



## PRESS RELEASE

### TRISURA GROUP REPORTS SECOND QUARTER 2024 RESULTS

**TORONTO, August 1, 2024** — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading specialty insurance provider, today announced financial results for the second quarter of 2024.

David Clare, President and CEO of Trisura, stated, “Q2 demonstrated strong performance with Operating net income of \$31.3 million, or \$0.65 per share, driven by growth, increased earnings from our US Programs platform and higher Net investment income.

Insurance revenue growth of 16.2% was significant, with continued momentum across our business. Our US and Canadian platforms demonstrated disciplined underwriting, supporting growing net income and a 19.6% operating ROE.

Net investment income grew 42.0% over Q2 2023, reaching \$16.9 million as we benefited from higher yields and a larger investment portfolio.

Growth, strong earnings, and foreign exchange gains lifted book value to over \$695 million. In the quarter, we added capital to our new surety balance sheet in the US and continued the process of expanding licenses and rate filings for US Surety and Corporate Insurance. With a larger capital base, greater financial flexibility following an increase in our revolving credit facility and ample opportunities to grow, we remain optimistic for the years ahead.”

#### Financial Highlights

- ✓ Insurance revenue growth of 16.2% in Q2 2024 reflected sustained momentum across North America.
- ✓ Net income of \$27.1 million in the quarter was comparable to Q2 2023 as Q2 2023 included certain one-time gains. Operating net income<sup>(1)</sup> of \$31.3 million in the quarter grew 20.1% compared to Q2 2023, driven by growth in core operations<sup>(2)</sup>, growing earnings from US Programs and higher Net investment income.
- ✓ EPS of \$0.56 in Q2 2024 was comparable to \$0.57 in Q2 2023, as a result of growth in the business, which was offset by one-time gains in Q2 2023. Operating EPS<sup>(3)</sup> of \$0.65 for the quarter compared to \$0.56 in the prior year, demonstrating the profitability of core operations through continued growth, despite an increase in shares outstanding.
- ✓ Book value per share<sup>(4)</sup> of \$14.56 increased 26.3% from June 30, 2023, primarily the result of earnings from our Canadian platform, higher Net investment income and the equity raise in Q3 2023.
- ✓ ROE<sup>(4)</sup> of 14.4% compared to 4.9% in Q2 2023, demonstrating a return to our mid-teens target despite the impact of the run-off program in 2023. Operating ROE<sup>(5)</sup> of 19.6% continued to demonstrate the strength and potential of the core platform.



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Amounts in C\$ millions	Q2 2024	Q2 2023	Variance	Q2 2024 YTD	Q2 2023 YTD	Variance
Insurance revenue	772.2	664.4	16.2%	1,516.5	1,303.5	16.3%
Net income	27.1	26.8	1.2%	63.6	40.8	55.9%
Operating net income <sup>(1)</sup>	31.3	26.0	20.1%	64.4	52.6	22.5%
EPS – diluted, \$	0.56	0.57	(1.8%)	1.31	0.87	50.6%
Operating EPS – diluted, \$ <sup>(3)</sup>	0.65	0.56	16.1%	1.33	1.13	17.7%
Book value per share, \$ <sup>(4)</sup>	14.56	11.53	26.3%	14.56	11.53	26.3%
Debt-to-Capital ratio <sup>(4)</sup>	12.4%	12.4%	0.0pts	12.4%	12.4%	0.0pts
ROE <sup>(4)</sup>	14.4%	4.9%	9.5pts	14.4%	4.9%	9.5pts
Operating ROE <sup>(5)</sup>	19.6%	19.2%	0.4pts	19.6%	19.2%	0.4pts
Operating combined ratio - Trisura Specialty <sup>(6)</sup>	87.5%	82.8%	4.7pts	84.8%	81.8%	3.0pts
Fronting operational ratio excluding certain non-recurring items – Trisura US Programs <sup>(7)</sup>	85.5%	79.9%	5.6pts	85.2%	83.0%	2.2pts

### Insurance Operations

- Insurance revenue from Trisura Specialty (previously referred to as Trisura Canada) of \$238.5 million increased by 21.3% compared to Q2 2023, reflecting increased market share, expansion of distribution and fronting relationships, and growth of US Surety. Strong underwriting contributed to a loss ratio of 19.6%, a ROE of 28.4% and Operating ROE of 27.5% in Q2 2024.
- Insurance revenue from US Programs (previously referred to as Trisura US) of \$533.7 million in the quarter increased by 14.1%, compared to Q2 2023, reflecting favourable market conditions and maturation of existing programs. Fee income<sup>(8)</sup> of \$22.1 million in the quarter increased by 16.7% compared to Q2 2023. Operating net income of \$13.5 million grew 20.9% and supported a 14.9% Operating ROE.
- Fronting operational ratio increased as a result of a slightly higher loss ratio and higher program retention which increases the fronting operational ratio despite higher profitability.

### Capital

- The Minimum Capital Test ratio<sup>(9)</sup> of our regulated Canadian subsidiary was 267% as at June 30, 2024 (251% as at December 31, 2023), which comfortably exceeded regulatory requirements<sup>(10)</sup> of 150%.
- As at December 31, 2023, the Risk-Based Capital<sup>(11)</sup> 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 12.4% as at June 30, 2024 is below our long-term target of 20.0%.



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### Investments

- Net investment income rose 42.0% in the quarter compared to Q2 2023. The portfolio benefited from higher risk-adjusted yields, increased capital generated from strong operational performance and recent equity raises.

### Governance

- Appointed Sacha Haque to the Company's Board of Directors.

### Earnings Conference Call

Trisura will host its Second Quarter Earnings Conference Call to review financial results at 9:00a.m. ET on Friday, August 2<sup>nd</sup>, 2024.

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

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

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

Further information is available at <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](http://www.sedarplus.ca).

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

As at	June 30, 2024	December 31, 2023
Cash and cash equivalents	405,590	604,016
Investments	1,087,756	890,157
Other assets	32,539	53,712
Reinsurance contract assets	2,329,410	2,003,589
Capital assets and intangible assets	29,496	16,657
Deferred tax assets	34,602	16,314
<b>Total assets</b>	<b>3,919,393</b>	3,584,445
Insurance contract liabilities	2,978,858	2,769,951
Other liabilities	147,081	120,065
Loan payable	98,268	75,000
<b>Total liabilities</b>	<b>3,224,207</b>	2,965,016
<b>Shareholders' equity</b>	<b>695,186</b>	619,429
<b>Total liabilities and shareholders' equity</b>	<b>3,919,393</b>	3,584,445



## PRESS RELEASE

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

	Q2 2024	Q2 2023	Q2 2024 YTD	Q2 2023 YTD
Insurance revenue	772,249	664,420	1,516,515	1,303,520
Insurance service expenses	(582,657)	(567,217)	(1,163,597)	(1,067,660)
Net expense from reinsurance contracts assets	(158,187)	(57,491)	(286,065)	(179,433)
<b>Insurance service result</b>	<b>31,405</b>	39,712	<b>66,853</b>	56,427
<b>Operating insurance service result <sup>(12)</sup></b>	<b>34,621</b>	33,083	<b>73,783</b>	64,489
Net investment income	16,902	11,899	33,655	21,970
Net gains (losses)	462	(6,867)	12,738	(9,082)
Net credit impairment (losses) reversals	(150)	376	(1,980)	227
<b>Total investment income</b>	<b>17,214</b>	5,408	<b>44,413</b>	13,115
Finance expenses from insurance contracts	(5,493)	(10)	(42,151)	(36,638)
Finance income (expenses) from reinsurance contracts	3,894	(277)	36,694	31,625
<b>Net insurance finance expenses</b>	<b>(1,599)</b>	(287)	<b>(5,457)</b>	(5,013)
<b>Net financial result</b>	<b>15,615</b>	5,121	<b>38,956</b>	8,102
<b>Net insurance and financial result</b>	<b>47,020</b>	44,833	<b>105,809</b>	64,529
Other income	837	902	6,182	6,080
Other operating expenses	(10,060)	(10,075)	(25,072)	(15,507)
Other finance costs	(711)	(601)	(1,325)	(1,201)
<b>Income before income taxes</b>	<b>37,086</b>	35,059	<b>85,594</b>	53,901
Income tax expense	(9,945)	(8,252)	(22,020)	(13,118)
<b>Net income</b>	<b>27,141</b>	26,807	<b>63,574</b>	40,783
<b>Operating net income</b>	<b>31,253</b>	26,032	<b>64,441</b>	52,602
Other comprehensive income (loss)	3,370	(9,871)	12,309	(3,950)
<b>Comprehensive income</b>	<b>30,511</b>	16,936	<b>75,883</b>	36,833



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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 2024	Q2 2023	Q2 2024 YTD	Q2 2023
<b>Net income</b>	<b>27,141</b>	26,807	<b>63,574</b>	40,783
Non-cash items	770	3,001	(5,614)	8,233
Change in working capital	(245,619)	(35,293)	(85,549)	(36,339)
Realized losses	393	196	723	441
Income taxes paid	(9,620)	(3,836)	(13,676)	(7,673)
Interest paid	(1,179)	(1,112)	(1,294)	(1,239)
<b>Net cash (used in) from operating activities</b>	<b>(228,114)</b>	(10,237)	<b>(41,836)</b>	4,206
Proceeds on disposal of investments	86,391	21,378	124,759	52,979
Purchases of investments	(112,680)	(45,781)	(292,316)	(125,768)
Acquisition of subsidiary	-	-	(15,015)	-
Net purchases of capital and intangible assets	(1,966)	(230)	(2,498)	(407)
<b>Net cash used in investing activities</b>	<b>(28,255)</b>	(24,633)	<b>(185,070)</b>	(73,196)
Shares issued	1,244	-	2,579	711
Shares purchased under Restricted Share Units plan	(126)	(801)	(3,202)	(1,670)
Loans received	23,268	-	23,268	-
Lease payments	(544)	(510)	(1,130)	(1,022)
<b>Net cash from (used in) financing activities</b>	<b>23,842</b>	(1,311)	<b>21,515</b>	(1,981)
<b>Net decrease in cash and cash equivalents, during the period</b>	<b>(232,527)</b>	(36,181)	<b>(205,391)</b>	(70,971)
Cash and cash equivalents, beginning of period	636,186	368,210	604,016	406,367
Currency translation	1,931	8,796	6,965	5,429
<b>Cash and cash equivalents, end of period</b>	<b>405,590</b>	340,825	<b>405,590</b>	340,825



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### Non-IFRS Financial Measures and other Financial Measures

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

	Q2 2024	Q2 2023	Q2 2024 YTD	Q2 2023 YTD
<b>Net income</b>	<b>27,141</b>	26,807	<b>63,574</b>	40,783
Adjustments:				
Non-recurring items	3,874	(6,629)	7,588	8,062
Impact of share based compensation	393	1,815	3,316	(1,555)
Impact of movement in yield curve within Finance income from insurance and reinsurance contracts	(23)	(2,314)	(459)	(144)
Net (gains) losses	(462)	6,867	(12,738)	9,082
Net credit impairment losses (reversals)	150	(376)	1,980	(227)
Tax impact of above items, and other tax adjustments	180	(138)	1,180	(3,399)
<b>Operating net income</b>	<b>31,253</b>	26,032	<b>64,441</b>	52,602

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

	Q2 2024	Q2 2023
LTM net income	89,732	24,297
LTM average equity	622,991	497,777
<b>ROE</b>	<b>14.4%</b>	4.9%
Operating LTM net income <sup>(5)</sup>	122,040	95,629
LTM average equity	622,991	497,777
<b>Operating LTM ROE</b>	<b>19.6%</b>	19.2%

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

	Q2 2024	Q2 2023
<b>Average equity</b>	<b>612,433</b>	448,341
Adjustments: days in quarter proration	10,558	49,436
<b>LTM average equity</b>	<b>622,991</b>	497,777

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### **Footnotes**

(1) See section on Non-IFRS financial measures table 10.2.1 in Q2 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 Q2 2024 MD&A, Section 10, Operating Metrics table.

(2) See Section 10, Operating Metrics in Q2 2024 MD&A for the definition of Operating Net Income, and for further explanation of “core operations”.

(3) 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 Q2 2024 MD&A, Section 10, table 10.2.

(4) This is a supplementary financial measure. Refer to Q2 2024 MD&A, Section 10, Operating Metrics table for its composition.

(5) This is a non-IFRS ratio. See table 10.4 in Q2 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 Q2 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 the 2023 run-off program.

(8) This is a non-IFRS financial measure. See table 10.5.4 in Q2 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 Q2 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.





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### **Cautionary Statement Regarding Forward-Looking Statements and Information**

*Note: This news release contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of applicable Canadian securities legislation. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of our Company and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects,” “likely,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts,” “potential” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could”.*

*Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of our Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.*

*Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behaviour of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; insurance risks including pricing risk, concentration risk and exposure to large losses, and risks associated with estimates of loss reserves; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; changes in capital requirements; changes in reinsurance arrangements and availability and cost of reinsurance; ability to collect amounts owed; catastrophic events, such as earthquakes, hurricanes or pandemics; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; risks associated with reliance on distribution partners, capacity providers and program administrators; third party risks; risk that models used to manage the business do not function as expected; climate change risk; risk of economic downturn; risk of inflation; risks relating to cyber-security; risks relating to credit ratings; and other risks and factors detailed from time to time in our documents filed with securities regulators in Canada.*

*We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, our Company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.*



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### Cautionary Non-IFRS and Other Financial Measures

*Reported results conform to generally accepted accounting principles (GAAP), in accordance with IFRS. In addition to reported results, our Company also presents certain financial measures, including non-IFRS financial measures that are historical, non-IFRS ratios, and supplementary financial measures, to assess results. Non-IFRS financial measures, such as operating net income, are utilized to assess the Company's overall performance. To arrive at operating results, our Company adjusts for certain items to normalize earnings to core operations, in order to reflect our North American specialty operations. Non-IFRS ratios include a non-IFRS financial measure as one or more of its components. Examples of non-IFRS ratios include operating diluted earnings per share and operating ROE. The Company believes that non-IFRS financial measures and non-IFRS ratios provide the reader with an enhanced understanding of our results and related trends and increase transparency and clarity into the core results of the business. Non-IFRS financial measures and non-IFRS ratios are not standardized terms under IFRS and, therefore, may not be comparable to similar terms used by other companies. Supplementary financial measures depict the Company's financial performance and position, and are explained in this document where they first appear, and incorporates information by reference to our Company's current MD&A, for the three and six months ended June 30, 2024. To access MD&A, see Trisura's website or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). These measures are pursuant to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.*