribed test, the minimum capital test ("MCT"), which expresses available capital (actual capital plus or minus specified adjustments) as a percentage of required capital. Companies are expected to maintain MCT level of at least 150% and are further required to establish their own unique target MCT level based on the nature of their operations and the business they write. Management, with the board of directors' approval, has established Trisura Canada's target MCT level in accordance with these requirements. The regulated insurance company of Trisura Canada has exceeded this measure as at June 30, 2022 and December 31, 2021.

b) *Trisura US*

The regulated insurance companies of Trisura US are subject to externally imposed regulatory capital requirements by the Oklahoma Insurance Department as a Domestic Surplus Line Insurer. The Company's admitted carrier is subject to the various capital requirements of each state in which it is licensed. A requirement of the regulators is that Trisura US's regulated insurance companies' Risk Based Capital exceed certain minimum thresholds as well as Company Action Levels ("CALs"), below which the companies would have to notify the regulators. As at June 30, 2022 and December 31, 2021, the regulated insurance companies of Trisura US were in excess of any CALs of the states in which they were licensed.

TRISURA GROUP LTD.**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

Note 18 – Segmented information

As at June 30, 2022, the Company has two reportable segments. The operations of Trisura Canada comprise Surety business underwritten in both Canada and the United States, and Risk Solutions and Corporate Insurance products primarily underwritten in Canada. Trisura US provides specialty fronting insurance solutions underwritten in the United States. The operations of Trisura US includes the reinsurance operations of Trisura International.

During the six months ended June 30, 2022, the Company determined that Trisura International, which comprised the Company's international reinsurance operations, no longer met the quantitative threshold for reportable segment disclosure purposes and the Company's chief operating decision maker no longer deems Trisura International's results to be significant. The run-off operations of Trisura International has been reclassified to Corporate and other in the current period and the comparative information has been restated to conform with the current period presentation.

The following tables show the results for the three and six months ended June 30, 2022 and 2021:

| Three months ended June 30, 2022 | Trisura Canada | Trisura US | Corporate and other | Total |
|---|---------------------------|-----------------------|--------------------------------|-----------------|
| Gross premiums written | 194,581 | 447,634 | - | 642,215 |
| Net premiums written | 101,568 | 44,365 | - | 145,933 |
| Net premiums earned | 77,273 | 25,398 | - | 102,671 |
| Fee income | 855 | 15,456 | - | 16,311 |
| Net investment income | 3,174 | 1,594 | 309 | 5,077 |
| Net gains (losses) | 771 | 1,537 | (867) | 1,441 |
| Total revenues | 82,073 | 43,985 | (558) | 125,500 |
| Net claims and loss adjustment expenses | (10,975) | (18,072) | (8) | (29,055) |
| Net expenses | (52,183) | (15,492) | (748) | (68,423) |
| Interest expenses | (67) | (30) | (545) | (642) |
| Total claims and expenses | (63,225) | (33,594) | (1,301) | (98,120) |
| Net income (loss) before tax | 18,848 | 10,391 | (1,859) | 27,380 |

| Six months ended June 30, 2022 | Trisura Canada | Trisura US | Corporate and other | Total |
|---|---------------------------|-----------------------|--------------------------------|------------------|
| Gross premiums written | 334,216 | 789,379 | - | 1,123,595 |
| Net premiums written | 176,436 | 77,667 | - | 254,103 |
| Net premiums earned | 146,228 | 44,792 | - | 191,020 |
| Fee income | 5,197 | 29,341 | - | 34,538 |
| Net investment income | 5,879 | 2,707 | 514 | 9,100 |
| Net gains (losses) | 3,851 | 517 | (3,401) | 967 |
| Total revenues | 161,155 | 77,357 | (2,887) | 235,625 |
| Net claims and loss adjustment expenses | (21,815) | (30,746) | (99) | (52,660) |
| Net expenses | (100,540) | (27,683) | 1,568 | (126,655) |
| Interest expense | (134) | (62) | (1,037) | (1,233) |
| Total claims and expenses | (122,489) | (58,491) | 432 | (180,548) |
| Net income (loss) before tax | 38,666 | 18,866 | (2,455) | 55,077 |

TRISURA GROUP LTD.**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

Note 18 – Segmented information (continued)

| Three months ended June 30, 2021 | Trisura Canada | Trisura US | Corporate and other | Total |
|----------------------------------|----------------|------------|---------------------|----------|
| Gross premiums written | 142,906 | 220,598 | 10 | 363,514 |
| Net premiums written | 79,297 | 20,893 | 10 | 100,200 |
| Net premiums earned | 53,288 | 13,731 | 9 | 67,028 |
| Fee income | 1,029 | 11,083 | - | 12,112 |
| Net investment income (loss) | 2,064 | 1,112 | (396) | 2,780 |
| Net gains (losses) | 252 | 206 | 4,343 | 4,801 |
| Total revenues | 56,633 | 26,132 | 3,956 | 86,721 |
| Net claims | (13,065) | (9,122) | 797 | (21,390) |
| Net expenses | (32,345) | (8,205) | (5,517) | (46,067) |
| Interest expense | (73) | (8) | (200) | (281) |
| Total claims and expenses | (45,483) | (17,335) | (4,920) | (67,738) |
| Net income (loss) before tax | 11,150 | 8,797 | (964) | 18,983 |

| Six months ended June 30, 2021 | Trisura Canada | Trisura US | Corporate and other | Total |
|--------------------------------|----------------|------------|---------------------|-----------|
| Gross premiums written | 228,478 | 445,271 | 39 | 673,788 |
| Net premiums written | 140,108 | 37,418 | 39 | 177,565 |
| Net premiums earned | 95,263 | 24,351 | 38 | 119,652 |
| Fee income | 5,330 | 20,566 | - | 25,896 |
| Net investment income (loss) | 3,897 | 2,155 | (8,589) | (2,537) |
| Net (losses) gains | (100) | 560 | 8,175 | 8,635 |
| Total revenues | 104,390 | 47,632 | (376) | 151,646 |
| Net claims | (18,658) | (16,921) | 10,082 | (25,497) |
| Net expenses | (58,476) | (13,904) | (9,260) | (81,640) |
| Interest expense | (146) | (17) | (305) | (468) |
| Total claims and expenses | (77,280) | (30,842) | 517 | (107,605) |
| Net income before tax | 27,110 | 16,790 | 141 | 44,041 |

| As at June 30, 2022 | Trisura Canada | Trisura US | Corporate and other | Total |
|---------------------|------------------|------------------|---------------------|------------------|
| Assets | 1,116,161 | 2,326,992 | 45,982 | 3,489,135 |
| Liabilities | 938,504 | 2,078,147 | 115,804 | 3,132,455 |

| As at December 31, 2021 | Trisura Canada | Trisura US | Corporate and other | Total |
|-------------------------|----------------|------------|---------------------|-----------|
| Assets | 1,095,984 | 1,763,972 | 140,398 | 3,000,354 |
| Liabilities | 929,845 | 1,549,154 | 162,566 | 2,641,565 |

TRISURA GROUP LTD.**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

(in thousands of Canadian dollars, except as otherwise noted)

Note 19 – Additional information on the Consolidated Statements of Cash Flows

The following table shows the Change in working capital for the periods ended June 30, 2022 and June 30, 2021:

| For the periods ended June 30, | 2022 | 2021 |
|---|-----------------|-------------|
| Reinsurance premiums payable | 119,400 | 89,704 |
| Unearned premiums, net | 63,183 | 74,450 |
| Unpaid claims and loss adjustment expenses, net | 21,625 | 2,885 |
| Income taxes | 13,701 | 8,007 |
| Other operating liabilities | 3,259 | 1,948 |
| Premiums and accounts receivable | (87,566) | (64,163) |
| Accounts payable and accrued liabilities | (60,074) | 4,602 |
| Deferred acquisition costs, net | (15,760) | (36,563) |
| Other operating assets | (4,098) | (8,467) |
| | 53,670 | 72,403 |

Note 20 – Subsequent event

On July 14, 2022, the Company completed a public offering of 4,512,000 common shares for gross proceeds of \$150,024. The Company incurred costs of \$6,001 in commission paid to underwriters. Costs directly attributable to the share issuance are estimated to be \$400.