



PRESS RELEASE

TRISURA GROUP REPORTS FIRST QUARTER 2022 RESULTS

TORONTO, May 5, 2022 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading specialty insurance provider, today announced financial results for the first quarter of 2022.

David Clare, President and CEO of Trisura, stated, “Our business performed well in the quarter, recording our highest quarterly net income to date of \$21.1 million. Sustained growth and strong underwriting, supported by investment income, generated an 18.7% return on equity⁽¹⁾, despite continued investment in infrastructure.

Expansion of market share, and maturation of our platform drove premium growth of 55.2% in the quarter. In Canada, focused underwriting resulted in a 79.5% combined ratio⁽¹⁾ for the quarter. Our US business bound a quarterly record \$341.7 million of gross premiums, supporting \$8.4 million of net underwriting income driven by increased fee income.”

Financial Highlights

- ✓ EPS of \$0.50 in Q1 2022 compared to \$0.46 in Q1 2021. Adjusted EPS⁽²⁾ of \$0.45 for the quarter compared to \$0.40 in the prior period.
- ✓ Book value per share⁽¹⁾ of \$8.66 increased 15.3% from March 31, 2021, driven by strong earnings but diluted by unrealized losses on fixed income positions in the quarter.
- ✓ Gross written premiums growth of 55.2% in Q1 2022 was supported by continued growth in Canada and strong momentum in US fronting.
- ✓ Net income of \$21.1 million in the quarter grew 9.0% compared to Q1 2021, driven by growth and profitable underwriting in Canada and the US.
- ✓ ROE of 18.7% compared to 16.1% in Q1 2021, exceeding our mid-teens target despite significant growth.
- ✓ Consolidated combined ratio is 72.0%, and consolidated loss ratio⁽¹⁾ is 26.7% for Q1 2022.
- ✓ GPW in Canada increased by 63.2% in Q1 2022. Strong underwriting performance across all lines contributed to a combined ratio of 79.5% and a 29.8% ROE.
- ✓ New fronting arrangements in Canada contributed \$55.6 million premiums in the quarter.
- ✓ US premium grew by 52.1% and fee income grew by 46.4% in the quarter compared to Q1 2021, reaching \$341.7 million and \$13.9 million, respectively. This contributed to improved net income of \$6.7 million in the quarter and a 13.9% ROE.



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Amounts in C\$ millions	Q1 2022	Q1 2021	Variance
Gross premiums written	481.4	310.3	55.2%
Net income	21.1	19.3	9.0%
EPS - diluted, \$	0.50	0.46	8.7%
Adjusted EPS – diluted, \$	0.45	0.40	12.5%
Book value per share, \$	8.66	7.51	15.3%
Debt-to-Capital ratio ⁽¹⁾	17.4%	17.3%	0.1pts
LTM ROE	18.7%	16.1%	2.6pts
Adjusted LTM ROE ⁽³⁾	18.2%	15.8%	2.4pts
Combined ratio – Canada	79.5%	65.3%	14.2pts
Fronting operational ratio – US ⁽¹⁾	74.7%	67.2%	7.5pts

Insurance Operations

- Disciplined underwriting in Canada contributed to a loss ratio of 15.7% for the quarter.
- Growth continued in the US, with GPW of \$341.7 million in the quarter, compared to \$224.7 million in Q1 2021, and fee income of \$13.9 million in the quarter compared to \$9.5 million in Q1 2021. Growth was the result of maturing and new programs.

Capital

- The Minimum Capital Test ratio⁽⁴⁾ of our regulated Canadian subsidiary was 231% as at March 31, 2022 (229% as at December 31, 2021), which comfortably exceeded regulatory requirements⁽⁵⁾ 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 March 31, 2022.
- Consolidated debt-to-capital ratio of 17.4% as at March 31, 2022 is below our long-term target of 20.0%, providing incremental capacity for growth.

Investments

- Interest and dividend income rose 23.9% in the quarter compared to Q1 2021. The Canadian and US portfolios benefited from improved diversification and increased capital generated from strong operational performance.

Corporate Development

- DBRS Morningstar reaffirmed the rating of A (low) to the principal operating subsidiaries of Trisura, reaffirmed the Issuer Rating of BBB to Trisura Group Ltd., and the Senior Unsecured Notes rating of BBB to the Company's outstanding notes.



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Environmental, Social, and Governance (“ESG”)

- Appointed Janice Madon to the Company’s Board of Directors.
- Entered into an Amended and Restated Credit Agreement which includes a sustainability-linked loan structure.
- Implemented a Responsible Investing Policy, which mandates the inclusion of ESG factors into the Company’s investment decisions.
- Enhanced ESG disclosure within our Management Information Circular and Management’s Discussion and Analysis.

Earnings Conference Call

Trisura will host its First Quarter Earnings Conference Call to review financial results at 9:00 a.m. ET on Friday May 6th, 2022.

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

<https://edge.media-server.com/mmc/p/xa324v9y>

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.

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

As at	March 31, 2022	December 31, 2021
Cash and cash equivalents	304,464	341,319
Investments	603,945	641,140
Premiums and accounts receivable, and other assets	308,148	311,629
Recoverable from reinsurers	1,441,065	1,375,354
Deferred acquisition costs	321,811	304,580
Capital assets and intangible assets	20,012	17,109
Deferred tax assets	12,088	9,223
Total assets	3,011,533	3,000,354
Accounts payable, accrued and other liabilities	91,528	216,633
Reinsurance premiums payable	365,733	335,673
Unearned premiums	1,032,979	965,245
Unearned reinsurance commissions	167,754	152,003
Unpaid claims and loss adjustment expenses	921,589	897,011
Debt outstanding	75,000	75,000
Total liabilities	2,654,583	2,641,565
Shareholders' equity	356,950	358,789
Total liabilities and shareholders' equity	3,011,533	3,000,354



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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Comprehensive (Loss) Income
For the three months ended March 31
(in thousands of Canadian dollars, except as otherwise noted)

	Q1 2022	Q1 2021
Gross premiums written	481,380	310,274
Net premiums written	108,170	77,365
Net premiums earned	88,349	52,624
Fee income	18,227	13,784
Net investment income (loss)	4,023	(5,317)
Net (losses) gains	(474)	3,834
Total revenues	110,125	64,925
Net claims and loss adjustment expenses	(23,605)	(4,107)
Net commissions	(37,108)	(18,559)
Operating expenses	(21,124)	(17,014)
Interest expenses	(591)	(187)
Total claims and expenses	(82,428)	(39,867)
Income before income taxes	27,697	25,058
Income tax expense	(6,647)	(5,740)
Net income	21,050	19,318
Other comprehensive (loss) income	(21,054)	762
Comprehensive (loss) income	(4)	20,080



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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended March 31
(in thousands of Canadian dollars, except as otherwise noted)

	Q1 2022	Q1 2021
Net income	21,050	19,318
Non-cash items	4,564	10,681
Stock options granted	371	261
Change in working capital	3,298	2,453
Realized gains	(1,892)	(870)
Income taxes paid	(11,634)	(1,191)
Interest paid	(499)	(250)
Net cash from operating activities	15,258	30,402
Proceeds on disposal of investments	53,589	36,844
Purchases of investments	(100,983)	(69,935)
Net purchases of capital and intangible assets	(290)	(856)
Net cash used in investing activities	(47,684)	(33,947)
Shares issued	551	257
Shares purchased under Restricted Share Units plan	(2,106)	(1,814)
Loans received	-	26,970
Loans repaid	-	(27,555)
Lease payments	(502)	(334)
Net cash used in financing activities	(2,057)	(2,476)
Net decrease in cash and cash equivalents	(34,483)	(6,021)
Cash and cash equivalents, beginning of period	341,319	136,519
Currency translation	(2,372)	(849)
Cash and cash equivalents, end of period	304,464	129,649



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Non-IFRS Financial Measures

Reconciliation of reported Net income to Adjusted net income⁽⁶⁾: reflect Net income, adjusted for certain items to normalize earnings to core operations in order to better reflect our North American specialty operations.

	Q1 2022	Q1 2021
Net income	21,050	19,318
Adjustments:		
Impact of share-based compensation	(3,142)	2,753
Net losses (gains)	474	(3,834)
Net losses (gains) from life annuity	77	(1,455)
Tax impact of above items	544	210
Adjusted net income	19,003	16,992

Reconciliation of Average equity⁽⁷⁾ to LTM average equity: LTM average equity is used in calculating adjusted ROE.

	Q1 2022	Q1 2021
Average equity	332,856	247,991
Adjustments: days in quarter proration, equity raise in Q2 2020	10,131	20,898
LTM average equity	342,987	268,889

Footnotes

(1) This is a supplementary financial measure. Refer to Q1 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 Q1 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 10.4 in Q1 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.

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

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

(6) 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.

(7) 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 months ended March 31, 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.