

# 2025 ANNUAL REPORT





# LETTER TO SHAREHOLDERS

## INTRODUCTION

2026 marks 20 years since Trisura began operations. Over the past two decades, the Company has experienced transformational growth while remaining committed to our values of quality underwriting and a service-oriented culture. As we look forward, we remain committed to those values, while becoming the North American specialty market of choice.

In 2025 we made important progress towards that objective as we delivered strong underwriting profitability, expanded our footprint across North America, and continued to shift our mix of business toward Primary lines with attractive, durable margins. These results reinforce the confidence we have in our long-term strategy and ability to create value for our partners and shareholders.

Our specialty expertise and service-oriented approach drove another year of consistent execution, underpinned by an 85% combined ratio. Underwriting strength and increasing investment income contributed to 18% growth in book value per share.

We achieved record operating and reported net income in 2025. Operating and reported return on equity of approximately 17% demonstrate strong profitability while continuing to invest in growth. Underwriting discipline, paired with prudent capital deployment, remains the foundation of our performance. Our increasing relevance with brokers, program administrators, and reinsurers – along with the highest capital base in our history – marks meaningful progress toward our goal of becoming a leading North American specialty insurer.

## OPERATIONAL AND FINANCIAL HIGHLIGHTS

Trisura continued to expand across North America by growing lines of business we know well and supporting distribution partners consistently through the cycle.

Surety was a standout in 2025, with 25% growth, reflecting successful expansion in the U.S. and continued strength in Canada. Warranty grew 33%, driven by deeper relationships with existing partners and improving auto purchasing activity. Corporate Insurance grew premium and delivered a strong 31% loss ratio in a balancing market, demonstrating a focus on profitability and underwriting expertise despite shifting market conditions.

Alongside strong performance, we made meaningful progress on strategic growth initiatives. In Canada, the expansion of our Surety team enabled us to broaden our established position. In the U.S., our Surety platform continued to build momentum with distribution partners and expanded licensing. By the third quarter, we ranked among the top 30 surety writers in the U.S., up from 34th at the end of 2024 – notable progress in a market significantly larger than Canada. We increased the scale of our Treasury-listed balance sheet with a capital contribution, enhancing capacity and infrastructure. Early results confirm the strength of our team’s relationships and underwriting discipline – and we believe the opportunity ahead is significant.

In U.S. Corporate Insurance, we continued to invest in future growth, building infrastructure, expanding our broker network, and attracting experienced underwriting talent. While still in its early stages, this platform is expected to contribute meaningfully to profitability and scale over time.

U.S. Programs grew net premiums earned by 16% in the fourth quarter of 2025, ending the year with an 81% combined ratio, benefiting from secular growth in MGAs, improving reinsurance capacity, and a widely licensed platform with both admitted and E&S capabilities. Our scale, permanent capital, and diversification increasingly position Trisura as a preferred long-term partner for leading MGAs.

Our investment portfolio performed well in 2025. Interest and dividend income of approximately \$83 million grew 18%, supported by profitable underwriting and active portfolio management. The portfolio remains conservatively positioned, with approximately 85% in cash and fixed income, predominantly investment grade corporate and government bonds. We remain well positioned to take advantage of market dislocation should attractive opportunities arise.

While Trisura has scaled meaningfully, we believe the opportunity created by increased size and market relevance remains substantial. We continue to develop talent internally, while selectively adding experienced professionals to broaden relationships, perspective, and execution capability.

#### NORTH AMERICAN SPECIALTY INSURANCE OPERATING ENVIRONMENT

Specialty insurance and U.S. MGA premiums continue to grow faster than the broader P&C market. We believe our focus in these areas supports differentiated growth and profitability over the long term.

Reinsurance markets were constructive in 2025, with orderly renewals throughout the year and into 2026. Strong reinsurer capital positions and favorable results drove improved terms for property treaties following the dislocation of 2022 and 2023. Casualty capacity remained stable, and while pricing and terms changed modestly, continued attention on reserve adequacy may eventually yield improvements in market conditions.

U.S. Program submissions continue to favor the E&S market as complexity, inflation, and risk considerations persist. Alongside E&S, we continued to build admitted capabilities, with approximately one third of U.S. Program premium written on an admitted basis in 2025.

The Surety markets remain competitive, supported by stable interest rates, sustained infrastructure investment, and increased construction activity tied to data-centre development and manufacturing reshoring. Corporate Insurance markets continued to balance and we expect a similar environment in 2026. Warranty benefited from improved auto sales and steadier consumer spending as interest rates stabilized in Canada.

We expect Trisura to perform well across the insurance cycle, as it has throughout our 20-year history. Most of our growth in 2025 was in Primary lines, where profitability margins are highest. Complementing this, U.S. Programs can benefit from increased reinsurance capacity typically seen in softening markets.

Across all segments, we remain a consistent partner, focused on long-term relationship building rather than a short-term transactional approach.

### STRATEGIC PRIORITIES

Our strategy remains clear: grow profitably, increase the proportional contribution of Primary lines, and curate a complementary and diversified, high-quality Programs and Fronting platform.

Expansion of Surety and Corporate Insurance into the U.S. builds on two decades of disciplined underwriting. We continue to grow our U.S. footprint with teams in multiple regions, supported by established infrastructure and risk management. As these platforms mature, we expect them to equal or exceed the earnings contribution of their Canadian counterparts. The significance and profitability of our U.S. Surety premium in 2025 supports the attractiveness of geographic expansion.

Growing scale also enabled our expansion into larger-limit Surety bonding. Strategic hires and a broader offering have increased broker engagement and produced a promising submission pipeline.

Highly reinsured MGA-originated premium continues to grow as a proportion of the U.S. market and Trisura is among the largest participants in this segment. We actively curate our portfolio, prioritizing partners we expect to grow profitably over the long term. The second half of 2025 demonstrated renewed momentum as reinsurance capacity returned and we moved beyond the impact of non-renewed partnerships.

Inorganic growth has been an important part of Trisura's evolution. U.S. acquisitions, book rollovers, and strategic hires have expanded markets and capabilities. We remain well-positioned to pursue these opportunities should they align with our risk appetite and return thresholds.

Our strategic initiatives remain well funded. With capital at the highest level in our history and significant financial capacity, Trisura is increasingly self-funding. In 2025, we demonstrated the benefit of internally generated capital by reallocating excess capital between jurisdictions to support growth initiatives.

Progress through 2025 reinforces our long-term expectation of premium growth, operating ROE, and book value per share growth in excess of 15%, and our confidence in outperforming our previously communicated \$1 billion book value target by the end of 2027.

## CLOSING

Our earnings are supported by a diversified mix of underwriting income, fee income, and stable investment income. Through substantial growth, we have expanded earnings while maintaining returns on equity in the high teens. We continue to expect stability and durability in our earnings profile.

We remain committed to the principles that have guided Trisura's success: a strategic focus on specialty insurance supported by structural tailwinds; disciplined, profitable underwriting; consistent support for our distribution and capacity partners; and a prudent approach to growth, risk appetite, and reinsurance structuring.

Market volatility will create opportunities to win business and strengthen our reputation. With the strongest capital base in our history and a platform that continues to scale, we are optimistic about the years ahead. Trisura's management team are significant shareholders, and our interests are aligned with our partners as we build a company focused on responsible compounding of value.

Thank you to our employees, distribution partners, reinsurers, and shareholders for your continued support as we pursue our goal of becoming a leading North American specialty insurer. We look forward to this milestone 20<sup>th</sup> year and working alongside you to achieve greater success.

Sincerely,

A handwritten signature in black ink, appearing to read "D Clare". The letters are fluid and cursive.

**David Clare**

President and CEO

Trisura Group Ltd.





**Trisura Group Ltd.**

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Management's Discussion and Analysis

For the year ended December 31, 2025

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Our Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the results of operations and financial condition of Trisura Group Ltd. for the twelve months ended December 31, 2025. This MD&A should be read in conjunction with our audited Consolidated Financial Statements for the year ended December 31, 2025.

Unless the context indicates otherwise, references in this MD&A to the "Company" refer to Trisura Group Ltd. and references to "us", "we" or "our" refer to the Company and its subsidiaries and consolidated entities.

The Company's Consolidated Financial Statements are in Canadian dollars and are prepared in accordance with IFRS<sup>®</sup> Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. In this MD&A, all references to "\$" are to Canadian dollars unless otherwise specified or the context otherwise requires.

This MD&A is dated February 12, 2026. Additional information is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### Summary of key structural changes from the Q4 2024 MD&A

Section	Change
Section 2 - Financial Performance	Disclosures refined to be aligned with how the Company currently measures its performance and manages its lines of business.
	<b>Corporate and Other:</b> Commentary incorporated into the Consolidated Performance subsection.
	<b>Investment Performance:</b> Net investment income and Net gains (losses) disclosures moved to the Investment Performance subsection within Financial Performance.
Section 4 - Financial Condition Review	<b>Cash Flow Summary:</b> Cash Flow Summary moved to Capital Management subsection.
Section 6 - Other Information	<b>Summary of Results:</b> Disclosures refined to be aligned with how the Company currently measures its performance and manages its lines of business. This section has been incorporated as a subsection under Section 6 - Other Information.
	<b>Operating Metrics and Other Financial Measures:</b> Disclosures, definitions, and reconciliations refined to be aligned with the changes in the disclosures throughout the MD&A. This section has been incorporated as a subsection under Section 6 - Other Information.

**SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION**

This MD&A contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, and include, but are not limited to, statements regarding the 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 the North American economy for the current fiscal year and subsequent periods. Forward-looking statements are typically identified by 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".

Forward-looking information is based on opinions, estimates, and assumptions of management and is based on management's experience and perception of historical trends, current conditions and expected future developments as well as other factors that management believes are appropriate and reasonable. 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. Past performance is not indicative nor a guarantee of future results and there can be no assurance that comparable results will be achieved in the future.

Many factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements including, but 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 artificial intelligence; risks relating to credit ratings; and other risks and factors detailed in Section 5 - Risk Management of this MD&A and in our other documents filed with securities regulators in Canada from time to time.

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. Unless otherwise indicated, all forward-looking information in this MD&A is included as of the date hereof and is presented for the purpose of assisting our security holders in understanding our financial position, objectives and priorities as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. 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.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

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## **SECTION 1 – OVERVIEW**

### **OUR BUSINESS**

Our Company is a leading specialty insurance provider operating in the Surety, Corporate Insurance, Warranty, Program and Fronting business lines of the market. Our operating subsidiaries include Canadian and US specialty insurance companies. Our Company started writing business in Canada in 2006 and has a strong underwriting track record over its 20 years of operation. Our Company started writing business in the US in 2018 and writes business in both excess and surplus, and admitted markets.

Our Company has an experienced management team, strong partnerships with brokers, program administrators and reinsurers, and a specialized underwriting focus. We plan to grow by building our business, both organically and through strategic acquisitions. We believe our Company can capitalize on favourable market conditions through our multi-line and multi-jurisdictional platform.

Effective Q1 2025, we have refined the reporting of segment information and restated the comparative information accordingly to align with how the Company currently manages its lines of business. The segment profitability is now measured based on Operating earnings before tax ("Operating EBT")<sup>(1)</sup>, which excludes elements that are not representative of the Company's operating performance. Net investment income and Other finance costs which were previously reported within Trisura Specialty or Trisura US Programs and are now reported within Corporate and Other, reflecting the Company's use of Underwriting income<sup>(1)</sup> as the performance measure of the segments. Furthermore, Net gains (losses)<sup>(2)</sup> have been removed from segmented information. These changes remove volatility related to changes in non-operating drivers from the Company's operating results as they are not representative of the core performance of the Company's business.

The composition of some of the supplementary financial measures, such as Gross premiums written ("GPW")<sup>(1)</sup>, and non-IFRS financial measures, such as Net premiums written ("NPW")<sup>(1)</sup>, Underwriting income, Fee income<sup>(1)</sup>, Net claims<sup>(1)</sup>, and Net expenses<sup>(1)</sup>, have been updated as these financial measures now reflect operating performance. The labels of some of the non-IFRS ratios, such as Loss ratio<sup>(1)</sup>, Expense ratio<sup>(1)</sup>, Combined ratio<sup>(1)</sup>, Fees as a % of ceded premium<sup>(1)</sup>, and Retention rate<sup>(1)</sup> have also been updated as these ratios now reflect operating performance. See Section 6 - Other Information for updated definitions and details on composition.

Effective Q3 2025, the composition of Operating ROE<sup>(1)</sup> has been updated to exclude any applicable non-operating adjustments to equity. See Section 6 - Other Information for updated definitions and details on composition.

*(1) These are non-IFRS financial measures, non-IFRS ratios, and supplementary financial measures. They 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. See Section 6 – Other Information for details and an explanation of how it provides useful information to an investor.*

*(2) Net gains (losses) is inclusive of Net credit impairment reversals (losses) ("ECL").*

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### SECTION 2 – FINANCIAL PERFORMANCE

#### FINANCIAL HIGHLIGHTS IN Q4 2025

- ✓ Operating ROE of 17.2% was strong, reflecting profitability from core operations (ROE<sup>(1)</sup> of 16.6% in the quarter).
- ✓ BVPS<sup>(1)</sup> of \$19.42 increased 18.1% over Q4 2024 demonstrating consistent expansion in book value, with EPS of \$0.77 in the quarter, and a strong financial position.
- ✓ Net insurance revenue<sup>(1)</sup> growth of 11.8% was led by Primary lines<sup>(2)</sup> growth of 15.4%. GPW growth of 10.1% reflects momentum in US Programs, and continued strength in Primary lines.
- ✓ Combined ratio for the quarter was 85.2%, reflecting strong underwriting performance across the portfolio.
- ✓ Operating EPS<sup>(1)</sup> was \$0.75 in the quarter, supported by strong Underwriting and Net investment income. Net income of \$37.6 million was greater than Operating net income<sup>(1)</sup> primarily as a result of Net gains on the investment portfolio.

#### CONSOLIDATED PERFORMANCE

Table 2.1

	Q4 2025	Q4 2024	\$ variance	% variance	2025	2024	\$ variance	% variance
<b>GPW</b>	786,655	714,721	71,934	10.1%	3,252,414	3,161,723	90,691	2.9%
<b>Net insurance revenue</b>	200,306	179,222	21,084	11.8%	766,093	683,566	82,527	12.1%
Underwriting income	29,711	33,258	(3,547)	(10.7%)	115,333	116,996	(1,663)	(1.4%)
Net investment income	21,496	17,138	4,358	25.4%	78,675	67,045	11,630	17.3%
Corporate operating expenses <sup>(1)</sup>	(1,159)	(632)	(527)	83.4%	(4,630)	(2,974)	(1,656)	55.7%
Other finance costs	(1,487)	(947)	(540)	57.0%	(5,035)	(3,270)	(1,765)	54.0%
<b>Operating EBT</b>	48,561	48,817	(256)	(0.5%)	184,343	177,797	6,546	3.7%
Operating income tax expense	(12,000)	(10,636)	(1,364)	12.8%	(45,920)	(41,947)	(3,973)	9.5%
<b>Operating net income</b>	36,561	38,181	(1,620)	(4.2%)	138,423	135,850	2,573	1.9%
Non-operating results	1,004	(18,928)	19,932	(105.3%)	3,823	(16,935)	20,758	(122.6%)
<b>Net income</b>	37,565	19,253	18,312	95.1%	142,246	118,915	23,331	19.6%
Loss ratio	32.9%	31.7%	n/a	1.2pts	33.0%	32.9%	n/a	0.1pts
Expense ratio	52.3%	49.8%	n/a	2.5pts	51.9%	50.0%	n/a	1.9pts
<b>Combined ratio</b>	85.2%	81.5%	n/a	3.7pts	84.9%	82.9%	n/a	2.0pts
<b>OEPS - diluted - in dollars</b>	0.75	0.79	(0.04)	(5.1%)	2.85	2.80	0.05	1.8%
<b>EPS - diluted - in dollars</b>	0.77	0.40	0.37	92.5%	2.93	2.45	0.48	19.6%
<b>BVPS – in dollars</b>	19.42	16.44	2.98	18.1%	19.42	16.44	2.98	18.1%
<b>Debt-to-capital ratio<sup>(1)</sup></b>	12.7%	11.1%	n/a	1.6pts	12.7%	11.1%	n/a	1.6pts
<b>Operating ROE</b>	17.2%	19.6%	n/a	(2.4pts)	17.2%	19.6%	n/a	(2.4pts)
<b>ROE</b>	16.6%	16.9%	n/a	(0.3pts)	16.6%	16.9%	n/a	(0.3pts)

(1) These are non-IFRS financial measures, non-IFRS ratios, and supplementary financial measures. See Section 6 – Other Information for details and an explanation of how it provides useful information to an investor.

(2) Primary lines includes Surety, Corporate Insurance and Warranty lines of businesses.

**TRISURA GROUP LTD.**  
**Management's Discussion and Analysis for the year ended 2025**

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

**CONSOLIDATED PERFORMANCE (CONTINUED)**

Throughout our MD&A and as presented in Table 2.1, we use both IFRS and non-IFRS financial measures to evaluate our performance. The table below indicates the closest IFRS measures comprising Operating EBT:

**Table 2.2**

<b>For the three months ended December 31, 2025</b>				
<b>Closest IFRS measures</b>	<b>Insurance service result</b>	<b>Net investment income</b>	<b>Other finance costs</b>	<b>Other operating expenses</b>
<b>Financial statement balance</b>	\$40,879	\$21,496	(\$1,487)	(\$12,896)
<b>Non-IFRS measures</b>	Underwriting income	n/a	n/a	Corporate operating expenses
<b>Reconciliation</b>	<i>Table 6.5</i>	<i>n/a</i>	<i>n/a</i>	<i>Table 6.8</i>
<b>For the twelve months ended December 31, 2025</b>				
<b>Closest IFRS measures</b>	<b>Insurance service result</b>	<b>Net investment income</b>	<b>Other finance costs</b>	<b>Other operating expenses</b>
<b>Financial statement balance</b>	\$156,710	\$78,675	(\$5,035)	(\$48,614)
<b>Non-IFRS measures</b>	Underwriting income	n/a	n/a	Corporate operating expenses
<b>Reconciliation</b>	<i>Table 6.5</i>	<i>n/a</i>	<i>n/a</i>	<i>Table 6.8</i>

Our Non-IFRS financial measures represent IFRS measures with changes in the geography of certain components, which reflect how we manage and evaluate our business. Although our individual Non-IFRS measures do not have a meaning prescribed under IFRS, the sum of all operating and non-operating components reconcile in total to Net income, as per the Consolidated Financial Statements.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### CONSOLIDATED PERFORMANCE (CONTINUED)

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>GPW</b>	<ul style="list-style-type: none"> <li>• <b>GPW</b> increased in the quarter and YTD period due to strong growth in Primary lines and US Programs, with Surety growing 36.0% in the quarter and 24.7% YTD. Excluding Exited lines from 2025 and 2024, GPW grew by 10.9% for the YTD period, indicative of robust growth in ongoing business.</li> </ul>	
<b>Net insurance revenue</b>	<ul style="list-style-type: none"> <li>• <b>Net insurance revenue</b> increased in the quarter and YTD period, reflecting growth in the business, including growth in Primary lines, which grew by 15.4% in the quarter and 20.4% for the YTD period driven by Surety and Warranty.</li> </ul>	
<b>Underwriting income</b>	<ul style="list-style-type: none"> <li>• <b>Underwriting income</b> was lower in the quarter due to a higher Combined ratio, partly offset by growth in the business, with a more modest impact reflected YTD. Our underwriting results were strong across all lines of business in 2025.</li> </ul>	
<b>Net investment income</b>	<ul style="list-style-type: none"> <li>• <b>Net investment income</b> has grown in the quarter and YTD period, fueled by ongoing cash contributions to the investment portfolio.</li> </ul>	
<b>Corporate operating expenses</b>	<ul style="list-style-type: none"> <li>• <b>Corporate operating expenses</b> increased in the quarter and YTD period as a result of growth in the business which has led to an increase in certain corporate items.</li> </ul>	
<b>Other finance costs</b>	<ul style="list-style-type: none"> <li>• <b>Other finance costs</b> were greater in the quarter and YTD period as a result of a higher amount of debt outstanding, including additional debt added during the year to further capitalize our US Surety balance sheet.</li> </ul>	
<b>Operating income tax expense</b>	<ul style="list-style-type: none"> <li>• <b>Operating income tax expense</b> was greater in the quarter as a result of a higher blended effective tax rate, and greater for the YTD period as a result of a higher Operating EBT.</li> </ul>	
<b>Non-operating results</b>	<ul style="list-style-type: none"> <li>• <b>Non-operating results</b> were positive in the quarter and YTD period for 2025 primarily as a result of Net gains on the investment portfolio. <b>Non-operating results</b> were negative in the quarter and YTD period for 2024 due to the impact of Exited Lines.</li> </ul>	
<b>Loss ratio</b>	<ul style="list-style-type: none"> <li>• The <b>Loss ratio</b> for the quarter was higher than the prior year due to a higher Loss ratio at Trisura Specialty, partly offset by a lower Loss ratio at Trisura US Programs.</li> </ul>	<ul style="list-style-type: none"> <li>• The <b>Loss ratio</b> for the YTD period was approximately the same as the prior year due to a lower Loss ratio at Trisura US Programs, partly offset by a higher Loss ratio at Trisura Specialty. The movement in Loss ratio was also influenced by a shift in business mix towards Trisura Specialty, which generally has a lower Loss ratio than Trisura US Programs.</li> </ul>
<b>Expense ratio</b>	<ul style="list-style-type: none"> <li>• The <b>Expense ratio</b> for the quarter was greater than the prior year due to higher contingent profit commissions driven by growth in certain lines at Trisura Specialty, as well as a normalized expense ratio at US Programs, compared to an unusually low level in Q4 2024.</li> </ul>	<ul style="list-style-type: none"> <li>• The <b>Expense ratio</b> for the YTD period was higher than the prior year due to a higher expense ratio at US Programs, and a shift in business mix towards Trisura Specialty, which generally has a higher Expense ratio than Trisura US Programs.</li> </ul>
<b>Combined ratio</b>	<ul style="list-style-type: none"> <li>• The <b>Combined ratio</b> was higher for the quarter due to a higher loss ratio and higher commission expense at Trisura Specialty in the quarter.</li> </ul>	<ul style="list-style-type: none"> <li>• The <b>Combined ratio</b> for the YTD period was greater than the prior year due to a higher loss ratio at Trisura Specialty, and a shift in business mix towards Trisura Specialty, which generally has a higher Combined ratio.</li> </ul>
<b>Operating EPS</b>	<ul style="list-style-type: none"> <li>• <b>Operating EPS</b> decreased in the quarter, as a result of lower underwriting income, compared to a particularly strong Q4 2024, partly offset by growth in Net investment income.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Operating EPS</b> grew in the YTD period, primarily due to growth in Net investment income and consistent profitable underwriting.</li> </ul>
<b>EPS</b>	<ul style="list-style-type: none"> <li>• <b>EPS</b> was higher in the quarter and YTD period as a result of growth in Net investment income and greater Non-operating results.</li> </ul>	

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### CONSOLIDATED PERFORMANCE (CONTINUED)

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>BVPS</b>	<ul style="list-style-type: none"><li>• <b>BVPS</b> increased by 18.1% over Q4 2024 primarily as a result of strong Underwriting income, growing Net investment income, and unrealized gains on the investment portfolio.</li></ul>	
<b>Debt-to-capital ratio</b>	<ul style="list-style-type: none"><li>• The Company's Q4 2025 <b>Debt-to-capital ratio</b> was higher than Q4 2024 due to additional funds drawn from the revolving credit facility in Q2 2025 to further capitalize our US Surety balance sheet, partially offset by the increase to Shareholders' equity from positive Net income and unrealized gains on the investment portfolio.</li><li>• The <b>Debt-to-capital ratio</b> is well below the Company's long-term target of 25.0%.</li></ul>	
<b>Operating ROE</b>	<ul style="list-style-type: none"><li>• <b>Operating ROE</b> was lower than the prior year, as strong profitability from core operations continued, with YTD Operating net income modestly higher year-over-year but was more than offset by disproportionately higher Shareholders' equity which is supporting the newly capitalized US Surety balance sheet.</li></ul>	
<b>ROE</b>	<ul style="list-style-type: none"><li>• <b>ROE</b> decreased slightly compared to the prior year primarily due to higher Shareholders' equity, driven by strong profitability from core operations.</li></ul>	

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### CONSOLIDATED PERFORMANCE (CONTINUED)

The table below presents Operating EBT for each segment.

Table 2.3

	Q4 2025				Q4 2024			
	Specialty	US Programs	Corporate and Other	Total	Specialty	US Programs	Corporate and Other	Total
<b>GPW</b>	270,782	515,873	-	786,655	274,203	440,518	-	714,721
Net insurance revenue	142,192	58,114	-	200,306	129,270	49,952	-	179,222
Net claims	(23,336)	(42,517)	-	(65,853)	(16,673)	(40,116)	-	(56,789)
Net expenses	(98,541)	(6,201)	-	(104,742)	(85,944)	(3,231)	-	(89,175)
<b>Underwriting income</b>	20,315	9,396	-	29,711	26,653	6,605	-	33,258
Net investment income	-	-	21,496	21,496	-	-	17,138	17,138
Corporate operating expenses	-	-	(1,159)	(1,159)	-	-	(632)	(632)
Other finance costs	-	-	(1,487)	(1,487)	-	-	(947)	(947)
<b>Operating EBT</b>	20,315	9,396	18,850	48,561	26,653	6,605	15,559	48,817

	2025				2024			
	Specialty	US Programs	Corporate and Other	Total	Specialty	US Programs	Corporate and Other	Total
<b>GPW</b>	1,104,939	2,147,475	-	3,252,414	1,088,787	2,072,936	-	3,161,723
Net insurance revenue	558,137	207,956	-	766,093	482,628	200,938	-	683,566
Net claims	(106,196)	(146,711)	-	(252,907)	(79,235)	(145,609)	-	(224,844)
Net expenses	(375,400)	(22,453)	-	(397,853)	(324,243)	(17,483)	-	(341,726)
<b>Underwriting income</b>	76,541	38,792	-	115,333	79,150	37,846	-	116,996
Net investment income	-	-	78,675	78,675	-	-	67,045	67,045
Corporate operating expenses	-	-	(4,630)	(4,630)	-	-	(2,974)	(2,974)
Other finance costs	-	-	(5,035)	(5,035)	-	-	(3,270)	(3,270)
<b>Operating EBT</b>	76,541	38,792	69,010	184,343	79,150	37,846	60,801	177,797

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### CONSOLIDATED PERFORMANCE (CONTINUED)

Our Specialty P&C business consists of Surety and Corporate Insurance, written in Canada and the US, as well as Warranty and Canadian Fronting written only in Canada. Together these lines are referred to as Trisura Specialty. Our Specialty P&C business also consists of a broad range of admitted and surplus lines in the US focused on the programs space written through a highly reinsured model, referred to as the Trisura US Programs.

The tables below provide the splits of our Specialty P&C GPW, Net insurance revenue, and Operating EBT / Underwriting income.

**Table 2.4**

GPW	Q4 2025	Q4 2024	% growth over prior year	2025	2024	% growth over prior year
Surety	59,474	43,732	36.0%	261,276	209,444	24.7%
Corporate Insurance	44,517	43,568	2.2%	188,492	179,771	4.9%
Warranty	53,802	45,450	18.4%	220,912	166,402	32.8%
Canadian Fronting	112,989	141,453	(20.1%)	434,258	533,170	(18.6%)
US Programs	515,873	440,518	17.1%	2,147,475	2,072,936	3.6%
<b>Total GPW</b>	<b>786,655</b>	<b>714,721</b>	<b>10.1%</b>	<b>3,252,414</b>	<b>3,161,723</b>	<b>2.9%</b>

**Table 2.5**

Net insurance revenue	Q4 2025	Q4 2024	% growth over prior year	2025	2024	% growth over prior year
Surety	54,230	45,274	19.8%	215,775	159,248	35.5%
Corporate Insurance	24,440	24,324	0.5%	95,984	95,989	0.0%
Warranty	37,212	30,788	20.9%	139,292	119,308	16.7%
Canadian Fronting	26,310	28,884	(8.9%)	107,086	108,083	(0.9%)
US Programs	58,114	49,952	16.3%	207,956	200,938	3.5%
<b>Total Net insurance revenue</b>	<b>200,306</b>	<b>179,222</b>	<b>11.8%</b>	<b>766,093</b>	<b>683,566</b>	<b>12.1%</b>

**Table 2.6**

Operating EBT / Underwriting income	Q4 2025	Q4 2024	% growth over prior year	2025	2024	% growth over prior year
Surety	8,335	14,380	(42.0%)	33,692	32,750	2.9%
Corporate Insurance	2,844	4,714	(39.7%)	7,133	12,625	(43.5%)
Warranty	3,235	2,701	19.8%	13,780	12,490	10.3%
Canadian Fronting	5,901	4,858	21.5%	21,936	21,285	3.1%
US Programs	9,396	6,605	42.3%	38,792	37,846	2.5%
<b>Total Operating EBT / Underwriting income</b>	<b>29,711</b>	<b>33,258</b>	<b>(10.7%)</b>	<b>115,333</b>	<b>116,996</b>	<b>(1.4%)</b>

**TRISURA GROUP LTD.**  
**Management's Discussion and Analysis for the year ended 2025**

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

**TRISURA SPECIALTY**

The table below presents financial highlights for our Trisura Specialty operations.

**Table 2.7**

	Q4 2025	Q4 2024	\$ variance	% variance	2025	2024	\$ variance	% variance
GPW	270,782	274,203	(3,421)	(1.2%)	1,104,939	1,088,787	16,152	1.5%
Net insurance revenue	142,192	129,270	12,922	10.0%	558,137	482,628	75,509	15.6%
Operating EBT / Underwriting income	20,315	26,653	(6,338)	(23.8%)	76,541	79,150	(2,609)	(3.3%)
Loss ratio	16.4%	12.9%	n/a	3.5pts	19.0%	16.4%	n/a	2.6pts
Expense ratio	69.3%	66.5%	n/a	2.8pts	67.3%	67.2%	n/a	0.1pts
Combined ratio	85.7%	79.4%	n/a	6.3pts	86.3%	83.6%	n/a	2.7pts

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>GPW</b>	<ul style="list-style-type: none"> <li>• <b>GPW</b> declined during the quarter due to a decrease in Canadian Fronting GPW, largely offset by Primary lines growth of 18.9%.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>GPW</b> increased in the YTD period due an increase in Primary lines GPW of 20.7%, partially offset by a decrease in Canadian Fronting GPW.</li> </ul>
<b>Net insurance revenue</b>	<ul style="list-style-type: none"> <li>• <b>Net insurance revenue</b> increased in the quarter and YTD period driven by Primary lines which grew by 15.4% for the quarter and 20.4% for the YTD period.</li> </ul>	
<b>Operating EBT / Underwriting income</b>	<ul style="list-style-type: none"> <li>• <b>Operating EBT / Underwriting income</b> decreased in the quarter and YTD period compared to the prior year primarily as a result of a higher Combined ratio, partially offset by the growth in the business.</li> </ul>	
<b>Loss ratio</b>	<ul style="list-style-type: none"> <li>• The <b>Loss ratio</b> was higher in the quarter and YTD period as a result of higher claims activity. Surety in particular had exceptionally low Loss ratios in 2024.</li> </ul>	
<b>Expense ratio</b>	<ul style="list-style-type: none"> <li>• The <b>Expense ratio</b> was higher in the quarter and YTD period due to higher contingent profit commission on certain arrangements, partially offset by improved operational leverage.</li> </ul>	
<b>Combined ratio</b>	<ul style="list-style-type: none"> <li>• The <b>Combined ratio</b> was higher for the quarter and YTD period than the prior year as a result of a higher Loss ratio and a higher Expense ratio.</li> </ul>	

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### TRISURA SPECIALTY (CONTINUED)

#### Surety

The main products offered by our Surety business line are: Contract surety bonds, such as performance and labour and material payment bonds, primarily for the construction industry; Commercial surety bonds, such as license and permit, tax and excise, and fiduciary bonds, which are issued on behalf of commercial enterprises and professionals to governments, regulatory bodies or courts to guarantee compliance with legal or fiduciary obligations; Developer surety bonds, comprising mainly bonds to secure real estate developers' legislated deposit and warranty obligations on residential projects; and New home warranty insurance for residential homes.

Table 2.8

	Q4 2025	Q4 2024	\$ variance	% variance	2025	2024	\$ variance	% variance
GPW	59,474	43,732	15,742	36.0%	261,276	209,444	51,832	24.7%
Net insurance revenue	54,230	45,274	8,956	19.8%	215,775	159,248	56,527	35.5%
Operating EBT / Underwriting income	8,335	14,380	(6,045)	(42.0)%	33,692	32,750	942	2.9%
Loss ratio	16.6%	6.6%	n/a	10.0pts	19.7%	14.4%	n/a	5.3pts

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>GPW</b>	<ul style="list-style-type: none"> <li>Growth in <b>GPW</b> was driven by strong performance in Contract surety and Commercial surety, along with the continued benefit of new distribution relationships within our US Surety platform.</li> </ul>	
<b>Net insurance revenue</b>	<ul style="list-style-type: none"> <li><b>Net insurance revenue</b> increased significantly in the quarter and YTD period primarily driven by growth in the business.</li> </ul>	
<b>Operating EBT / Underwriting income</b>	<ul style="list-style-type: none"> <li><b>Operating EBT / Underwriting income</b> was lower in the quarter primarily due to a higher Loss ratio as well as higher commission expense related to continent profit commission on certain segments of the business, partially offset by growth in the business and improved operational leverage.</li> </ul>	<ul style="list-style-type: none"> <li><b>Operating EBT / Underwriting income</b> grew in the YTD period primarily as a result of growth in the business and improved operational leverage, partially offset by a higher Loss ratio.</li> </ul>
<b>Loss ratio</b>	<ul style="list-style-type: none"> <li>The <b>Loss ratio</b> was higher in the quarter and YTD period reflecting normalized claims activity relative to the prior year, which had a particularly low Loss ratio.</li> </ul>	

**TRISURA GROUP LTD.**  
**Management's Discussion and Analysis for the year ended 2025**

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**TRISURA SPECIALTY (CONTINUED)**

**Corporate Insurance**

The main products offered by our Corporate Insurance business are Directors' & Officers' insurance for private, non-profit and public enterprises, professional liability insurance for both enterprises and professionals, technology and cyber liability insurance for enterprises, commercial package insurance for both enterprises and professionals and fidelity insurance for both commercial enterprises and financial institutions.

**Table 2.9**

	Q4 2025	Q4 2024	\$ variance	% variance	2025	2024	\$ variance	% variance
GPW	44,517	43,568	949	2.2%	188,492	179,771	8,721	4.9%
Net insurance revenue	24,440	24,324	116	0.5%	95,984	95,989	(5)	0.0%
Operating EBT / Underwriting income	2,844	4,714	(1,870)	(39.7%)	7,133	12,625	(5,492)	(43.5%)
Loss ratio	28.2%	21.7%	n/a	6.5pts	31.0%	27.4%	n/a	3.6pts

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>GPW</b>	<ul style="list-style-type: none"> <li>• <b>GPW</b> experienced growth driven by strong policy retention and new business growth, despite softening market conditions in certain segments of the line.</li> </ul>	
<b>Net insurance revenue</b>	<ul style="list-style-type: none"> <li>• <b>Net insurance revenue</b> was marginally higher for the quarter as a result of modest growth in GPW.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Net insurance revenue</b> was flat for the YTD period as a result of moderate growth in GPW partially offset by lower net retention on certain products.</li> </ul>
<b>Operating EBT / Underwriting income</b>	<ul style="list-style-type: none"> <li>• <b>Operating EBT / Underwriting income</b> was lower in the quarter and YTD period as a result of softening market conditions, additional costs associated with the build-out of US Corporate Insurance and a higher Loss ratio.</li> </ul>	
<b>Loss ratio</b>	<ul style="list-style-type: none"> <li>• The <b>Loss ratio</b> was higher in the quarter and YTD period as a result of normalized claims activity, though within expectations for both reporting periods.</li> </ul>	

**TRISURA GROUP LTD.**  
**Management's Discussion and Analysis for the year ended 2025**

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**TRISURA SPECIALTY (CONTINUED)**

**Warranty**

Warranty includes specialty insurance contracts which are structured to meet the requirements of program administrators, managing general agents, captive insurance companies, and affinity groups. Our Warranty business consists primarily of warranty programs in the automotive and consumer goods space. Warranty also sells products which serve as complementary products to our insurance policies.

**Table 2.10**

	Q4 2025	Q4 2024	\$ variance	% variance	2025	2024	\$ variance	% variance
GPW	53,802	45,450	8,352	18.4%	220,912	166,402	54,510	32.8%
Net insurance revenue	37,212	30,788	6,424	20.9%	139,292	119,308	19,984	16.7%
Operating EBT / Underwriting income	3,235	2,701	534	19.8%	13,780	12,490	1,290	10.3%
Combined ratio	91.3%	91.3%	n/a	0.0pts	90.1%	89.6%	n/a	0.5pts

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>GPW</b>	<ul style="list-style-type: none"> <li>• <b>GPW</b> grew significantly in the quarter driven by the expansion of existing relationships.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>GPW</b> grew significantly in the YTD period driven by the expansion of existing relationships and rising automobile sales in certain segments.</li> </ul>
<b>Net insurance revenue</b>	<ul style="list-style-type: none"> <li>• <b>Net insurance revenue</b> increased in the quarter and YTD period compared to the prior year as a result of maturation of several programs and the expansion of existing programs.</li> </ul>	
<b>Operating EBT / Underwriting income</b>	<ul style="list-style-type: none"> <li>• <b>Operating EBT / Underwriting income</b> was higher in the quarter than the prior year as a result of growth in the business.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Operating EBT / Underwriting income</b> for the YTD period was greater than the prior year primarily driven by growth in the business, partially offset by a slightly higher Combined ratio.</li> </ul>
<b>Combined ratio</b>	<ul style="list-style-type: none"> <li>• <b>The Combined ratio</b> for the quarter was the same as the prior year and was within the range of expectations.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>The Combined ratio</b> was slightly higher for the YTD period but still within the range of expectations.</li> </ul>

**TRISURA GROUP LTD.**  
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**TRISURA SPECIALTY (CONTINUED)**

**Canadian Fronting**

Canadian Fronting includes fronting for reinsurers through licensed brokers and MGAs, which the Company began writing in 2020. For fronted business in the Canadian operations, we target a fronting fee in the range of 4.0% to 8.0% of GPW depending on the nature of the arrangement.

**Table 2.11**

	Q4 2025	Q4 2024	\$ variance	% variance	2025	2024	\$ variance	% variance
GPW	112,989	141,453	(28,464)	(20.1%)	434,258	533,170	(98,912)	(18.6%)
Insurance revenue	112,860	132,746	(19,886)	(15.0%)	475,437	505,601	(30,164)	(6.0%)
Operating EBT / Underwriting income	5,901	4,858	1,043	21.5%	21,936	21,285	651	3.1%

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>GPW</b>	<ul style="list-style-type: none"> <li>• <b>GPW</b> decreased in the quarter and YTD period due to greater competitive pressure in certain sub-segments and softer market conditions in certain business lines.</li> </ul>	
<b>Insurance revenue</b>	<ul style="list-style-type: none"> <li>• <b>Insurance revenue</b> declined in the quarter and YTD period primarily driven by competitive market conditions.</li> </ul>	
<b>Operating EBT / Underwriting income</b>	<ul style="list-style-type: none"> <li>• <b>Operating EBT / Underwriting income</b> was higher in the quarter and YTD period primarily due to lower claims activity on certain programs for which Trisura Specialty retains a portion of risk.</li> </ul>	

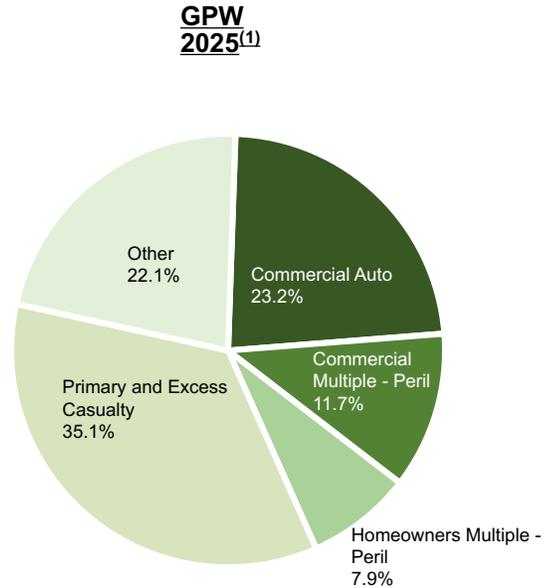
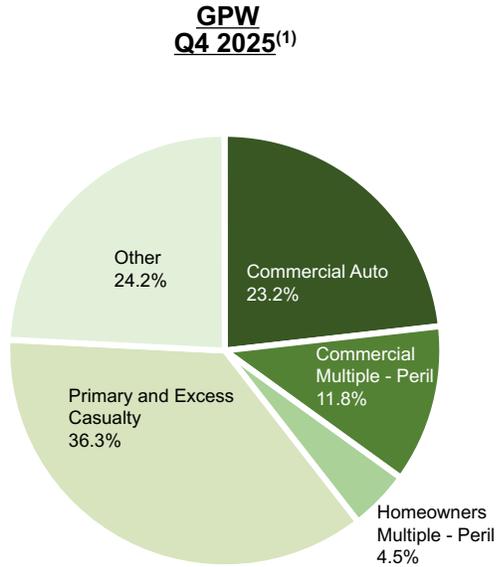
**TRISURA GROUP LTD.**  
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**TRISURA US PROGRAMS**

Our US Programs platform functions as a non-admitted surplus line insurer in all states, with the ability to write admitted business in 49 states and the District of Columbia, participating as a highly reinsured program insurer with a fee-based business model.

The charts below provide a segmentation by class of business of our US Programs GPW.



(1) "Other" includes Allied Lines – Flood, Auto Physical Damage, Burglary and Theft, Boiler and Machinery, Dwelling Fire, Farmowners Multiple – Peril, Inland Marine, MonoLine Property, Prepaid Legal, Private Auto, Product Liability, and Surety.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### TRISURA US PROGRAMS (CONTINUED)

The table below presents financial highlights for our Trisura US Ongoing Programs. The results of this table exclude the impact from Exited lines. Refer to Table 2.13 for details on composition of Exited lines. The comparative year was restated to only exclude the Q4 2024 impact of Exited lines. Q1 2024 to Q3 2024 were not restated to exclude Exited lines.

Table 2.12

	Q4 2025	Q4 2024	\$ variance	% variance	2025	2024	\$ variance	% variance
GPW	515,873	440,518	75,355	17.1%	2,147,475	2,072,936	74,539	3.6%
Net insurance revenue	58,114	49,952	8,162	16.3%	207,956	200,938	7,018	3.5%
Operating EBT / Underwriting income	9,396	6,605	2,791	42.3%	38,792	37,846	946	2.5%
Loss ratio	73.2%	80.3%	n/a	(7.1pts)	70.5%	72.5%	n/a	(2.0pts)
Expense ratio	10.7%	6.5%	n/a	4.2pts	10.8%	8.7%	n/a	2.1pts
Combined ratio	83.9%	86.8%	n/a	(2.9pts)	81.3%	81.2%	n/a	0.1pts
Fee income	23,351	21,177	2,174	10.3%	87,551	88,836	(1,285)	(1.4%)
Fees as a % of ceded premium	4.9%	5.2%	n/a	(0.3pts)	4.8%	4.8%	n/a	0.0pts
Retention rate	10.6%	8.7%	n/a	1.9pts	10.8%	10.3%	n/a	0.5pts

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>GPW</b>	<ul style="list-style-type: none"> <li>• <b>GPW</b> was higher in the quarter and modestly higher in the YTD period as a result of increased writings from existing and new programs. Excluding Exited lines from 2025 and 2024, GPW growth was 16.3% for the YTD period, indicative of strong growth in ongoing programs.</li> <li>• In the quarter, \$152.0 million of <b>GPW</b> was generated by admitted programs compared to \$121.0 million in Q4 2024.</li> </ul>	<ul style="list-style-type: none"> <li>• In the YTD period, \$632.0 million of <b>GPW</b> was generated by admitted programs compared to \$523.3 million in 2024.</li> </ul>
<b>Net insurance revenue</b>	<ul style="list-style-type: none"> <li>• <b>Net insurance revenue</b> was higher in the quarter and YTD period as a result of growth from existing and new programs, with the YTD period partially offset by the impact of non-renewed programs.</li> </ul>	
<b>Operating EBT / Underwriting income</b>	<ul style="list-style-type: none"> <li>• <b>Operating EBT / Underwriting income</b> was higher in the quarter as a result of the growth in ongoing programs and a lower Combined ratio.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Operating EBT / Underwriting income</b> grew slightly in the YTD period as a result of growth in the business.</li> </ul>
<b>Loss ratio</b>	<ul style="list-style-type: none"> <li>• The <b>Loss ratio</b> was lower in the quarter and YTD period as a result of lower claims activity. In Q4 2024, a southeast wind event contributed to a high Loss ratio.</li> </ul>	
<b>Expense ratio</b>	<ul style="list-style-type: none"> <li>• The <b>Expense ratio</b> was higher in the quarter and YTD period as a result of continued investment into infrastructure supporting the growth of the business. The Expense ratio in Q4 2024 was unusually low as a result of lower commission expense in that period.</li> </ul>	
<b>Combined ratio</b>	<ul style="list-style-type: none"> <li>• The <b>Combined ratio</b> decreased in the quarter as a result of a lower Loss ratio, partially offset by a higher Expense ratio.</li> </ul>	<ul style="list-style-type: none"> <li>• The <b>Combined ratio</b> was flat in the YTD period.</li> </ul>
<b>Fee income</b>	<ul style="list-style-type: none"> <li>• <b>Fee income</b> was higher in the quarter as a result of growth in ongoing programs.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Fee income</b> was lower in the YTD period as a result of the impact of exited programs. Excluding Exited lines from 2025 and 2024, Fee income increased by 11.8% in the YTD period.</li> </ul>
<b>Fees as a % of ceded premium</b>	<ul style="list-style-type: none"> <li>• <b>Fees as a % of ceded premium</b> was slightly lower in the quarter and flat in the YTD period reflecting stable levels of Fee income.</li> </ul>	
<b>Retention rate</b>	<ul style="list-style-type: none"> <li>• The <b>Retention rate</b> was higher in the quarter and YTD period which reflects a higher average retention from programs written in 2025 than 2024.</li> <li>• We target a quota share retention between 5.0% and 15.0% on all programs, and have been selectively increasing retentions on programs as we continue to grow.</li> </ul>	

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### TRISURA US PROGRAMS (CONTINUED)

#### Exited Lines

Beginning Q4 2024 the Company began to present the impact of certain programs referred to as Exited lines, separately from Operating results. Exited lines refer to certain programs which have non-renewed and have been put into run-off. These programs no longer fit within Trisura's risk appetite. This could be due to a change in the risk profile of the business written through the programs or due to a strategic decision to modify our risk appetite. The results of these programs are considered non-operating as they are no longer part of the core business and are not expected to have a significant impact going forward. The comparative year was restated to only exclude the Q4 2024 impact of Exited lines. Q1 2024 to Q3 2024 were not restated to exclude Exited Lines. In 2024, \$226.8 million of GPW was generated from Exited lines. In 2025, Exited lines generated negative premium, the result of policy cancellations. No new programs were added to Exited lines in 2025.

We are continuously monitoring these lines of business, ensuring our reserves estimates are reasonable and appropriate.

The table below presents financial highlights for Exited lines.

**Table 2.13**

	Q4 2025	Q4 2024	2025	2024
GPW	323	(1,232)	(1,329)	(1,232)
Net insurance revenue	(286)	8,517	6,831	8,517
Net claims <sup>(1)</sup>	448	(40,963)	(6,426)	(40,963)
Net expenses <sup>(2)</sup>	(651)	1,869	(1,661)	1,869
Underwriting income <sup>(1)</sup>	(489)	(30,577)	(1,256)	(30,577)
Income tax benefit (expense)	103	6,421	264	6,421
<b>Net income from Exited lines</b>	<b>(386)</b>	<b>(24,156)</b>	<b>(992)</b>	<b>(24,156)</b>

(1) Net claims and Underwriting income are shown on an undiscounted basis and exclude the impact of any risk adjustment.

(2) Net expenses is shown net of Fee income.

### INVESTMENT PERFORMANCE

The Company's investment policy seeks to achieve attractive total returns without incurring an undue level of investment risk while supporting our liabilities and maintaining strong regulatory and economic capital levels. We take a centralized investment approach across all subsidiary portfolios and invest with a global posture.

#### Net Investment Income

**Table 2.14**

	Q4 2025	Q4 2024	\$ variance	2025	2024	\$ variance
Interest income	19,327	15,596	3,731	71,092	60,507	10,585
Dividend income	3,337	2,517	820	12,008	10,066	1,942
Investment expenses	(1,168)	(975)	(193)	(4,425)	(3,528)	(897)
Net investment income	21,496	17,138	4,358	78,675	67,045	11,630

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>Net investment income</b>	<ul style="list-style-type: none"> <li>• <b>Net investment income</b> was greater in the quarter and YTD period, fueled by ongoing cash contributions to the investment portfolio.</li> </ul>	

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### NET GAINS (LOSSES)

Net gains (losses) represent realized gains and losses from sales of investments, unrealized gains and losses on securities held that are classified as FVTPL, the impact of foreign exchange related to the investment portfolio and the operations of the business, the gains and losses on derivative instruments, and movement in ECL.

**Table 2.15**

	Q4 2025	Q4 2024	\$ variance	2025	2024	\$ variance
Net gains (losses) from financial instruments	6,275	(1,369)	7,644	23,863	16,465	7,398
Net gains (losses) from derivative instruments	600	(2,565)	3,165	(147)	423	(570)
Net foreign currency gains (losses)	(2,110)	6,813	(8,923)	(6,105)	10,108	(16,213)
Net credit impairment reversals (losses)	(1,037)	7	(1,044)	(1,259)	(2,297)	1,038
Net gains (losses)	3,728	2,886	842	16,352	24,699	(8,347)

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>Net gains (losses)</b>	<ul style="list-style-type: none"> <li>• <b>Net gains (losses)</b> were higher in the quarter primarily due to higher Net gains from financial instruments compared to the same period last year, partly offset by unfavourable foreign exchange movement and Net credit impairment losses.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Net gains (losses)</b> were lower than the prior year for the YTD period due to unfavourable foreign exchange movement, partly offset by the increase in Net gains from financial instruments compared to the same period last year.</li> </ul>

### NON-OPERATING RESULTS

Non-operating results includes items which are not representative of our core business, such as Net gains (losses), movement in the yield curve included in Finance income (expense) from insurance/reinsurance contracts, and the impact of exited lines. Non-operating results also include items which may not be recurring.

**Table 2.16<sup>(1)</sup>**

	Q4 2025	Q4 2024	\$ variance	2025	2024	\$ variance
Impact of exited lines	(386)	(24,156)	23,770	(992)	(24,156)	23,164
Movement in yield curve	208	294	(86)	(2,999)	(908)	(2,091)
Net gains (losses)	2,868	2,034	834	12,642	18,720	(6,078)
Other non-operating items <sup>(2)</sup>	(1,686)	2,900	(4,586)	(4,828)	(10,591)	5,763
Non-operating results	1,004	(18,928)	19,932	3,823	(16,935)	20,758

(1) Numbers in Table 2.16 are shown net of tax.

(2) Other non-operating items include miscellaneous expenses that in the view of management are not part of our core insurance operations.

## SECTION 3 – OUTLOOK & STRATEGY

### INDUSTRY

The specialty insurance market offers products and services that are not written by most insurance companies. The risks covered by specialty insurance policies generally require specialist underwriting knowledge and technical financial, structuring and actuarial expertise. Specialty lines are niche segments of the market that tend to involve more complex risks and a more concentrated set of competitors. Consequently, these risks are difficult to place in the standard insurance market where many carriers are unable or unwilling to underwrite them. As a result, specialty insurers have more pricing and policy form flexibility than traditional markets. Specialty lines are less commoditized areas of the market where relationships, product expertise and product structure are not easily replicated. For this reason, specialty insurers have historically outperformed and are expected to continue outperforming the standard markets by maintaining lower claims ratios and combined ratios than traditional insurance companies.

In contrast to the standard P&C insurance market, which is divided almost evenly between personal and commercial lines, specialty insurers are focused almost exclusively on commercial lines. Even within the commercial sector, the business mix of the specialty insurers can vary significantly from that of the overall P&C industry. Although no standard definition for the specialty insurance market exists, some common examples of business written by specialty insurers include non-standard insurance, niche market segments (such as Surety, D&O and E&O) and products that require tailored underwriting. Many insurance groups with a specialty focus have several different carriers and licenses and allocate business between these carriers depending on market conditions and regulatory requirements. The broker channel is the primary distribution channel for specialty insurance. Managing general agents often serve an important role in helping carriers distribute specialty insurance products.

The specialty market is more fragmented than the broader P&C industry. In the US<sup>(1)</sup>, it is estimated that the top ten excess and surplus insurers capture less than 42% market share, with the top 25 each averaging approximately 3% market share. An estimated \$98.2 billion USD of excess and surplus insurance direct premiums were written in 2024 (excluding Lloyd's), reflecting growth of 13% year-on-year. In Canada, specialty market<sup>(2)</sup> growth was estimated to be 4% for 2024 reaching \$9.5 billion in direct written premium<sup>(3)</sup>.

(1) US market data is based on the latest available data from S&P Global Market Intelligence (FY 2024).

(2) Growth figures for the specialty market in Canada include Boiler and Machinery, Credit, Credit Protection, Fidelity, Hail, Legal Expense, Cyber Liability, Directors and Officers Liability, Excess Liability, Professional Liability, Umbrella Liability, Pollution Liability, Surety, Equipment Warranty, and Marine. Canadian market data is based on the latest available data from MSA Research Inc. (FY 2024).

(3) Direct written premium is a measure of GPW, which excludes assumed premium, and is a commonly used metric in the industry.

## **TRISURA GROUP LTD.**

# **Management's Discussion and Analysis for the year ended 2025**

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

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## **OUTLOOK AND STRATEGY**

Our Company has an experienced management team with strong industry relationships and excellent reputations with rating agencies, insurance regulators and business partners. We have operated in the Specialty P&C insurance market for 20 years, establishing a conservative underwriting and investing track record.

We have built our brand through serving our clients, brokers and institutional partners as a leading provider of niche specialty insurance products. We will continue to build out our product offerings in existing and new niche segments of the market with skilled underwriters and professionals. We remain committed to our broker distribution channel. We are selective in partnering with a limited brokerage force, focusing its efforts on leading brokerage firms in the industry with expertise in specialty lines. This distribution network includes major international, national and regional brokerage firms operating across North America as well as boutique niche brokers with a focus on specialty lines. We have expanded our surety and corporate insurance offerings to the US, as part of the growth strategy for the Company.

Our US Programs business operates as a domestic excess and surplus lines insurer as well as an admitted carrier. It is our belief that conditions are favourable for the continued growth of our US Programs business, which operates using a high proportion of reinsurance resulting, primarily, in a fee-based business model. Our focus is to source high quality business opportunities by partnering with a core base of established and well-managed program administrators.

We will continue to develop our distribution network, building on our existing broker partner network in Canada and the US and our core base of program administrators in the US. Our Company will strive to increase the penetration of our products with our partners by providing the support they require to enhance the effectiveness of their sales and marketing efforts.

We actively consider strategic acquisitions on an opportunistic basis and pursue those that fit with our strategic plan. Building on the knowledge and expertise of our existing operations, we intend to target businesses in Canada or the US that operate in similar niches of the specialty insurance market, or that can expand our offering. The acquisition of a US treasury listed surety platform in early 2024 highlights our team's capability and willingness to pursue these acquisitions.

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**SECTION 4 – FINANCIAL CONDITION REVIEW**

**BALANCE SHEET**

**Table 4.1**

<b>As at</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>	<b>\$ variance</b>
Cash and cash equivalents	287,752	270,378	17,374
Investments	1,833,543	1,434,534	399,009
Other assets	50,340	42,392	7,948
Reinsurance contract assets	2,754,756	2,771,163	(16,407)
Capital assets and intangible assets	43,257	29,383	13,874
Deferred tax assets	37,473	44,043	(6,570)
<b>Total assets</b>	<b>5,007,121</b>	<b>4,591,893</b>	<b>415,228</b>
Insurance contract liabilities	3,777,101	3,546,053	231,048
Other liabilities	170,582	162,302	8,280
Debt outstanding	134,772	98,272	36,500
<b>Total liabilities</b>	<b>4,082,455</b>	<b>3,806,627</b>	<b>275,828</b>
<b>Shareholders' equity</b>	<b>924,666</b>	<b>785,266</b>	<b>139,400</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,007,121</b>	<b>4,591,893</b>	<b>415,228</b>

<b>December 31, 2025 vs December 31, 2024</b>	
<b>Cash and cash equivalents</b>	• Refer to the Capital Management subsection for further details about material changes to <b>Cash and cash equivalents</b> .
<b>Investments</b>	• Refer to the Cash and Investments subsection for further details about material changes to <b>Investments</b> .
<b>Debt outstanding</b>	• Refer to the Capital Management subsection for further details about material changes to <b>Debt outstanding</b> .
<b>Shareholders' equity</b>	• Refer to the Capital Management subsection for further details about material changes to <b>Shareholders' equity</b> .

**TRISURA GROUP LTD.**  
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**CASH AND INVESTMENTS**

Our \$2.1 billion investment portfolio consists of cash and cash equivalents, short-term securities, government and corporate bonds, preferred shares, common shares, and alternative investments. Approximately 96.3% of our fixed income<sup>(1)</sup> holdings are highly liquid<sup>(2)</sup>, investment grade bonds<sup>(3)</sup>.

**Table 4.2**

<b>Investment Portfolio by Asset Class</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Cash, cash equivalents and short-term securities	14.3%	16.7%
Government bonds	3.6%	5.2%
Corporate bonds and other fixed income	67.0%	63.7%
Alternatives	3.3%	4.0%
Preferred shares	8.9%	7.7%
Common shares	2.9%	2.7%

**Table 4.3**

<b>Fixed Income Securities by Rating</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
AAA	2.0%	2.4%
AA	9.0%	11.7%
A	46.2%	41.5%
BBB	39.1%	40.0%
High Yield	3.7%	4.4%

(1) Fixed income refers to the sum of 'Government bonds' and 'Corporate bonds and other fixed income'.

(2) Highly liquid refers to the Company's ability to sell a fixed income investment within a short period of time.

(3) Investment grade bonds refers to all bonds rated 'BBB-' and higher.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### CAPITAL MANAGEMENT

#### Share Capital

Our 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).

On December 9, 2025, the Company renewed the normal course issuer bid ("NCIB") program to purchase for cancellation and/or to be purchased by a non-independent trustee pursuant to the terms of Trisura's escrowed stock plan during the next twelve months up to 3% of the Company's issued and outstanding common shares. For the year ended December 31, 2025, 190,030 common shares were repurchased by a non-independent trustee pursuant to the terms of Trisura's escrowed stock plan at an average price of \$40.94 per share, for total consideration of \$7.8 million.

As at December 31, 2025, 1,946,602 options were outstanding which could be converted to common shares (including unvested options). As at December 31, 2025, 269,735 RSU's were outstanding which could be converted to common shares (including unvested RSUs).

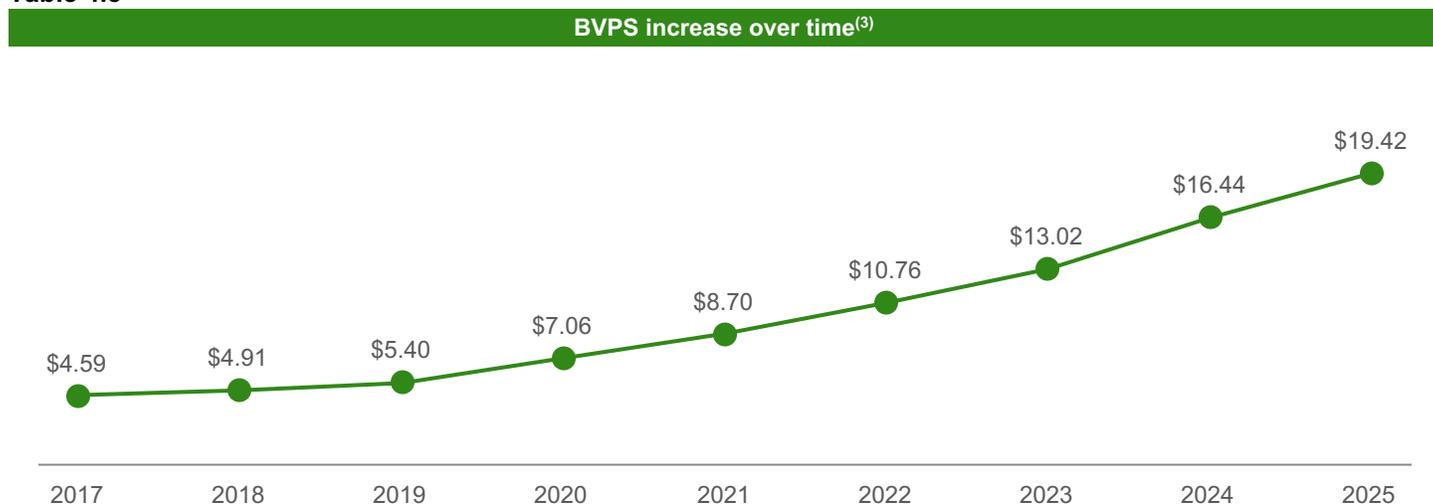
**Table 4.4**

	Q4 2025	Change in %	2025	Change in %
<b>BVPS, beginning of period</b>	<b>\$18.90</b>	<b>n/a</b>	<b>\$16.44</b>	<b>n/a</b>
Operating net income	\$0.75	4.0%	\$2.85	17.3%
Non-operating results	\$0.02	0.1%	\$0.08	0.5%
OCI realized and unrealized gains (losses) <sup>(1)</sup>	(\$0.04)	(0.2%)	\$0.50	3.0%
Cumulative translation gains (losses)	(\$0.17)	(0.9%)	(\$0.45)	(2.7%)
Shares repurchased	(\$0.16)	(0.8%)	(\$0.16)	(1.0%)
Other <sup>(2)</sup>	\$0.12	0.6%	\$0.16	1.0%
<b>BVPS, end of period</b>	<b>\$19.42</b>	<b>2.8 %</b>	<b>\$19.42</b>	<b>18.1 %</b>

(1) Figures presented reflect amounts net of tax

(2) Includes share-based payments as well as the net impact from issuance/redemption of common shares.

**Table 4.5**



(3) Adjusted to reflect the four-for-one stock split effective July 9, 2021. Per-share disclosures prior to July 9, 2021 are presented on a post-split basis.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

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### CAPITAL MANAGEMENT (CONTINUED)

#### Capital

The Company and its regulated specialty insurance subsidiaries are well-capitalized, and we expect to have sufficient capital to exceed both our minimum regulatory and internal capital targets, and to fund our operations. Recurring capital generation was very strong in the quarter and YTD period, and capital was reinvested in the Company's operating subsidiaries to support organic growth.

The MCT ratio<sup>(1)</sup> of Trisura's regulated Canadian operating subsidiary was 266% as at December 31, 2025 (276% as at December 31, 2024), which comfortably exceeds the 150% regulatory requirements prescribed by OSFI, as well as the Company's internal target<sup>(2)</sup>.

As at December 31, 2025, the RBC<sup>(3)</sup> of the regulated US insurance companies of Trisura are expected to be in excess of both the various company action levels of the states in which they are licensed as well as the Company's internal targets<sup>(4)</sup>.

The Company's debt-to-capital ratio of 12.7% as at December 31, 2025 (11.1% as at December 31, 2024), was below the Company's long-term target of 25.0%.

In 2025, the Company increased the size of its revolving credit facility to \$125 million, extended its maturity by 1 year to 2030 and drew down \$36.5 million to support further capitalization of our growing US Surety balance sheet. As at December 31, 2025, an amount of \$59.8 million (December 31, 2024 \$23.3 million) has been drawn under this revolving credit facility.

The Company's revolving credit facility includes a sustainability-linked loan ("SLL") structure. This structure allows for the borrowing rate to be adjusted based on the achievement of certain key performance indicators ("KPIs"). As a first of its kind for insurers in Canada, the SLL is linked to our ambition to further incorporate ESG considerations into our investment activities. The structure introduces an incentive mechanism tied to KPIs around our responsible activities, including disclosure.

In connection with the SLL, we have implemented a Responsible Investing Policy applicable to our investment portfolio, which mandates the inclusion of ESG factors into our investment decisions, starting with the due diligence of a potential investment through to the ultimate exit process. As part of the policy, during the initial due diligence phase, we utilize both internal and third-party research to identify material ESG risks and opportunities relevant to the potential investment. By the end of 2025, our policy applied to at least 90% of our investment portfolio. Our goal is to align disclosure of our responsible investing activities in accordance with a recognized framework.

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

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

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

(4) This target is in accordance with NAIC's Risk Based Capital ("RBC") for Insurers Model Act.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### CAPITAL MANAGEMENT (CONTINUED)

#### Ratings

The Company and its principal operating subsidiaries have been assigned credit ratings by independent rating agencies. During 2025, our credit profile strengthened significantly. In December, DBRS upgraded the financial strength ratings of our operating subsidiaries to 'A' and the issuer rating of Trisura Group Ltd. to 'BBB (high)', both with stable outlooks. In the same month, Fitch assigned inaugural 'A-' insurer financial strength ratings to our principal operating subsidiaries, with a stable outlook. In April, AM Best increased our financial size category to Class X (US \$500 million to US \$750 million capital).

Table 4.6<sup>(1)</sup>

	A.M. Best	DBRS	Fitch
<b>Latest review</b>	July 3, 2025	December 11, 2025	December 17, 2025
<b>Outlook</b>	Stable	Stable	Stable
<b>Credit ratings</b>			
<b>Financial strength ratings</b> - principal operating subsidiaries	A- (Excellent)	A	A-
<b>Senior Unsecured Notes rating</b> - Trisura Group Ltd.	n/a	BBB (high)	n/a

(1) The full list of our credit ratings by entity can be found in our Financial Supplement and the "Investors" section of our website at [www.trisuragroup.com](http://www.trisuragroup.com).

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### CAPITAL MANAGEMENT (CONTINUED)

#### Cash Flow Summary

Table 4.7

	Q4 2025	Q4 2024	\$ variance	2025	2024	\$ variance
<b>Net cash flows from (used in) operating activities</b>	103,108	100,369	2,739	382,796	119,726	263,070
Proceeds on disposal of investments	135,730	140,380	(4,650)	350,631	342,306	8,325
Purchases of investments	(187,334)	(221,476)	34,142	(733,206)	(795,269)	62,063
Acquisition of subsidiary	-	-	-	-	(15,015)	15,015
Net purchases of capital and intangible assets	(2,146)	(647)	(1,499)	(5,130)	(3,835)	(1,295)
<b>Net cash flows from (used in) investing activities</b>	(53,750)	(81,743)	27,993	(387,705)	(471,813)	84,108
Shares issued	-	-	-	813	2,989	(2,176)
Shares repurchased	(7,782)	-	(7,782)	(7,782)	-	(7,782)
Shares issued (purchased) under RSU plan	(186)	922	(1,108)	(2,701)	(2,215)	(486)
Loans received / (repaid)	-	-	-	36,500	23,272	13,228
Principal portion of lease payments	(496)	(234)	(262)	(2,029)	(2,006)	(23)
<b>Net cash flows from (used in) financing activities</b>	(8,464)	688	(9,152)	24,801	22,040	2,761
<b>Net increase (decrease) in cash and cash equivalents during the period</b>	40,894	19,314	21,580	19,892	(330,047)	349,939
Cash and cash equivalents, beginning of year	244,705	262,850	(18,145)	270,378	604,016	(333,638)
Currency translation	2,153	(11,786)	13,939	(2,518)	(3,591)	1,073
<b>Cash and cash equivalents, end of year</b>	287,752	270,378	17,374	287,752	270,378	17,374

	Q4 2025 vs Q4 2024	2025 vs 2024
<b>Net cash flows from (used in) operating activities</b>	<ul style="list-style-type: none"> <li>• <b>Net cash flows from operating activities</b> increased slightly in the quarterly primarily due to higher net income.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Net cash flows from operating activities</b> increased significantly in the YTD period, primarily due to a significant net outflow related to the movement of collateral to trust accounts in Q2 2024, which did not recur in 2025. Additionally, net income was higher than the prior year.</li> </ul>
<b>Net cash flows from (used in) investing activities</b>	<ul style="list-style-type: none"> <li>• <b>Net cash flows used in investing activities</b> decreased from the prior year for the quarter and YTD period, primarily due to less excess cash being deployed to purchase investments.</li> <li>• Acquisition of subsidiary in 2024 refers to the acquisition of the US Surety platform.</li> </ul>	
<b>Net cash flows from (used in) financing activities</b>	<ul style="list-style-type: none"> <li>• <b>Net cash flows used in financing activities</b> increased in the quarter from the prior year primarily due to shares repurchased under the NCIB program.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Net cash flows from financing activities</b> increased in the YTD period primarily due to additional funds drawn from the revolving credit facility which were used to further capitalize our US Surety balance sheet, offset by shares repurchased under the NCIB program.</li> </ul>

#### Liquidity

Both short-term and long-term liquidity sources are available to the Company. Short-term liquidity sources immediately available include, without limitation: (i) cash and cash equivalents (see Balance Sheet); (ii) our portfolio of highly rated, highly liquid investments (see Note 4 of the Consolidated Financial Statements); (iii) cash flow from operating activities which include receipt of insurance revenue and investment income (see Statements of Cash Flows) and; (iv) bank loan facilities including our committed revolving credit facility (see Note 14 of the Consolidated Financial Statements). We believe that these short-term and long-term liquidity sources will provide sufficient funds to fulfil our operating cash requirements during the next twelve months, including paying claims and operating expenses, servicing the Company's Debt outstanding and purchasing investments to support claims reserves.

## **SECTION 5 – RISK MANAGEMENT**

Our Company has developed an enterprise risk management framework and internal controls processes to identify, measure, monitor and mitigate risk. This framework is central to our decision making including the business we choose to write and the business we choose to decline. Furthermore, for the business we write the risk management framework informs our determination of whether to retain the risk fully or to apply risk mitigation measures such as reinsurance.

### **CORPORATE GOVERNANCE**

The Board of Directors is responsible for oversight of risk management and internal control systems and policies. The Board of Directors has established a Board of Directors level risk committee, whose members are independent of management. The committee meets quarterly to oversee and challenge the development and effectiveness of risk management frameworks and priorities and to review risk reporting. The Group Risk Management function, under the direction of the Group Chief Risk Officer, promotes sound and effective risk management across the Company by (i) ensuring that effective processes are in place to identify, assess, monitor, manage and report the risks to which the Company is or might be exposed, (ii) facilitating the setting of risk tolerances, limits and appetite by the Board and (iii) providing comprehensive and timely information on material risks which enables the Board and the Risk Committee to understand the overall risk profile of the Company. The Group Chief Risk Officer develops a consistent approach to risk identification, assessment, monitoring, management and reporting tailored to the operations throughout the organization. The Group Chief Risk Officer reports directly to the board level Risk Committee. In addition, there are management level risk committees with escalation processes to the Board of Directors level committee.



**CORPORATE GOVERNANCE (CONTINUED)**

The following factors in addition to the other information set forth in this MD&A and in the Company's Consolidated Financial Statements and Annual Information Form should be considered in assessing the risks to the Company and the industry and markets in which we operate. If any of the following risks occur our business, financial condition, results of operations and prospects would likely suffer. The following list of risks are those that the Company believes are the most significant. They are not the only risks that we face or may face in the future and other risks may emerge that could have a material adverse effect on our financial condition and results of operations.

**RISKS AND UNCERTAINTIES****Highly Competitive Specialty Insurance Business**

The specialty insurance business is highly competitive. Elements of competition include pricing, availability and quality of products, capacity, quality and speed of service, credit and financial strength ratings, financial strength, distribution and technology systems and technical expertise. Our Company competes with many other insurance companies. Many of these competitors are larger and have greater financial resources than are available to our Company and have a greater ability to compete on the basis of price. Some of our competitors may offer a broader range of policy administration or other services or be willing to take on significantly more underwriting risk. Any increase in competition in this segment, especially by one or more larger companies, could materially and adversely affect our Company's business, financial condition, results of operations and prospects. Competitors may also acquire distributors to our detriment. Consolidation amongst insurance companies and distribution partners could also impact our ability to compete. As competitors introduce new products and as new competitors enter the market, our Company may encounter additional and more intense competition. Technological change implemented by insurers or new market entrants can result in a change to the competitive landscape and adversely impact our ability to compete. There can be no assurance that we will continue to increase revenues or be profitable. To a large degree, future revenues of our Company are dependent upon our ability to continue to develop and market our products and to enhance the capabilities of our products to meet changes in customer needs in a competitive marketplace. We seek to manage competition risks by fostering strong relationships with our distribution partners and by focusing on their needs, delivering excellence in service and providing valuable product expertise.

**Cyclical and Volatile Nature of Insurance Industry**

The financial performance of the insurance industry has historically tended to fluctuate in cyclical patterns of "soft" markets characterized generally by increased competition, resulting in lower premium rates and underwriting standards, followed by "hard" markets characterized generally by lessening competition, stricter underwriting standards and increasing premium rates. The profitability of insurance companies tends to follow this cyclical market pattern with profitability generally increasing in hard markets and decreasing in soft markets. These factors could result in fluctuations in the underwriting results and net income of our Company. Many of these factors are beyond our Company's control. The profitability of specialty insurers can also be affected significantly by many factors, including regulatory regimes, developing trends in tort and class action litigation, adoption of consumer initiatives regarding premium rates or claims handling procedures, and privacy and consumer protection laws or factors that have a high correlation with risks considered, such as credit scoring. An economic downturn in those jurisdictions in which our Company writes business or otherwise conducts business activities, or adverse political conditions, could result in less demand for specialty insurance and lower policy premiums.

**RISKS AND UNCERTAINTIES (CONTINUED)****Risk of Economic Downturn**

The insurance policies that we underwrite are exposed to various risks that may increase during economic downturns, recessions, or other periods of turmoil in the economy. These scenarios of economic turmoil can result in lower premium volumes due to reduced insurance spending, fewer construction starts, lower discretionary spending, slower growth for insureds, and other causes. These scenarios may also result in an increase in claims expense driven by reduced access and increased cost of credit for policyholders, insolvencies of policyholders, inflation, reduced spending on controls by policyholders, increases in crime and other factors. The Company reviews pricing assumptions regularly to ensure that they reflect up-to-date claims experience and expected future changes in that experience, as well as market conditions. The Company further mitigates the impact of pricing risk through the employment of experienced underwriting staff. The Company applies risk management practices, including the use of reinsurance, monitoring and regularly reviewing its portfolio of insurance risks and making adjustments as needed to ensure exposures are within appropriate tolerances.

Our investment portfolio is also sensitive to volatile economic conditions. Changes in interest rates, credit spreads, foreign exchange rates, inflation, and other changes in market prices may cause realized and unrealized losses. Rising interest rates generally result in mark to market losses in our fixed income portfolio which can take years to resolve as bonds mature and are replaced by higher yielding securities. A recession or other economic downturn could also result in investment losses due to changes in market prices of held securities in any asset class or credit events. See Note 23.2 (Credit risk) and Note 23.4 (Market risk) to the Consolidated Financial Statements for more information on the management of this risk.

**Risk of Inflation**

Claims costs associated with the insurance policies that we sell are exposed to inflation that can increase the cost of fulfilling our obligations under those policies whether related to new claims or related to unpaid claims reserves. These inflationary processes may be generalized and related to the inflation in the general economy or may be localized to a particular class of business for example as construction cost inflation or trends in tort and class action litigation. Inflation may increase the cost of reinsurance. Inflation may also increase the costs of running our Company including increased wages, rent, utilities and other expenses. High inflation has led to tightening of monetary policy in the countries in which we do business, which could pose a risk to economic growth. Growth in our investments may not keep pace with rising claims and other expenses due to inflation. The Company reviews pricing assumptions regularly to ensure that they reflect up-to-date claims experience and other expenses. However, if market forces in our competitive insurance industry prevent fully passing on cost increases to the customer or if implemented risk mitigation strategies are inadequate or not timely, results of operations or financial condition could deteriorate.

**RISKS AND UNCERTAINTIES (CONTINUED)****Reliance on Distribution Partners, Capacity Providers and Program Administrators**

Trisura Specialty distributes its products primarily through a network of distribution partners. These distribution partners also sell our competitors' products and may, subject to certain limitations, reduce or stop selling our products altogether. Strong competition exists among insurers for distribution partners with demonstrated ability to sell insurance products. Premium volume and profitability could be materially adversely affected if there is a material decrease in the number of distribution partners that choose to sell our Company's products. Trisura offers fronting arrangements to capacity providers that want to access specific insurance business. Capacity providers may be under common control with a particular program administrator or may be independent. An independent capacity provider may reinsure a single book or multiple books with various program administrators. A single program administrator may control a single book with one capacity provider or multiple books with various capacity providers. Other specialty insurance companies may compete with Trisura for this business. These capacity providers and program administrators may choose to enter into fronting arrangements with Trisura's competitors or program administrators, or capacity providers may terminate fronting arrangements with Trisura if they no longer need access to its fronting capacity or for other reasons.

Consolidation among capacity providers could also reduce the availability of capacity available to our Company. A significant decrease in business from any of these distribution partners, capacity providers or program administrators would cause our Company to lose premiums and require us to find other partners to replace those lost premiums. We seek to manage these risks by using a diversified group of distribution partners, capacity providers and program administrators. We further foster strong relationships with our business partners by delivering excellence in service and product expertise. Where we have granted binding authority to our distribution partners and program administrators, we limit such authority to agreed underwriting guidelines and monitor the business underwritten. Nonetheless, situations could arise where binding authority business could result in unanticipated losses that have a significant impact on our results of operations and financial condition.

**Insurance Risks:**

Insurance risk is the risk that the ultimate cost of claims and loss adjustment expense, as well as acquisition expenses, related to insurance contracts will exceed premiums received in respect of those contracts. This could occur where the frequency or severity of claims is greater than expected. Some additional components of insurance risk such as product and pricing risk, concentrations of insurance risk and exposure to large losses, and estimates of loss reserves are described below.

For more information on insurance risk and the management of insurance risk see Note 2.2 (Insurance and reinsurance contracts), Note 7.1 (Roll-forward of Insurance contract liabilities ("ICL") showing LRC and LIC), and Note 23.1 (Insurance risk) to the Consolidated Financial Statements.

**1 – Product and Pricing**

The pricing process relies on estimates of future loss costs and loss adjustment expenses. If we do not accurately assess and price for the risks assumed in our insurance policies, profitability could be negatively affected. On the other hand, setting premiums too high could impact competitiveness and growth. We price our products considering numerous factors, including claims frequency and severity trends, product line expense ratios, special risk factors, reinsurance costs, the capital required to support the product line, the investment income earned on that capital, and the competitive landscape of the insurance markets where we compete. Our Company's pricing processes are designed to ensure an appropriate return on capital. These factors are reviewed and adjusted periodically to ensure they reflect the current environment. For example, technological change implemented by insureds could change the profile of the risks insured by our policies. Our Company seeks to manage this risk through the effective use of underwriting policies and guidelines, and by disciplined risk selection. Careful oversight is applied and guidelines are reviewed to reflect emerging trends. Insurance risk is further mitigated through effective claims and expense management and through the use of reinsurance.

**RISKS AND UNCERTAINTIES (CONTINUED)****2 – Concentration of risk and exposure to large losses**

Concentration risk is the risk that our Company's insurance products are concentrated within a particular geographic area, industry, class of business, or insured, thereby increasing the exposure of our Company to a single event or a series of related events. Unexpected large losses may result from events such as the unforeseen failure of a large contractor, as a result of accumulations of large numbers of insurance or reinsurance contracts exposed to similar perils, adverse economic conditions, exposure to mass torts, terrorism, natural or man-made catastrophes or global pandemics. Climate change may increase the frequency or severity on natural catastrophes. Large losses could also be the result of future unforeseen changes in the legal environment that could broaden our insurance coverage beyond the policy's original intent. Exposure could also aggregate through cyber-attacks whether directly covered under our policies or through "silent cyber" where potential losses are not specifically included nor excluded in the policy wording. Certain policy exclusions could also be found to be unenforceable. When a large loss or a concentration of losses is identified, we may be required to strengthen reserves which could decrease earnings in that period. We seek to mitigate this risk through monitoring and modeling techniques to review the portfolio for concentration and aggregation of risks and through the purchase of reinsurance. We make adjustments as needed in order to ensure exposures are within tolerances. The active management of our reinsurance programs and collateral requirements is also an important element in maintaining net claims exposures within the Company's risk tolerance.

**3 – Estimates of Loss Reserves**

The liability for unpaid claims and loss adjustment expense represents an estimate of the ultimate cost of all claims incurred but not paid by the statement of financial position date. The reserving process employed in determining future claims and loss adjustment expense payments includes consideration of individual case claims and loss adjustment expense estimates on open reported claims as well as provisions for future development of such estimates and claims and loss adjustment expense related to incurred but not reported claims. Under IFRS 17, further provisions are made for the time value of money by applying discount rates based on risk free yield curves, adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The Company uses qualified actuaries in its reserving processes.

In estimating liabilities for incurred claims, a range of actuarial techniques are used. Typically, these techniques consider historical loss development factors and payment patterns. They require the use of assumptions relating to future development of claims and loss adjustment expense, future rates of claims frequency and severity, claims inflation, the level of insurance fraud, payment patterns and reinsurance recoveries, taking into consideration the nature of the insurance policies. Most or all of these factors are not directly quantifiable, particularly on a prospective basis, and the effects of these and unforeseen factors could negatively impact our Company's ability to accurately assess the reserves required for the policies that we write. Typically, the delay to ultimate settlement of claims increases the uncertainty of the estimate of the ultimate cost of those claims and loss adjustment expense. The uncertainty in estimation tends to be higher for long-tail lines where information typically emerges over time. The measurement of insurance contract liabilities includes a risk adjustment for non-financial risk to be applied to the present value of the estimated future cash flows. The risk adjustment is our Company's compensation for bearing the uncertainty relating to non-financial risk. The non-financial risk pertains to the amount and timing of cash flows as our Company fulfills insurance contracts. The liabilities for incurred claims are reviewed regularly and evaluated in light of emerging claims experience and changing circumstances. Nonetheless, although our Company's management believes our overall reserve levels as at the date of the financial statements are adequate to meet our obligations under existing policies, actual losses may deviate, perhaps substantially, from the reserves reflected in our Company's financial statements. To the extent reserves prove to be inadequate, our Company would have to increase such reserves and incur a charge to earnings.

**RISKS AND UNCERTAINTIES (CONTINUED)****Availability and Cost of Reinsurance**

Our reinsurance arrangements are with a number of reinsurers. A decline in the availability of reinsurance or an increase in the cost of reinsurance could increase costs or materially impact the amount of business we could underwrite. There can be no assurance that developments may not occur in the future which might cause a shortage of reinsurance capacity in those classes of business which we underwrite.

**Ability to Recover Amounts Due from Reinsurers**

Our Company uses reinsurance in the ordinary course of business to reduce its exposure to any one claim or event under the policies we issue. Reinsurance is also a key component of the business. Reinsurance does not relieve our Company of its obligations to policyholders. Our Company is ultimately at risk on the limits of coverage provided under insurance policies we write, regardless of whether we have ceded a portion of this exposure to reinsurers. If a reinsurer is unwilling or unable to satisfy its obligations, our Company does not have the right to correspondingly reduce its claims payment obligations. A reinsurer may be unwilling or unable to satisfy its obligations to our Company for multiple reasons, including due to disagreement over the reinsurer's obligations under a reinsurance contract, or a financial failure of the reinsurer.

If our Company fails to realize a reinsurance recoverable owed under these arrangements our financial condition could be materially and adversely affected. The Company has a reinsurance risk management policy in place to manage the credit risk associated with Recoverables from reinsurers including criteria for using licensed reinsurers, minimum credit ratings and concentration limits. When the Company uses un-registered or un-rated reinsurers, agreed upon collateral is used to manage credit risk.

For more information on reinsurance and the Company's management of its recoverable amounts due from reinsurers, see Note 7.3 (Reinsurance non-performance), Note 7.2 (Roll-forward of reinsurance contract assets ("RCA") showing ARC and AIC), and Note 23.2 (Credit risk) to the Consolidated Financial Statements.

**Financial Risks:**

The significant financial risks are credit risk, liquidity risk and market risk (comprising currency risk, interest rate risk and other price risks such as equity risk). The notes to our Company's Consolidated Financial Statements provide further detail on these risks and the ways in which we monitor and control these risks. To the extent that those risks emerge, they could have a material adverse effect on our Company's business, financial condition and performance.

**1 – Credit Risk**

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause our Company to incur a financial loss. Credit risk arises mainly from investments in bonds and short-term securities, and balances receivable from insurance brokers and reinsurers. Concentrations of credit risk can arise from exposures to a single debtor, a group of related debtors or groups of debtors that have similar risk characteristics, for example they may operate in the same or similar industries. For premiums receivable, our Company uses insurance brokers, managing general agents, and program administrators as intermediaries for the distribution of its product offerings and is therefore subject to the risk that these agents fail to remit the premiums they have collected on its behalf. With respect to credit risk associated with recoveries under reinsurance contracts, see the section "Ability to Recover Amounts Due from Reinsurers". Our investment policies mitigate credit risk through requirements relating to type, credit quality, size and duration of permitted investments among other factors. Management monitors credit quality on an ongoing basis. For premiums receivable, the Company monitors accounts receivable and follows up all past due amounts to ensure satisfactory collection arrangements are in place. See Note 23.2 (Credit risk) to the Consolidated Financial Statements for more information on the management of credit risk.

**RISKS AND UNCERTAINTIES (CONTINUED)****2 – Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Generally, our Company's financial liabilities are settled by delivering cash from the cash flow generated from its operations to satisfy its liquidity requirements, which are primarily operating expenses and claims and loss adjustment payments. By their nature, the timing and quantum of claims and loss adjustment payments are subject to significant uncertainty and are estimated actuarially. Although our Company has reinsurance treaties in place under which a portion of the claim payments may be recovered, including by way of set off against premiums payable to the reinsurers, such recoveries usually follow the making of payments and often delays of a number of months can occur. Hence our Company must have access to sufficient liquid resources to fund gross amounts payable when required. To manage its liquidity requirements, the Company keeps some of its assets in cash and cash equivalents and has a highly rated, highly liquid investment portfolio. The Company's investment policy sets out credit quality criteria and has limits on single issuer exposures. See Note 23.3 (Liquidity risk) to the Consolidated Financial Statements for more information on the management of liquidity risk.

**3 – Market Risk**

Exposure to this risk results from business activities including investment transactions involving the purchase or sale of financial instruments. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices which could be driven by financial market conditions, general economic conditions, political conditions, or other factors. Market risk includes currency risk, interest rate risk and other price risks such as equity risk. See Note 23.4 (Market risk) of the Consolidated Financial Statements for more information on the management of market risk.

*i) Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our Company has operations in the United States and Canada and therefore has exposure to currency risk arising from fluctuations in exchange rates of the Canadian dollar against the USD. The Company also has currency risk as a result of holding investments in the Company's Canadian operations denominated in USD. The foreign currency positions of the Company are monitored regularly and the Company may use derivatives to manage foreign exchange risks.

*ii) Interest Rate Risk*

Interest rate risk is the potential for financial loss resulting from changes in interest rates. Bonds and preferred shares are subject to interest rate risk although, in the case of bonds, to the extent they are held to maturity, the risk is limited to the reinvestment yield being different from the original yield to maturity. The fair value of bonds generally changes inversely with changes in market rates of interest, with greater impact to bonds with longer durations. The Company's unpaid claims balance is also subject to interest rate risk which typically acts as a natural hedge to the interest rate of the asset portfolio. The Company manages its interest rate risk through its investment policy which considers average duration of bonds held as well as asset liability matching.

*iii) Equity Price Risk*

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's exposure to equity price risk is managed and mitigated through its investment policy which sets out maximum exposures to equities at aggregate and per issuer levels as well as requiring diversification across different industry sectors.

**RISKS AND UNCERTAINTIES (CONTINUED)****Cyber-Security**

Our information technology systems may be subject to cyber attack or terrorism intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer malware, social engineering, cyber-attacks and other means, and could originate from a wide variety of sources, including internal, known or unknown third parties. If our information systems are compromised, do not operate or are disabled, this could have a material adverse effect on our business prospects, financial condition, or results of operations. Additionally, if our information systems are compromised and personally identifiable information is released, there could be regulatory reporting obligations leading to material reputational harm or even litigation. In order to mitigate these risks, we have taken proactive actions and are continuously enhancing our cyber-security posture through strong network security, network monitoring, third party vulnerability assessments, employee training and awareness, data backups, disaster recovery testing, cyber-security incident planning and table-top exercises.

**Credit Ratings**

Rating agencies evaluate our ability to honour financial obligations and for our insurance subsidiaries, our ability to pay claims. The ratings are subject to periodic review using, among other things, proprietary capital adequacy models, and are subject to revision or withdrawal at any time. Ratings are an important factor in establishing and maintaining our competitive position in the specialty insurance market and especially in commercial insurance. See the Company's Annual Information Form for more information on credit ratings.

There can be no assurances that Trisura will be able to maintain its current ratings. Any downgrade in these ratings would likely adversely affect our business through the loss of certain existing and potential policyholders to other companies with higher ratings, and through certain insurance brokerage firms with which we now do business seeking a higher rated issuing carrier to write their business. A downgrade of our issuer credit rating could result in materially higher borrowing cost. Credit downgrades could impact our ability to raise capital or increase the cost of capital we can raise.

**Risks of pandemics, epidemics and other public health emergencies**

Existing or future outbreaks of pandemics, epidemics, and infectious diseases could have a material adverse effect on the economy, on our ability to operate, on our financial condition and on results of operations. The nature and extent of the impact of such events as well as any response to them are highly uncertain and difficult to predict. There can be no assurance that strategies implemented by the company or governments to address these risks will mitigate the adverse impacts related to an outbreak.

Such developments may result in a material adverse effect on our assets, liquidity, financial condition and the operating results of our insurance business due to its impact on the economy and global financial markets. There can be no assurance that strategies to address these risks will mitigate any adverse impacts related to pandemics, epidemics or public health emergencies.

**Negative Publicity in the Specialty Insurance Industry**

A number of our Company's products and services are ultimately distributed to individual consumers. From time to time, consumer advocacy groups or the media may focus attention on products and services of the specialty insurance industry or our Company, thereby subjecting the specialty insurance industry or our Company to periodic negative publicity. Negative publicity may also result in increased regulation and legislative scrutiny of practices in the specialty insurance industry as well as increased litigation. Such consequences may increase our Company's costs of doing business and adversely affect our Company's profitability by impeding our ability to market our products and services or increasing the regulatory burdens under which our Company operates.

## **TRISURA GROUP LTD.**

### **Management's Discussion and Analysis for the year ended 2025**

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

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#### **RISKS AND UNCERTAINTIES (CONTINUED)**

##### **Reliance on Key Personnel and Talent Retention**

The success of our Company depends upon the personal efforts of our senior management. The loss of the services of such key personnel could have a material adverse effect on the operations of our Company. In addition, our Company's continued growth depends on our ability to attract and retain skilled management and employees and the ability of our key personnel to manage our Company's growth. Recruiting and retaining skilled personnel is costly and highly competitive. If our Company fails to retain, hire, train and integrate qualified employees and contractors, we may not be able to maintain and expand our business. Certain key personnel are not bound by non-competition covenants. If such personnel depart our Company and subsequently compete with our Company or determine to devote significantly more time to other business interests, such activities could have a material adverse effect on our Company's business, financial condition and performance. The Company's strategies to manage this risk include succession planning for key employees, employee engagement surveys and third-party compensation reviews.

##### **Litigation Risk**

Our Company is, and may in the future become, subject to a variety of legal and regulatory actions related to our operations. These may include, but are not limited to, lawsuits, negligence claims, claims disputes, coverage litigation, surety bond claims, professional liability claims, regulatory enforcement proceedings, complaints by policyholders, brokers, claimants or third-party beneficiaries, and employment-related matters. Such actions may be brought by customers, suppliers, brokers, employees, and governmental regulatory agencies and authorities in the jurisdictions where the Company operates, including the Canada and the US. Legal and regulatory proceedings, if determined adversely to the Company, could have a material adverse effect on our Company's business, financial condition and performance. In addition, they may harm our Company's reputation or divert management resources away from operating our business. The legal and regulatory environment affecting the insurance industry is subject to change. Changes in laws, regulations, or their interpretation, as well as evolving judicial standards, may increase our exposure to litigation or regulatory action. In particular, the Company faces potential exposure to class action or multi-party claims, which may involve significant potential liability. Certain jurisdictions that our Company operates in have also experienced an increase in the frequency and severity of large verdict awards, sometimes referred to as "nuclear awards". An adverse outcome in one or more significant matters could have a material adverse effect on our results or financial condition.

##### **Holding Company**

Trisura Group Ltd. is a holding company and its material assets consist primarily of interests in our operating subsidiaries. Consequently, we depend on distributions and other payments from our operating businesses to provide us with the funds necessary to meet our holding company financial obligations. Our operating businesses are legally distinct from Trisura Group Ltd. and some of them are or may become restricted in their ability to pay dividends and distributions or otherwise make funds available to Trisura Group Ltd. pursuant to local law, regulatory requirements and their contractual agreements, including agreements governing their financing arrangements. Our operating businesses are generally required to meet their policyholder and other obligations before making distributions to Trisura Group Ltd.

**RISKS AND UNCERTAINTIES (CONTINUED)**

**Adverse Effects of Regulatory Changes**

The specialty insurance industry is heavily regulated. Changes in the regulations governing the specialty insurance industry in the jurisdictions in which we operate, or increased regulations, may significantly affect the operations and financial results of our Company. Our Company is subject to the laws, rules and regulations of the jurisdictions in which we carry on business, including Canada and the US. These laws, rules and regulations cover many aspects of our business, the assets in which we may invest, the levels of capital and surplus and the standards of solvency that we must maintain, and the amounts of dividends which we may declare and pay. Changes to laws, rules or regulations are difficult to predict and could materially adversely affect our Company's business, results of operations and financial condition. In addition, more restrictive laws, rules or regulations may be adopted in the future that could make compliance more difficult or expensive. Our Canadian regulated insurance company is regulated by OSFI and other provincial regulators in the provinces in which it conducts business. Our US operating subsidiaries are regulated by the Department of Insurance in Oklahoma and the New Jersey Department of Banking and Insurance, as well as other state regulatory agencies in which they conduct business. Each of these regulators has broad supervisory and regulatory powers available to them in connection with licenses, solvency capital requirements, investments, dividends, corporate governance, requirements for key personnel, conduct of business rules, periodic examinations and reporting requirements. The regulators have the authority to take enforcement actions and impose sanctions, including directing the regulated entity to refrain from a course of action or to perform acts necessary to remedy situations, imposing fines or assessments and the withdrawal of authorization. In certain circumstances, the regulators may take control of regulated insurance companies. There is no guarantee that these regulators would not take such actions under certain circumstances with respect to our Canadian or US operating entities. The imposition of such actions could have a material adverse effect on our business, financial condition and performance.

**RISKS AND UNCERTAINTIES (CONTINUED)****Future Acquisitions**

Part of our Company's growth strategy involves seeking acquisition opportunities. We face competition for acquisitions, including from our competitors, many of whom will have greater financial resources than us. There can be no assurance that we will complete acquisitions. In addition, future acquisitions will likely involve some or all of the following risks, which could materially and adversely affect our Company's business, financial condition or results of operations: the difficulty of integrating the acquired operations and personnel into our current operations; potential disruption of our current operations; diversion of resources, including our Company's management's time and attention; the difficulty of managing the growth of a larger organization; the risk of not attaining expected benefits; the risk of entering markets in which we have little experience; the risk of becoming involved in labour, commercial or regulatory disputes or litigation related to the new enterprise; the risk of environmental or other liabilities associated with the acquired business; and the risk of a change of control resulting from an acquisition triggering rights of third parties or government agencies under contracts with, or authorizations held by, the operating business being acquired. It is possible that due diligence investigations into businesses being acquired may fail to uncover all material risks, or to identify a change of control trigger in a material contract or authorization, or that a contractual counterparty or government agency may take a different view on the interpretation of such a provision to that taken by us, thereby resulting in a dispute.

**Inability to Generate Necessary Amount of Cash to Service Existing Debt**

Our Company's ability to pay principal and interest on our outstanding debt will depend on its future financial performance. Our Company's ability to generate cash will depend on many factors, some of which may be beyond its control, including general economic, financial and regulatory conditions. If our Company cannot generate enough cash flow in the future to service its debt or cannot renew the credit facility or other outstanding debt on its existing terms, it may need to refinance its debt, obtain additional financing (on terms that may be less favourable than existing financing terms) or sell assets. Our Company might not be able to implement any of these strategies on satisfactory terms or on a timely basis, if at all. If our Company is unable to meet its debt service obligations or comply with its covenants, a default under the credit facility of other outstanding debt would result.

**Future Capital Requirements**

Our Company's future capital requirements will depend upon many factors, including the performance of the Canadian and US operations, and the status of competition and regulatory and rating agency requirements. There can be no assurance that financing will be available to our Company on acceptable terms, or at all. Actions to reduce inflation, including raising interest rates, increase our cost of borrowing, which in turn could make it more difficult to obtain financing on favourable terms. If additional funds are raised by issuing equity securities, dilution to our existing shareholders will result. If adequate funds are not available, our Company may be required to delay, scale back or abandon growth plans. An inability to obtain financing or similar financial support could have a material adverse effect on our Company's business, financial condition and results of operations.

**RISKS AND UNCERTAINTIES (CONTINUED)****Potential Volatility of Common Share Price**

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our Company's control, including, but not limited to, the following: (i) actual or anticipated fluctuations in our Company's quarterly results of operations; (ii) changes in estimates of our Company's future financial performance; (iii) recommendations by securities research analysts; (iv) changes in the economic performance or market valuations of other issuers that investors deem comparable to our Company; (v) the addition or departure of our executive officers and other key personnel; (vi) sales or anticipated sales of additional Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving our Company or our competitors; (viii) actual or prospective changes in government laws, rules or regulations affecting our businesses; (ix) the general state of the securities markets; (x) changes and developments in general economic, political, or social conditions, including as a result of global pandemics and the global economic shutdown; (xi) the depth and liquidity of the market for the Common Shares; (xii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets; and (xiii) the materialization of other risks described in this section.

Financial markets have in the past experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if our Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares. There can be no assurance that fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, our Company's operations and the trading price of the Common Shares may be materially adversely affected.

**Small Company Liquidity Risk**

Trisura is a relatively small company in terms of market capitalization. As such, the share price of the Common Shares may be more volatile than the shares of larger, more established companies. The Common Shares may trade less frequently and in smaller volume than shares of large companies. As a result, it may be difficult to buy or sell the Common Shares in a timely fashion relative to buying or selling shares of large companies on the secondary market. We may also have relatively few Common Shares outstanding at any given time, so a sale or purchase of Common Shares may have a greater impact on the price of the Common Shares.

**RISKS AND UNCERTAINTIES (CONTINUED)****Future Sales of Substantial Amount of Share Capital**

The articles of incorporation, as amended, of Trisura provide that the Company may issue an unlimited number of Common Shares, an unlimited number of non-voting shares and an unlimited number of preference shares (issuable in series), subject to the rules of any stock exchange on which Trisura's securities may be listed from time to time. If Trisura was to issue any additional Common Shares, non-voting shares or preference shares, or such other classes of authorized shares that are convertible or exchangeable for Common Shares, the percentage ownership of existing holders may be reduced and diluted. We cannot foresee the terms and conditions of any future offerings of our securities nor the effect of such offerings on the market price of the Common Shares. Any issuance of a significant percentage of Trisura's securities, or the perception that such issuances may occur, could have a material adverse effect on the market price of the Common Shares and limit our ability to fund our operations through capital raising transactions in the future. The Board of Directors has the authority to issue non-voting shares and preference shares and determine the price, designation, rights (including voting and dividend rights), preferences, privileges, restrictions and conditions of the preference shares, and to determine to whom non-voting and preference shares shall be issued.

**Business Interruption from Unpredictable Catastrophic Events**

Our company's operations may be subject to losses resulting from the disruption in operations. Regular functioning of our operations may be disrupted by natural catastrophes such as hurricanes, windstorms, earthquakes, hailstorms, explosions, severe winter weather and fires; by man-made catastrophic events including hostilities, terrorist acts, riots, crashes and derailments; by a disruption in key suppliers for example power grids, internet service providers, and cloud computing providers, or by an epidemic or pandemic. Certain events may also cause damage to our Company's physical property or may impact key personnel or trading positions. Our Company maintains business continuity plans and technology disaster recovery plans. If these plans cannot be put into action or are in-effective or do not take such events into account, losses may further increase.

**Dependence on Technology**

Our Company is heavily dependent on systems technology to process large volumes of transactions and our business would suffer if the technology employed is inadequate or inappropriate to support current and future business needs and objectives. To ensure our Company is able to effectively respond to potential technology failures and mitigate the inherent risk, our Company maintains technology disaster recovery plans for each of our operating companies.

**Climate Change Risk**

We are exposed to the physical risks associated with climate change which could impact the frequency and severity of severe weather events. We are also exposed to risks related to managing the shift to a lower carbon economy which may cause changes in asset values in some sectors as well as increase the legal and reputational risks of Trisura and its policyholders related to the perceived management of climate related risks. The occurrence of any of these events could result in an increase in the frequency or severity of insured claims, business disruption, reductions in the value of investments, litigation against Trisura, and reputational damage.

**RISKS AND UNCERTAINTIES (CONTINUED)****Third Party Risk**

We engage in significant arrangements with third party suppliers, vendors, and business partners. We also rely on capacity providers and program administrators. Third parties may fail or may face incidents that could compromise their ability to provide service to Trisura or could expose confidential information. We are exposed to the potential failure on the part of any of these parties, whether through error, fraud, crime, failure to comply with regulatory standards or contractual obligations, business disruption or otherwise. An economic downturn, supply chain disruption, and other global political, economic, or social conditions could increase supplier failure risk. Failure of the power grid, telephone system, internet service providers and other utilities in the regions in which we operate could disrupt our operations and lead to substantial reputational damage.

In particular, we rely on third party administrators (TPAs) to perform certain claims handling and administrative functions on our behalf. While we maintain robust oversight and control procedures, we do not have direct control over their day-to-day claims handling decisions. Although we have implemented processes to mitigate the resulting risks, including periodic audits, claims authority limits, escalation requirements, and performance monitoring, we cannot eliminate the risks that result from the use of TPAs.

Our internal processes may not identify or mitigate these situations in all cases or on a timely basis. It is not always possible to identify and correct these failures or replace suppliers quickly or economically. In such a case, our reputation, financial condition and results of operations could be negatively impacted. Depending on the length of the failure, significant opportunity costs could also be incurred.

We manage third party risk throughout the lifecycle of our relationships from due diligence through ongoing monitoring and maintenance of the relationship to ultimate termination. Due diligence and ongoing management are proportionate to the level of risk and criticality of each relationship.

**Model Risk**

We rely on estimates and models in the course of our business whether internal models or vendor models. These models have a high degree of uncertainty and are based on historical data, scenarios and judgement that may not accurately reflect future conditions. For example, models are used in the estimation of Probable Maximal Loss in the contract surety and property business, to inform reinsurance purchase decisions, investment decisions, in pricing, and in reserving. Models estimates could deviate materially from actual experience and thereby have a material negative impact on our financial condition and results of operations.

**Taxation Risk**

Our Company is subject to income taxes and premium taxes in the jurisdictions in which we carry on business, including Canada and the US. Changes to tax laws or the interpretation of these tax laws by government authorities prospectively or retrospectively could have a material adverse impact on our profitability. Deferred tax assets are only recognized to the extent that it is probable that they will be realized. Estimates are used to determine the value of the deferred tax asset balance based on the assumption that the Company will generate taxable income in future years. Estimates are used to determine the taxes payable balance based on applicable tax legislation. If our Company were not to achieve the expected level of profitability, the deferred tax asset may not be realized which could have a material negative impact on our financial condition and results of operations.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### FINANCIAL RISK

#### Exposure to currency risk

The following table presents the Company's net exposure to USD for our Canadian-domiciled entities and the carrying value of net assets for our US-domiciled entities.

**Table 5.1**

As at December 31, All amounts in CAD	2025	2024
Net exposure from investments <sup>(1)</sup>	23,362	15,762
Net assets of US domiciled entities	519,308	393,290
<b>Total net exposure</b>	<b>542,670</b>	<b>409,052</b>

(1) Supporting Canadian operations.

#### Sensitivity analysis to market risk

The below sensitivity analysis assumes parallel yield curve shifts and treats interest rates, equity prices, and foreign currencies as independent variables. As actual market outcomes may differ materially from these estimates, these figures are intended to provide directional guidance only.

**Table 5.2 Sensitivity analysis to market risk (after tax)<sup>(1)</sup>**

As at December 31	2025			2024		
Sensitivity factor	Net income	OCI	Total BVPS	Net income	OCI	Total BVPS
<b>Equity price risk</b> (10% decrease)	(8,355)	-	(0.18)	(6,828)	-	(0.14)
<b>Interest rate risk</b> (100 basis point increase in the yield curve)						
Fixed income	(6,902)	(42,664)	(1.04)	(6,004)	(33,095)	(0.82)
Reinsurance contract assets	(46,930)	-	(0.99)	(43,702)	-	(0.91)
Insurance contract liabilities	53,871	-	1.13	50,693	-	1.06
<b>Currency risk</b> (strengthening of CAD by 10% vs USD)						
Net assets of foreign operations in USD		(38,880)	(0.82)		(29,175)	(0.61)

(1) See Note 23.4 Market risk to the Consolidated Financial Statements for more information.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### SECTION 6 – OTHER INFORMATION

#### SELECTED QUARTERLY RESULTS

Table 6.1

	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
GPW	786,655	853,712	900,376	711,671	714,721	767,756	956,118	723,130
Net insurance revenue	200,306	197,292	195,785	172,711	179,222	185,459	165,831	153,054
Underwriting income	29,711	27,592	28,183	29,862	33,258	28,964	25,411	29,360
Combined ratio	85.2%	86.0%	85.6%	82.7%	81.5%	84.4%	84.7%	80.8%
Net investment income	21,496	20,118	18,864	18,197	17,138	16,252	16,902	16,753
Operating net income	36,561	34,433	33,258	34,170	38,181	33,228	31,253	33,188
Net income	37,565	38,562	37,129	28,990	19,253	36,088	27,141	36,433
EPS, basic (in dollars)	0.79	0.81	0.78	0.61	0.40	0.76	0.57	0.77
EPS, diluted (in dollars)	0.77	0.79	0.76	0.60	0.40	0.74	0.56	0.75

#### Selected Quarterly Results

- Our business is seasonal in nature, resulting in generally fewer premiums written in the first quarter followed by higher written premiums in the second quarter. Operating net income is impacted by fluctuations in investment gains and losses.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### SELECTED ANNUAL RESULTS

**Table 6.2**

	2025	2024	2023
GPW	3,252,414	3,161,723	2,959,105
Net insurance revenue	766,093	683,566	546,974
Net income	142,246	118,915	66,941
EPS, basic (in dollars)	2.98	2.49	1.44
EPS, diluted (in dollars)	2.93	2.45	1.42
Total assets	5,007,121	4,591,893	3,584,445
Total Debt outstanding <sup>(1)</sup>	134,772	98,272	75,000

(1) See Note 14 in the Company's Consolidated Financial Statements for details on Debt Outstanding.

<b>Selected Annual Results</b>	<ul style="list-style-type: none"> <li>The balances presented above have generally grown over time, reflecting growth in the business.</li> </ul>
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### CONTRACTUAL OBLIGATIONS

**Table 6.3**

As at December 31, 2025	Payments due by period			
	Total	Less than 1 year	1 - 5 Years	Thereafter
Debt outstanding	134,772	134,772	-	-
Interest payments on debt <sup>(1)</sup>	1,510	1,510	-	-
Lease liabilities <sup>(2)</sup>	30,493	2,404	11,542	16,547
Insurance contract liabilities - LIC	3,235,691	1,330,292	1,629,116	276,283
Unfunded commitments	13,282	13,282	-	-
<b>Total contractual obligations</b>	<b>3,415,748</b>	<b>1,482,260</b>	<b>1,640,658</b>	<b>292,830</b>

(1) Based on the Company's fixed borrowing rate on the outstanding senior unsecured notes and the interest due on the Company's revolving credit facility. For details, see Note 14 in the Company's Consolidated Financial Statements.

(2) See Note 9 in the Company's Consolidated Financial Statements for details on Leases.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### ACCOUNTING AND DISCLOSURE MATTERS

#### Accounting policy amendments

See Note 2.11 in our Consolidated Financial Statements for further detail on accounting policy amendments.

#### Critical accounting judgments and estimates in applying accounting policies

The preparation of Consolidated Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Judgments are used in applying the accounting policies used to prepare financial statements. Those judgments affect the carrying amount of certain assets and liabilities and the reported amounts of revenues and expenses recorded during the year.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated financial statements is included below. Any changes in estimates are recorded in the year in which they are determined. Accordingly, actual results may differ from these and other estimates thereby impacting future financial statements.

Reference to our Consolidated Financial Statements for the year ended December 31, 2025:

Description	Reference
Valuation of insurance contract liabilities, reinsurance contract assets	Note 2.2
Measurement of recoverable from reinsurers	Note 2.2 and Note 23.2(d)
Impairment of goodwill	Note 21
Valuation of level 3 assets	Note 2.3 and Note 6
ECL calculations	Note 2.3 and Note 4.2
Impairment of financial assets	Note 2.3 and Note 4.2
Measurement of income taxes, recoverability of deferred tax assets	Note 2.7 and Note 20

See Note 3 in our Consolidated Financial Statements for further detail on accounting judgments and estimates.

### FINANCIAL INSTRUMENTS

See Notes 4, 5, 6, 17 and 18 in our Consolidated Financial Statements for financial statement classification of the change in fair value of financial instruments, significant assumptions made in determining the fair values, amounts of income, expenses, gains and losses associated with the instruments.

## **TRISURA GROUP LTD.**

### **Management's Discussion and Analysis for the year ended 2025**

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

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#### **DISCLOSURE CONTROLS AND PROCEDURES**

We maintain information systems, procedures and controls to ensure that information disclosed externally is complete, accurate, reliable and timely. Management is responsible for establishing and maintaining the Company's disclosure controls and procedures. Due to the inherent limitations in all control systems, an evaluation of controls can provide only reasonable, not absolute assurance, that all control issues and instances of fraud or error, if any, within the Company have been detected. We continue to evolve and enhance our controls and procedures.

Management of the Company, at the direction and under the supervision of the Chief Executive Officer and the Chief Financial Officer of the Company, evaluated the effectiveness of the Company's "disclosure controls and procedures" (as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109")) as at December 31, 2025, and have concluded that the disclosure controls and procedures were effective as of December 31, 2025.

#### **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

Management has designed and is responsible for maintaining adequate internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The control framework used to design the Company's internal control over financial reporting is the Internal Control – Integrated Framework (2013), published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) (the "COSO Framework"). Management has evaluated the design and operating effectiveness of its ICFR as defined in NI 52-109 using the criteria set forth in the COSO Framework. This evaluation was performed by the Chief Executive Officer and the Chief Financial Officer of the Company with the assistance of other Company Management and staff to the extent deemed necessary. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the ICFR were appropriately designed and operating effectively, as at December 31, 2025. In spite of its evaluation, Management does recognize that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance and not absolute assurance of achieving the desired control objectives. Management has also evaluated whether there were changes in our internal control over financial reporting during the year ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting and has determined that there have been no such changes.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### OPERATING METRICS AND OTHER FINANCIAL MEASURES

Operating metrics and other financial measures consist of non-IFRS financial measures, non-IFRS ratios and supplementary financial measures that we use to measure and evaluate the performance of our business. These operating metrics and other financial measures are operating performance measures that highlight trends in our core business or are required ratios used to measure compliance with OSFI and other regulatory standards. Our Company also believes that securities analysts, investors and other interested parties use these operating metrics to compare our Company's performance against others in the specialty insurance industry. Our Company's management also uses these operating metrics and other financial measures in order to facilitate operating performance comparisons from period to period. Such operating metrics and other financial measures should not be considered as the sole indicators of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS.

#### Non-IFRS Financial Measures

We report certain financial information using non-IFRS financial measures. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures used by other companies in our industry. They are used by management and financial analysts to assess our performance.

Further, they provide users 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			Closest IFRS measures			Reconciliation
Three months ended December 31	2025	2024	Three months ended December 31	2025	2024	
NPW	\$219,203	\$189,857	Insurance revenue	\$793,102	\$794,162	Table 6.10
Net insurance revenue	\$200,306	\$179,222	Insurance revenue	\$793,102	\$794,162	Table 6.5
Fee income	\$23,351	\$21,177	Net income (expenses) from reinsurance contracts assets	(\$68,273)	\$101,624	Table 6.11
Net claims	(\$65,853)	(\$56,789)	Insurance service expense	(\$683,950)	(\$881,999)	Table 6.5
Net expenses	(\$104,742)	(\$89,175)	Insurance service expense	(\$683,950)	(\$881,999)	Table 6.5
Underwriting income	\$29,711	\$33,258	Insurance service result	\$40,879	\$13,787	Table 6.5
Corporate operating expenses	(\$1,159)	(\$632)	Other operating expenses	(\$12,896)	(\$6,804)	Table 6.8
Operating EBT	\$48,561	\$48,817	Income before income taxes	\$49,793	\$25,461	Table 6.4
Operating net income	\$36,561	\$38,181	Net income	\$37,565	\$19,253	Table 6.4
LTM average equity	\$855,698	\$702,012	Shareholders' equity	\$924,666	\$785,266	Table 6.9
Twelve months ended December 31	2025	2024	Twelve months ended December 31	2025	2024	
NPW	\$881,761	\$795,066	Insurance revenue	\$3,108,033	\$3,118,322	Table 6.10
Net insurance revenue	\$766,093	\$683,566	Insurance revenue	\$3,108,033	\$3,118,322	Table 6.5
Fee income	\$87,551	\$88,836	Net income (expenses) from reinsurance contracts assets	(\$366,884)	(\$253,980)	Table 6.11
Net claims	(\$252,907)	(\$224,844)	Insurance service expense	(\$2,584,439)	(\$2,748,110)	Table 6.5
Net expenses	(\$397,853)	(\$341,726)	Insurance service expense	(\$2,584,439)	(\$2,748,110)	Table 6.5
Underwriting income	\$115,333	\$116,996	Insurance service result	\$156,710	\$116,232	Table 6.5
Corporate operating expenses	(\$4,630)	(\$2,974)	Other operating expenses	(\$48,614)	(\$42,932)	Table 6.8
Operating EBT	\$184,343	\$177,797	Income before income taxes	\$189,262	\$158,490	Table 6.4
Operating net income	\$138,423	\$135,850	Net income	\$142,246	\$118,915	Table 6.4
LTM average equity	\$855,698	\$702,012	Shareholders' equity	\$924,666	\$785,266	Table 6.9

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### OPERATING METRICS AND OTHER FINANCIAL MEASURES (CONTINUED)

Non-IFRS financial measures, non-IFRS ratios, and supplementary financial measures used by the Company are as follows:

#### Underwriting and Premium Growth

Metric	Definition and Usefulness
<b>Gross Premiums Written ("GPW")</b>	GPW, a supplementary financial measure, represents the total amount of premiums for new and renewal policies written during the reporting period, incorporating the adjustments for non-operating results in order to reflect our core operations.
<b>Net Insurance Revenue</b>	Net insurance revenue, a non-IFRS financial measure, is equal to Insurance revenue, net of reinsurance premiums earned, incorporating the adjustments for non-operating results in order to reflect our core operations. This financial measure is used to calculate Underwriting income and the Loss ratio, Expense ratio and Combined ratio. Management views this measure to be useful to measure growth and profitability.
<b>Net Premiums Written ("NPW")</b>	NPW, a non-IFRS financial measure, is the difference of GPW less Ceded Premiums Written, incorporating the adjustments for non-operating results in order to reflect our core operations. This financial measure is used to calculate Retention rate.
<b>Fee Income</b>	Fee income, a non-IFRS financial measure, is a portion of Net income (expense) from reinsurance contracts assets, which reflects fees received from reinsurers paid in exchange for fronting services, incorporating the adjustments for non-operating results in order to reflect our core operations. Management uses Fee income to assess the underwriting performance of the Company.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### OPERATING METRICS AND OTHER FINANCIAL MEASURES (CONTINUED)

#### Underwriting Profitability

Metric	Definition and Usefulness
<b>Underwriting Income</b>	Underwriting income, a non-IFRS financial measure, is equal to Insurance service result, plus Other operating expenses, plus Other income and Finance income (expenses) from insurance/reinsurance contracts, incorporating the adjustments for non-operating results in order to reflect our core operations. Management uses Underwriting income to assess the underwriting performance of the Company. Management believes Underwriting income is useful information for investors and analysts and is commonly used by other companies in our industry.
<b>Loss Ratio</b>	Loss ratio, a non-IFRS ratio, is equal to Net claims as a percentage of Net insurance revenue. Management uses Loss ratio to evaluate our Net claims relative to our Net insurance revenue in a given period. Management believes Loss ratio is useful information for investors and analysts and is commonly used by other companies in our industry. Prior to Q1 2025, this ratio was referred to as the Operating loss ratio. Despite the change in naming convention, the composition of the ratio is unchanged.
<b>Expense Ratio</b>	Expense ratio, a non-IFRS ratio, is equal to Net expenses as a percentage of Net insurance revenue. Management uses Expense ratio to evaluate our Net expenses relative to our Net insurance revenue in a given period. Management believes Expense ratio is useful information for investors and analysts and is commonly used by other companies in our industry. Prior to Q1 2025, this ratio was referred to as the Operating expense ratio. Despite the change in naming convention, the composition of the ratio is unchanged.
<b>Combined Ratio</b>	Combined ratio, a non-IFRS ratio, is the sum of the Loss ratio and the Expense ratio. The difference between 100% and the combined ratio represents underwriting income as a percentage of Net insurance revenue, or underwriting margin. A Combined ratio under 100% indicates a profitable underwriting result. Management uses Combined ratio to evaluate underlying profitability relative to Net insurance revenue in a given period. Management believes Combined ratio is useful information for investors and analysts and is commonly used by other companies in our industry. Prior to Q1 2025, this ratio was referred to as the Operating combined ratio. Despite the change in naming convention, the composition of the ratio is unchanged.
<b>Net Claims</b>	Net claims, a non-IFRS financial measure, is the portion of Insurance service expenses related to movement in the Liability for Incurred claims, less the portion of Net income (expense) from reinsurance contracts assets related to the Asset for incurred claims, plus the Finance income (expenses) from insurance/reinsurance contracts, incorporating the adjustments for non-operating results in order to reflect our core operations. This financial measure is used to calculate Underwriting income and the Loss ratio.
<b>Net Expenses</b>	Net expenses, a non-IFRS financial measure, comprises the portion of Insurance service expense related to commission expense, less the portion of net reinsurance expense related to reinsurance ceding commission, plus other directly attributable expense and insurance acquisition cash flows excluding commission, net of Fee income, plus Other operating expenses related to Trisura Specialty and Trisura US Programs, net of Other income, which reflects surety fee income in our Trisura Specialty operations, incorporating the adjustments for non-operating results in order to reflect our core operations. This financial measure is used to calculate Underwriting income and the Expense ratio.
<b>Fees as a % of Ceded Premium</b>	Fees as a % of ceded premium, a non-IFRS ratio, is equal to Fee income, adjusted to reflect the portion of fee income bound in a period, rather than recognized as revenue in a period, divided by Ceded Premiums Written excluding certain Other non-operating items. Management uses this ratio to evaluate the rate of Fee income generated from ceded premium, a supplemental measure of pre-tax underwriting profitability.
<b>Retention Rate</b>	Retention rate, a non-IFRS ratio, is NPW as a percentage of GPW. Management uses this ratio to evaluate the proportion of GPW that is not ceded to reinsurers, which Management uses to assess insurance risk.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### OPERATING METRICS AND OTHER FINANCIAL MEASURES (CONTINUED)

#### Operating Performance

Metric	Definition and Usefulness
<b>Operating Earnings Before Tax ("Operating EBT")</b>	Operating EBT, a non-IFRS financial measure, is equal to Net income before taxes, incorporating the before-tax adjustments to Operating net income, in order to reflect our core operations. Management uses Operating net income to assess ongoing pre-tax operating performance.
<b>Operating Net Income</b>	Operating net income, a non-IFRS financial measure, is equal to Net income, adjusted to remove the impact of Non-operating results, which are not representative of our core operations. This better reflects our underlying business performance over time. Management uses Operating net income to assess ongoing operating performance. This financial measure is used to calculate Operating EPS and Operating ROE. Management believes Operating net income is useful information for investors and analysts and is commonly used by other companies in our industry.
<b>Operating ROE</b>	Operating ROE, a non-IFRS ratio, is the Operating net income for the twelve month period preceding the reporting date, divided by LTM Average Equity, excluding AOCI, unrealized gains (losses) on FVTPL instruments and other applicable non-operating items. Management uses Operating ROE to measure and evaluate our operating performance relative to the equity position of the Company. Management believes Operating ROE is useful information for investors and analysts and is commonly used by other companies in our industry.
<b>Operating EPS</b>	Operating EPS, a non-IFRS ratio, is equal to Operating net income, divided by the weighted-average number of shares outstanding. Management uses Operating EPS to measure and evaluate our operating performance on a per-share basis. Management believes Operating EPS is useful information for investors and analysts and is commonly used by other companies in our industry.
<b>Corporate Operating Expenses</b>	Corporate operating expenses, a non-IFRS financial measure, is equal to Other operating expenses, excluding segment specific operating expenses and incorporating the adjustments for non-operating results. This financial measure is used to calculate Operating EBT. Prior to Q1 2025, this measure was referred to as Operating expenses corporate. Despite the change in naming convention, the composition of this measure is unchanged.

#### Consolidated Performance

Metric	Definition and Usefulness
<b>ROE</b>	ROE, a non-IFRS ratio, is equal to Net income for the twelve month period preceding the reporting date, divided by LTM Average Equity. Management uses ROE to measure and evaluate our after-tax profitability relative to the equity position of the Company. Management believes ROE is useful information for investors and analysts and is commonly used by other companies in our industry.
<b>BVPS</b>	BVPS, a supplementary financial measure, is equal to Shareholders' equity, divided by total number of shares outstanding.

#### Equity and Capital

Metric	Definition and Usefulness
<b>Debt-to-Capital Ratio</b>	Debt-to-capital ratio, a supplementary financial measure, is equal to Debt divided by Total Capital. Debt may include other forms such as preferred shares and hybrids.
<b>LTM Average Equity</b>	LTM average equity, a non-IFRS financial measure, is equal to Shareholders' equity over the last twelve month period, adjusted for significant capital transactions and equity raises, if appropriate. This measure is used to calculate ROE and Operating ROE.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

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### OPERATING METRICS AND OTHER FINANCIAL MEASURES (CONTINUED)

#### Non-IFRS Financial Measures

Table 6.4 – Reconciliation of Operating EBT to Net income before tax and Operating net income to Net income

	Q4 2025	Q4 2024	YTD 2025	YTD 2024
<b>Operating EBT</b>	48,561	48,817	184,343	177,797
Impact of Exited lines	(489)	(30,577)	(1,256)	(30,577)
Impact of movement in yield curve in Net insurance finance income (expenses)	288	396	(3,809)	(1,207)
Net gains (losses)	3,728	2,886	16,352	24,699
Other non-operating items	(2,295)	3,939	(6,368)	(12,222)
Non-operating results, gross of tax	1,232	(23,356)	4,919	(19,307)
<b>Income before income taxes</b>	49,793	25,461	189,262	158,490
<b>Operating net income, as presented in Table 2.1</b>	36,561	38,181	138,423	135,850
Non-operating results, gross of tax	1,232	(23,356)	4,919	(19,307)
Tax impact of above items	(228)	4,428	(1,096)	2,372
<b>Net income</b>	37,565	19,253	142,246	118,915

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### OPERATING METRICS AND OTHER FINANCIAL MEASURES (CONTINUED)

Table 6.5 – Reconciliation of Insurance service result to Underwriting income - Consolidated

Financial statements line item	1	2	3	4	5	6	7	MD&A line item	
<b>For the three months ended December 31, 2025</b>									
Insurance revenue	793,102	(593,082)	-	-	-	286	-	200,306	Net insurance revenue
Insurance service expenses	(683,950)	524,809	750	(9,442)	(2,677)	203	-	(170,595)	Sum of Net claims (\$65,853) and Net expenses (\$104,742)
Net income (expenses) from reinsurance contracts assets	(68,273)	68,273	-	-	-	-	-	-	n/a
Insurance service result	40,879	-	750	(9,442)	(2,677)	489	-	29,711	Underwriting income
<b>For the three months ended December 31, 2024</b>									
Insurance revenue	794,162	(605,323)	-	-	-	(8,517)	(1,100)	179,222	Net insurance revenue
Insurance service expenses	(881,999)	706,947	508	(7,011)	(1,107)	39,094	(2,000)	(145,964)	Sum of Net claims (\$56,789) and Net expenses (\$89,175)
Net income (expenses) from reinsurance contracts assets	101,624	(101,624)	-	-	-	-	-	-	n/a
Insurance service result	13,787	-	508	(7,011)	(1,107)	30,577	(3,100)	33,258	Underwriting income
<b>For the twelve months ended December 31, 2025</b>									
Insurance revenue	3,108,033	(2,335,109)	-	-	-	(6,831)	-	766,093	Net insurance revenue
Insurance service expenses	(2,584,439)	1,968,225	7,563	(40,299)	(16,389)	8,087	2,683	(650,760)	Sum of Net claims (\$252,907) and Net expenses (\$397,853)
Net income (expenses) from reinsurance contracts assets	(366,884)	366,884	-	-	-	-	-	-	n/a
Insurance service result	156,710	-	7,563	(40,299)	(16,389)	1,256	2,683	115,333	Underwriting income
<b>For the twelve months ended December 31, 2024</b>									
Insurance revenue	3,118,322	(2,431,235)	-	-	-	(8,517)	4,996	683,566	Net insurance revenue
Insurance service expenses	(2,748,110)	2,177,255	7,506	(35,962)	(10,790)	39,094	3,230	(566,570)	Sum of Net claims (\$224,844) and Net expenses (\$341,726)
Net income (expenses) from reinsurance contracts assets	(253,980)	253,980	-	-	-	-	-	-	n/a
Insurance service result	116,232	-	7,506	(35,962)	(10,790)	30,577	8,226	116,996	Underwriting income

#### Reconciling items in the table above:

- 1 Net of reinsurance impact
- 2 Other income
- 3 Other operating expenses related to Trisura Specialty and Trisura US Programs
- 4 Net insurance finance income (expenses)
- 5 Impact of Exited lines
- 6 Other non-operating items
- 7 Movement in yield curve in Net insurance finance income (expenses)

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### OPERATING METRICS AND OTHER FINANCIAL MEASURES (CONTINUED)

**Table 6.6 – Reconciliation of Insurance service result to Operating EBT / Underwriting income - Trisura Specialty**

Financial statements line item	1	2	3	4	5	6	MD&A line item
<b>For the three months ended December 31, 2025</b>							
Insurance revenue	257,033	(114,841)	-	-	-	-	142,192 Net insurance revenue
Insurance service expenses	(168,468)	51,681	750	(4,920)	(569)	(351)	(121,877) Sum of Net claims (\$23,336) and Net expenses (\$98,541)
Net income (expenses) from reinsurance contracts assets	(63,160)	63,160	-	-	-	-	- n/a
Insurance service result	25,405	-	750	(4,920)	(569)	(351)	20,315 Operating EBT / Underwriting income
<b>For the three months ended December 31, 2024</b>							
Insurance revenue	258,686	(128,316)	-	-	(1,100)	-	129,270 Net insurance revenue
Insurance service expenses	(237,996)	142,262	508	(4,720)	(633)	(2,000)	(38) (102,617) Sum of Net claims (\$16,673) and Net expenses (\$85,944)
Net income (expenses) from reinsurance contracts assets	13,946	(13,946)	-	-	-	-	- n/a
Insurance service result	34,636	-	508	(4,720)	(633)	(3,100)	(38) 26,653 Operating EBT / Underwriting income
<b>For the twelve months ended December 31, 2025</b>							
Insurance revenue	1,040,334	(482,197)	-	-	-	-	558,137 Net insurance revenue
Insurance service expenses	(740,976)	277,632	7,563	(21,775)	(4,229)	189	(481,596) Sum of Net claims (\$106,196) and Net expenses (\$375,400)
Net income (expenses) from reinsurance contracts assets	(204,565)	204,565	-	-	-	-	- n/a
Insurance service result	94,793	-	7,563	(21,775)	(4,229)	189	76,541 Operating EBT / Underwriting income
<b>For the twelve months ended December 31, 2024</b>							
Insurance revenue	980,727	(499,534)	-	-	1,435	-	482,628 Net insurance revenue
Insurance service expenses	(759,403)	376,754	7,506	(21,343)	(5,170)	(2,842)	1,020 (403,478) Sum of Net claims (\$79,235) and Net expenses (\$324,243)
Net income (expenses) from reinsurance contracts assets	(122,780)	122,780	-	-	-	-	- n/a
Insurance service result	98,544	-	7,506	(21,343)	(5,170)	(1,407)	1,020 79,150 Operating EBT / Underwriting income

#### Reconciling items in the table above:

- 1 Net of reinsurance impact
- 2 Other income
- 3 Other operating expenses related to Trisura Specialty
- 4 Net insurance finance income (expenses)
- 5 Other non-operating items
- 6 Movement in yield curve in Net insurance finance income (expenses)

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### OPERATING METRICS AND OTHER FINANCIAL MEASURES (CONTINUED)

Table 6.7 – Reconciliation of Insurance service result to Operating EBT / Underwriting income - Trisura US Programs

Financial statements line item	1	2	3	4	5	6	MD&A line item
<b>For the three months ended December 31, 2025</b>							
Insurance revenue	536,069	(478,241)	-	-	286	-	58,114 Net insurance revenue
Insurance service expenses	(515,482)	473,128	(4,522)	(2,108)	203	-	(48,718) Sum of Net claims (\$42,517) and Net expenses (\$6,201)
Net income (expenses) from reinsurance contracts assets	(5,113)	5,113	-	-	-	-	- n/a
Insurance service result	15,474	-	(4,522)	(2,108)	489	-	9,396 Operating EBT / Underwriting income
<b>For the three months ended December 31, 2024</b>							
Insurance revenue	535,476	(477,007)	-	-	(8,517)	-	49,952 Net insurance revenue
Insurance service expenses	(644,003)	564,685	(2,291)	(474)	39,094	-	(43,347) Sum of Net claims (\$40,116) and Net expenses (\$3,231)
Net income (expenses) from reinsurance contracts assets	87,678	(87,678)	-	-	-	-	- n/a
Insurance service result	(20,849)	-	(2,291)	(474)	30,577	-	6,605 Operating EBT / Underwriting income
<b>For the twelve months ended December 31, 2025</b>							
Insurance revenue	2,067,699	(1,852,912)	-	-	(6,831)	-	207,956 Net insurance revenue
Insurance service expenses	(1,843,463)	1,690,593	(18,524)	(12,160)	8,087	2,683	(169,164) Sum of Net claims (\$146,711) and Net expenses (\$22,453)
Net income (expenses) from reinsurance contracts assets	(162,319)	162,319	-	-	-	-	- n/a
Insurance service result	61,917	-	(18,524)	(12,160)	1,256	2,683	38,792 Operating EBT / Underwriting income
<b>For the twelve months ended December 31, 2024</b>							
Insurance revenue	2,137,595	(1,931,701)	-	-	(8,517)	3,561	200,938 Net insurance revenue
Insurance service expenses	(1,988,707)	1,800,501	(14,619)	(5,620)	39,094	6,072	(163,092) Sum of Net claims (\$145,609) and Net expenses (\$17,483)
Net income (expenses) from reinsurance contracts assets	(131,200)	131,200	-	-	-	-	- n/a
Insurance service result	17,688	-	(14,619)	(5,620)	30,577	9,633	37,846 Operating EBT / Underwriting income

#### Reconciling items in the table above:

- 1 Net of reinsurance impact
- 2 Other operating expenses related to Trisura US Programs
- 3 Net insurance finance income (expenses)
- 4 Impact of Exited lines
- 5 Other non-operating items
- 6 Movement in yield curve in Net insurance finance income (expenses)

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### OPERATING METRICS AND OTHER FINANCIAL MEASURES (CONTINUED)

**Table 6.8 – Reconciliation of Other operating expenses to Corporate operating expenses**

	Q4 2025	Q4 2024	2025	2024
<b>Other operating expenses</b>	(12,896)	(6,804)	(48,614)	(42,932)
Other operating expenses included in Net expenses as presented in Table 6.5	9,442	7,011	40,299	35,962
Other non-operating items	2,295	(839)	3,685	3,996
<b>Corporate operating expenses, as presented in Table 2.1</b>	<b>(1,159)</b>	<b>(632)</b>	<b>(4,630)</b>	<b>(2,974)</b>

**Table 6.9 – Reconciliation of Average equity<sup>(1)</sup> to LTM average equity<sup>(2)</sup>: LTM average equity is used in calculating Operating ROE.**

	Q4 2025	Q4 2024
<b>Average equity</b>	854,966	702,348
Days in quarter proration	732	(336)
<b>LTM average equity, as presented in Table 6.13</b>	<b>855,698</b>	<b>702,012</b>
LTM Average AOCI	(35,235)	(4,796)
LTM Average cumulative impact of unrealized gains (losses)	(16,755)	(4,801)
LTM Average cumulative impact of SBC	3,132	1,951
<b>LTM average equity, excluding certain items, as presented in Table 6.13</b>	<b>806,840</b>	<b>694,366</b>

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

(2) LTM average equity, a component of ROE and Operating ROE, is a non-IFRS financial measure (details on ROE and Operating ROE presented in Table 6.13).

**Table 6.10 – Reconciliation of Insurance revenue to GPW and NPW**

	Insurance revenue	Change in unearned gross premiums	Non-operating results	GPW	Ceded premiums written	Non-operating results	NPW
<b>For the three months ended December 31, 2025</b>							
Trisura Specialty	257,033	13,749	-	270,782	(106,207)	-	164,575
Trisura US Programs	536,069	(19,873)	(323)	515,873	(461,736)	491	54,628
<b>Total</b>	<b>793,102</b>	<b>(6,124)</b>	<b>(323)</b>	<b>786,655</b>	<b>(567,943)</b>	<b>491</b>	<b>219,203</b>
<b>For the three months ended December 31, 2024</b>							
Trisura Specialty	258,686	15,517	-	274,203	(121,357)	(1,100)	151,746
Trisura US Programs	535,476	(96,190)	1,232	440,518	(401,574)	(833)	38,111
<b>Total</b>	<b>794,162</b>	<b>(80,673)</b>	<b>1,232</b>	<b>714,721</b>	<b>(522,931)</b>	<b>(1,933)</b>	<b>189,857</b>
<b>For the twelve months ended December 31, 2025</b>							
Trisura Specialty	1,040,334	64,605	-	1,104,939	(456,132)	-	648,807
Trisura US Programs	2,067,699	78,447	1,329	2,147,475	(1,914,203)	(318)	232,954
<b>Total</b>	<b>3,108,033</b>	<b>143,052</b>	<b>1,329</b>	<b>3,252,414</b>	<b>(2,370,335)</b>	<b>(318)</b>	<b>881,761</b>
<b>For the twelve months ended December 31, 2024</b>							
Trisura Specialty	980,727	108,060	-	1,088,787	(508,745)	1,435	581,477
Trisura US Programs	2,137,595	(66,007)	1,348	2,072,936	(1,863,348)	4,001	213,589
<b>Total</b>	<b>3,118,322</b>	<b>42,053</b>	<b>1,348</b>	<b>3,161,723</b>	<b>(2,372,093)</b>	<b>5,436</b>	<b>795,066</b>

**Table 6.11 – Reconciliation of Net income (expenses) from reinsurance contracts assets to Fee income**

	Q4 2025	Q4 2024	2025	2024
Net income (expense) from reinsurance contracts assets	(68,273)	101,624	(366,884)	(253,980)
Less: Ceded commissions, ceded claims, and ceded premiums earned	91,624	(80,447)	454,435	342,816
<b>Fee income</b>	<b>23,351</b>	<b>21,177</b>	<b>87,551</b>	<b>88,836</b>

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### OPERATING METRICS AND OTHER FINANCIAL MEASURES (CONTINUED)

#### Non-IFRS Ratios

**Table 6.12 – Operating EPS:** reflect EPS, adjusted for certain items to normalize earnings to core operations in order to reflect our specialty operations; a measure of after-tax profitability.

	Q4 2025	Q4 2024	2025	2024
Operating net income	36,561	38,181	138,423	135,850
Weighted-average number of common shares outstanding – diluted (in thousands of shares)	48,587	48,597	48,560	48,523
<b>Operating EPS – diluted (in dollars)</b>	<b>0.75</b>	<b>0.79</b>	<b>2.85</b>	<b>2.80</b>

**Table 6.13 – ROE and Operating ROE:** a measure of the Company's use of equity.

	Q4 2025	Q4 2024
LTM net income	142,246	118,915
LTM average equity, from Table 6.9	855,698	702,012
ROE	16.6%	16.9%
LTM net income	142,246	118,915
Impact of Exited lines	1,256	30,577
Loss from run-off program	-	3,714
Impact of movement in yield curve in Net insurance finance income (expenses)	3,809	1,207
Net (gains) losses	(16,352)	(24,699)
Other non-operating items	6,368	8,508
Tax impact of above items, and other tax adjustments	1,096	(2,372)
Non-operating adjustments	(3,823)	16,935
Operating LTM net income <sup>(1)</sup>	138,423	135,850
LTM average equity, excluding certain items, from Table 6.9	806,840	694,366
<b>Operating ROE<sup>(1)</sup></b>	<b>17.2%</b>	<b>19.6%</b>

(1) Operating LTM net income, a component of Operating ROE, is a non-IFRS financial measure.

**Table 6.14 – Combined ratio – Consolidated**

	Q4 2025	Q4 2024	2025	2024
Net insurance revenue, as presented in Table 6.5	200,306	179,222	766,093	683,566
Net claims, as presented in Table 6.5	(65,853)	(56,789)	(252,907)	(224,844)
Net expenses, as presented in Table 6.5	(104,742)	(89,175)	(397,853)	(341,726)
Underwriting income	29,711	33,258	115,333	116,996
Loss ratio	32.9%	31.7%	33.0%	32.9%
Expense ratio	52.3%	49.8%	51.9%	50.0%
<b>Combined ratio</b>	<b>85.2%</b>	<b>81.5%</b>	<b>84.9%</b>	<b>82.9%</b>

**Table 6.15 – Combined ratio – Trisura Specialty**

	Q4 2025	Q4 2024	2025	2024
Net insurance revenue, as presented in Table 6.6	142,192	129,270	558,137	482,628
Net claims, as presented in Table 6.6	(23,336)	(16,673)	(106,196)	(79,235)
Net expenses, as presented in Table 6.6	(98,541)	(85,944)	(375,400)	(324,243)
Operating EBT / Underwriting income	20,315	26,653	76,541	79,150
Loss ratio	16.4%	12.9%	19.0%	16.4%
Expense ratio	69.3%	66.5%	67.3%	67.2%
<b>Combined ratio</b>	<b>85.7%</b>	<b>79.4%</b>	<b>86.3%</b>	<b>83.6%</b>

**TRISURA GROUP LTD.**  
**Management's Discussion and Analysis for the year ended 2025**

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

**OPERATING METRICS AND OTHER FINANCIAL MEASURES (CONTINUED)**

**Table 6.16 – Combined ratio – Trisura US Programs**

	Q4 2025	Q4 2024	2025	2024
Net insurance revenue, as presented in Table 6.7	58,114	49,952	207,956	200,938
Net claims, as presented in Table 6.7	(42,517)	(40,116)	(146,711)	(145,609)
Net expenses, as presented in Table 6.7	(6,201)	(3,231)	(22,453)	(17,483)
Operating EBT / Underwriting income	9,396	6,605	38,792	37,846
Loss ratio	73.2%	80.3%	70.5%	72.5%
Expense ratio	10.7%	6.5%	10.8%	8.7%
<b>Combined ratio</b>	<b>83.9%</b>	<b>86.8%</b>	<b>81.3%</b>	<b>81.2%</b>

**Table 6.17 – Retention rate and Fees as a % of ceded premium – Trisura US Programs**

	Q4 2025	Q4 2024	2025	2024
<b>Retention rate</b>				
NPW	54,628	38,111	232,954	213,589
GPW	515,873	440,518	2,147,475	2,072,936
<b>Retention rate</b>	<b>10.6%</b>	<b>8.7%</b>	<b>10.8%</b>	<b>10.3%</b>
<b>Fees as a % of ceded premium</b>				
Gross fee income	22,418	20,739	92,130	90,038
Ceded premiums written <sup>(1)</sup>	461,736	401,574	1,914,203	1,863,348
Other non-operating items	(491)	938	318	(3,941)
<b>Ceded premiums written excluding certain Other non-operating items</b>	<b>461,245</b>	<b>402,512</b>	<b>1,914,521</b>	<b>1,859,407</b>
<b>Fees as a % of ceded premium</b>	<b>4.9%</b>	<b>5.2%</b>	<b>4.8%</b>	<b>4.8%</b>

(1) Ceded premiums written is a component of the Net income (expense) from reinsurance contracts assets line item presented in the Company's Consolidated Financial Statements.

# TRISURA GROUP LTD.

## Management's Discussion and Analysis for the year ended 2025

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

### GLOSSARY OF ABBREVIATIONS

Abbreviation	Description
BVPS	Book Value Per Share
D&O	Directors' and Officers' Insurance
EBT	Earnings Before Tax
ECL	Expected Credit Loss
E&O	Errors and Omissions Insurance
EPS	Diluted Earnings Per Share
FVTPL	Fair Value Through Profit & Loss
FVTOCI	Fair Value Through Other Comprehensive Income
GPW	Gross Premium Written
ISR	Insurance Service Result
LTM	Last Twelve Months
MCT	Minimum Capital Test
MGA	Managing General Agent
n/a	not applicable
nm	not meaningful
NPE	Net Premiums Earned
NPW	Net Premiums Written
NUI	Net Underwriting Income
OCI	Other Comprehensive Income
OEPS	Diluted Operating Earnings Per Share
pts	Percentage points
Q1, Q2, Q3, Q4	The three months ended March 31, June 30, September 30 and December 31 respectively
Q2 YTD	The six months ended June 30
Q3 YTD	The nine months ended September 30
Q4 YTD	The twelve months ended December 31
RBC	Risk-Based Capital
ROE	Return on Shareholders' Equity over the last twelve months
RSUs	Equity-settled restricted share units
SBC	Share Based Compensation
USD	United States Dollar
YTD	Year to Date



**Trisura Group Ltd.**

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Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

## Independent Auditor's Report

To the Shareholders and the Board of Directors of  
Trisura Group Ltd.

### Opinion

We have audited the consolidated financial statements of Trisura Group Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### ***Insurance Contract Liabilities - Refer to Notes 2.2(f), 3.1(a) and 7 to the financial statements***

#### ***Key Audit Matter Description***

The Company establishes an insurance contract liability for its property and casualty insurance business. The liability for the incurred claims component of the insurance contract liabilities represents an estimate of the ultimate cost of all claims incurred but not paid by the statement of financial position date. The estimation process employed in determining future claims and loss adjustment expense payments includes consideration of individual case estimates of claims and loss adjustment expense payments on reported claims, provision for future development of case estimates on reported claims, and a provision for claims and loss adjustment expense related to incurred but not reported ("IBNR") claims.

In estimating the IBNR claims liabilities, the Company uses a range of actuarial methodologies which consider assumptions related to historical loss development factors and payment patterns. While there are several assumptions used in determining the IBNR claims liabilities, the assumptions with the highest degree of subjectivity related to the future development of claims and loss adjustment expenses that have not yet been reported and payment patterns (“significant assumptions”). Auditing the selection of the actuarial methodologies and the significant assumptions involves a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of actuarial specialists.

### ***How the Key Audit Matter Was Addressed in the Audit***

Our audit procedures related to the selection of the actuarial methodologies and the significant assumptions used to value the IBNR claims liabilities for the property and casualty insurance business included the following, among others:

- On a sample basis, tested the completeness and accuracy of the underlying data used to determine the IBNR claims liabilities.
- With the assistance of actuarial specialists, evaluated management’s actuarial methodologies and the significant assumptions in accordance with actuarial principles and practices under generally accepted actuarial standards of practice.
- With the assistance of actuarial specialists, developed independent estimates for the IBNR claims liabilities for selected lines of business and compared our estimates to management’s estimates.

### **Other Information**

Management is responsible for the other information. The other information comprises:

- Management’s Discussion and Analysis
- The information, other than the financial statements and our auditor’s report thereon, in the Annual Report
- Financial Supplement

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis, Annual Report, and Financial Supplement prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jonathon Dueck.

/s/ Deloitte LLP

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Canada  
February 12, 2026

# TRISURA GROUP LTD.

## Consolidated Financial Statements

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**TRISURA GROUP LTD.**  
**Consolidated Statements of Financial Position**

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

As at	Note	December 31, 2025	December 31, 2024
<b>Assets</b>			
Cash and cash equivalents		287,752	270,378
Investments	4,6	1,833,543	1,434,534
Other assets	8	50,340	42,392
Reinsurance contract assets	7.2	2,754,756	2,771,163
Capital assets and intangible assets	9,10,11	43,257	29,383
Deferred tax assets	20	37,473	44,043
<b>Total assets</b>		<b>5,007,121</b>	<b>4,591,893</b>
<b>Liabilities</b>			
Insurance contract liabilities	7.1	3,777,101	3,546,053
Other liabilities	12	170,582	162,302
Debt outstanding	14	134,772	98,272
		<b>4,082,455</b>	<b>3,806,627</b>
<b>Shareholders' equity</b>			
Common shares	15	472,127	481,797
Contributed surplus		13,983	9,796
Retained earnings		404,735	262,489
Accumulated other comprehensive income (loss)		33,821	31,184
		<b>924,666</b>	<b>785,266</b>
<b>Total liabilities and shareholders' equity</b>		<b>5,007,121</b>	<b>4,591,893</b>

See accompanying notes to the Consolidated Financial Statements

On behalf of the Board



**George Myhal**

Director



**David Clare**

Director

**TRISURA GROUP LTD.**  
**Consolidated Statements of Income**

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

For the years ended December 31,	Note	2025	2024
Insurance revenue	7.1	3,108,033	3,118,322
Insurance service expenses	7.1	(2,584,439)	(2,748,110)
Net income (expense) from reinsurance contract assets	7.2	(366,884)	(253,980)
<b>Insurance service result</b>		<b>156,710</b>	<b>116,232</b>
Net investment income (loss)	17	78,675	67,045
Net gains (losses)	18	17,611	26,996
Net credit impairment reversals (losses)		(1,259)	(2,297)
<b>Total investment income (loss)</b>		<b>95,027</b>	<b>91,744</b>
Finance income (expenses) from insurance contracts	7.1	(126,190)	(78,522)
Finance income (expenses) from reinsurance contracts	7.2	109,801	67,732
<b>Net insurance finance income (expenses)</b>		<b>(16,389)</b>	<b>(10,790)</b>
<b>Net financial result</b>		<b>78,638</b>	<b>80,954</b>
<b>Net insurance and financial result</b>		<b>235,348</b>	<b>197,186</b>
Other income		7,563	7,506
Other operating expenses		(48,614)	(42,932)
Other finance costs		(5,035)	(3,270)
<b>Income before income taxes</b>		<b>189,262</b>	<b>158,490</b>
Income tax expense	20	(47,016)	(39,575)
<b>Net income attributable to shareholders</b>		<b>142,246</b>	<b>118,915</b>
Weighted average number of common shares outstanding during the year (in thousands) – basic		47,788	47,707
Earnings per common share (in dollars) – basic	16	2.98	2.49
Earnings per common share (in dollars) – diluted	16	2.93	2.45

See accompanying notes to the Consolidated Financial Statements

**TRISURA GROUP LTD.**  
**Consolidated Statements of Comprehensive Income**

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

For the years ended December 31,	2025	2024
<b>Net income attributable to shareholders</b>	<b>142,246</b>	118,915
<b>Items that may be or are reclassified subsequently to Net income</b>		
FVOCI investments		
Net unrealized gains (losses)	20,600	8,838
Reclassification of net losses (gains)	6,784	4,118
Income tax benefit (expense)	(6,050)	(3,784)
	<b>21,334</b>	9,172
<b>Items that will not be reclassified subsequently to Net income</b>		
FVOCI equity investments		
Net unrealized gains (losses)	1,834	6,493
Realized gains (losses)	1,731	284
Income tax benefit (expense)	(928)	(1,763)
	<b>2,637</b>	5,014
Cumulative translation gains (losses)	(21,334)	29,657
<b>Other comprehensive income (loss)</b>	<b>2,637</b>	43,843
<b>Total comprehensive income</b>	<b>144,883</b>	162,758

See accompanying notes to the Consolidated Financial Statements

# TRISURA GROUP LTD.

## Consolidated Statements of Changes in Equity

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

	Note	Common shares	Contributed surplus	Retained earnings	AOCI <sup>(1)</sup>	Total
<b>Balance as at January 1, 2025</b>		481,797	9,796	262,489	31,184	<b>785,266</b>
Net income		-	-	142,246	-	<b>142,246</b>
Other comprehensive income (loss)		-	-	-	2,637	<b>2,637</b>
Total comprehensive income		-	-	142,246	2,637	<b>144,883</b>
Share issuance	15	813	-	-	-	<b>813</b>
Repurchases of common shares	15	(7,782)	-	-	-	<b>(7,782)</b>
Shares purchased under RSU <sup>(2)</sup> plan	15	(2,701)	-	-	-	<b>(2,701)</b>
Share based payments		-	4,187	-	-	<b>4,187</b>
<b>Balance as at December 31, 2025</b>		<b>472,127</b>	<b>13,983</b>	<b>404,735</b>	<b>33,821</b>	<b>924,666</b>

	Common shares	Contributed surplus	Retained earnings	AOCI <sup>(1)</sup>	Total
Balance at January 1, 2024	481,023	7,491	143,574	(12,659)	619,429
Net income	-	-	118,915	-	118,915
Other comprehensive income (loss)	-	-	-	43,843	43,843
Total comprehensive income	-	-	118,915	43,843	162,758
Share issuance	2,989	-	-	-	2,989
Shares purchased under RSU <sup>(2)</sup> plan	(2,215)	-	-	-	(2,215)
Share based payments	-	2,305	-	-	2,305
Balance as at December 31, 2024	481,797	9,796	262,489	31,184	785,266

(1) Accumulated other comprehensive income (loss)

(2) Restricted Share Units

See accompanying notes to the Consolidated Financial Statements

**TRISURA GROUP LTD.**  
**Consolidated Statements of Cash Flows**

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

For the years ended December 31,	Note	2025	2024
<b>Operating activities</b>			
Net income		142,246	118,915
Items not involving cash:			
Depreciation and amortization		3,896	1,434
Unrealized losses (gains)		(19,011)	(25,766)
Net credit impairment losses (reversals)		1,259	2,297
Stock option expense		2,412	1,518
Change in working capital	22	316,638	68,598
Realized losses (gains) on investments		(1,726)	(2,314)
Income taxes paid		(59,137)	(42,316)
Interest paid		(3,781)	(2,640)
<b>Net cash flows from (used in) operating activities</b>		<b>382,796</b>	<b>119,726</b>
<b>Investing activities</b>			
Proceeds on disposal of investments		350,631	342,306
Purchases of investments		(733,206)	(795,269)
Purchases of capital assets		(4,472)	(3,398)
Acquisition of subsidiary	21	-	(15,015)
Purchases of intangible assets		(658)	(437)
<b>Net cash flows from (used in) investing activities</b>		<b>(387,705)</b>	<b>(471,813)</b>
<b>Financing activities</b>			
Shares issued	15	813	2,989
Shares repurchased	15	(7,782)	-
Shares purchased under RSU plan	15	(2,701)	(2,215)
Loans received	14	36,500	46,607
Loans repaid	14	-	(23,335)
Principal portion of lease payments		(2,029)	(2,006)
<b>Net cash flows from (used in) financing activities</b>		<b>24,801</b>	<b>22,040</b>
<b>Net increase (decrease) in cash and cash equivalents during the year</b>		<b>19,892</b>	<b>(330,047)</b>
Cash, beginning of year		250,383	559,741
Cash equivalents, beginning of year		19,995	44,275
Cash and cash equivalents, beginning of year		270,378	604,016
Impact of foreign exchange on cash and cash equivalents		(2,518)	(3,591)
Cash, end of year		271,422	250,383
Cash equivalents, end of year		16,330	19,995
<b>Cash and cash equivalents, end of year</b>		<b>287,752</b>	<b>270,378</b>

See accompanying notes to the Consolidated Financial Statements

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

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### 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 operations. Those operations are primarily in Canada and the United States.

The Company’s Canadian business operates as a Canadian property and casualty insurance company, licensed in all provinces and territories. The Company’s US business operates as a US property and casualty insurance company. The US business operates in a surplus lines insurer that can write business on a non-admitted basis in all states and as an admitted insurer that can write business on most states. Certain lines of the business operate as a hybrid fronting carrier where a large portion of gross premiums written are ceded to reinsurers.

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

### Note 2 – Summary of material accounting policies

#### 2.1 Basis of presentation

These Consolidated Financial Statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

The 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 Consolidated Statements of Financial Position is in order of liquidity. The Company’s functional and presentation currency is Canadian dollars.

These Consolidated Financial Statements were authorized for issuance by the Company’s Board of Directors on February 12, 2026

#### 2.2 Insurance and reinsurance contracts

##### a) *Classification of insurance and reinsurance contracts*

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

##### b) *Separating components from insurance and reinsurance contracts*

The Company assesses its insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS Accounting Standard instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the insurance contract. Currently, the Company’s products do not include any distinct components that require separation.

##### c) *Level of aggregation*

The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant possibility of becoming onerous, and the remainder.

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

##### d) *Recognition*

The Company initially recognizes groups of insurance contracts from the earliest of the following:

- the beginning of the coverage period of the group of contracts,
- the date when the first payment from a policyholder in the group is due, or
- for a group of onerous contracts, when the group becomes onerous.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

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### Note 2 – Summary of material accounting policies (Continued)

The Company recognizes a group of reinsurance contracts held from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognized, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.
- The date the Company recognizes an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held at or before that date.

#### e) **Contract boundary**

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with services.

A substantive obligation or right ends when the Company has the practical ability to reassess risks and can set a price or level of benefits that fully reflects those risks.

#### f) **Measurement of insurance and reinsurance contracts**

There are two main measurement models to account for insurance contracts: the general measurement model ("GMM") and the premium allocation approach ("PAA"). Under the GMM, insurance contracts must be valued using current estimates of discounted future cash flows, an explicit risk adjustment for non-financial risk, and a contractual service margin that reflects the present value of the expected profit from fulfilling the contracts which is to be recognized into income over the coverage period. The PAA is a more simplified measurement model that is to be applied to insurance contracts with coverage periods of one year or less or where the liability for remaining coverage ("LRC") under the PAA is not materially different to the LRC under the GMM.

For insurance contracts with coverage period greater than one year, the Company has modelled possible future scenarios and reasonably expects that LRC under the PAA does not differ materially from the LRC under the GMM. Accordingly, the Company applies the PAA to all its insurance and reinsurance contracts.

The Company measures the carrying amount of the LRC at the end of each reporting period as the LRC at the beginning of the year, plus premiums received in the year, minus insurance acquisition cash flows paid, plus any amounts relating to the amortization of the acquisition cash flows recognized as an expense in the reporting period for the Company, plus any adjustment to the financing component, where applicable, minus the amount recognized as insurance revenue for the coverage period, minus any investment component paid or transferred to the liability for incurred claims.

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues, however, adapted to reflect the features of reinsurance contracts that differ from insurance contracts issued, for example the recognition of expenses or reduction in expenses rather than revenue. For reinsurance contracts, on initial recognition, the Company measures the asset for remaining coverage ("ARC") at the amount of ceding premiums paid.

#### **LIC**

The Liability for Incurred Claims ("LIC") represents an estimate of the ultimate cost of all claims incurred but not paid by the Statement of Financial Position date.

The estimation process employed in determining future claims and loss adjustment expense ("LAE") payments includes consideration of individual case estimates of claims and LAE payments on reported claims, provision for future development of case estimates on reported claims, and provision for claims and LAE related to incurred but not reported ("IBNR") claims. Further provisions are made for the time value of money. The Company uses qualified actuaries in its reserving processes.

In estimating the IBNR claims, the Company uses a range of actuarial methodologies which consider assumptions related to historical loss development factors and payment patterns. While there are several assumptions that go into determining the IBNR claims, significant management judgment is applied regarding the use of assumptions relating to future development of claims and LAE that have not yet been reported, future rates of claims frequency and severity, claims inflation, payment patterns and reinsurance recoveries, taking into consideration the circumstances of the Company and the nature of the insurance policies. Typically, the delay to ultimate settlement of claims increases the uncertainty of the estimate of the ultimate cost to settle the LIC balance.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 2 – Summary of material accounting policies (Continued)

As a result of the uncertainty in estimation, actual future claims and LAE payments may deviate in quantum and timing, perhaps materially, from the liability recorded in the LIC on the Consolidated Statements of Financial Position. The LIC is reviewed regularly and evaluated in light of emerging claims experience and changing circumstances. Any resulting adjustments to the estimates of the ultimate liability are recorded as Insurance service expense in the year in which such changes are made.

#### AIC

Reinsurance contract assets, including the Assets for Incurred Claims (“AIC”), are determined using methodologies similar to that of insurance contract liabilities, including the LIC, and require the use of judgment and contain estimation uncertainty in a similar manner to those required to measure the LIC. For reinsurance contract assets, there is also estimation uncertainty and judgment included in the calculation of the provision for reinsurance non-performance. Measurement of recoverable from reinsurers, of which the AIC is a part of, includes estimation related to the expected losses arising from potential default or delayed settlement.

#### Onerous contracts

To determine if a group of contracts are onerous, the Company considers facts and circumstances based on the expected fulfillment cash flows, pricing data, the outcomes of similar contracts, and the operating and regulatory environment. At initial recognition, the Company assumes that no contracts are onerous, unless facts and circumstances indicate otherwise, as all the Company’s contracts meet the PAA criteria. If at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the difference between fulfillment cash flows that relate to the remaining coverage of the group over the carrying amount of the LRC of the group.

#### Discount rates

Estimates of future cash flows are discounted to reflect the time value of money and financial risks related to those cash flows. The Company discounts estimates of future cash flows using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts.

Discount rates applied for discounting of future cash flows are listed below:

Insurance and reinsurance contracts	Currency	As at December 31, 2025					As at December 31, 2024				
		1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years	20 years	30 years
	CAD	3.30%	4.13%	4.84%	5.41%	5.38%	3.82%	4.20%	4.73%	5.07%	4.97%
	USD	3.84%	4.25%	4.96%	5.76%	6.04%	4.72%	5.17%	5.32%	4.98%	4.92%

#### Risk adjustment for non-financial risk

The measurement of insurance contract liabilities includes a risk adjustment for non-financial risk to be applied to the present value of the estimated future cash flows. The risk adjustment is the Company’s compensation for bearing the uncertainty relating to non-financial risk. The non-financial risk pertains to the amount and timing of cash flows as the Company fulfils insurance contracts. The risk adjustment replaces the provision for adverse deviation. The Company is applying a quantile approach for its non-financial risks. As at December 31, 2025, the liability for incurred claims, including the risk adjustment, was calculated at a 73% level of confidence (December 31, 2024 - 73%).

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

For reinsurance contract assets, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

#### g) Modification and derecognition

The Company derecognizes insurance and reinsurance contracts when:

- The rights and obligations relating to the contract are extinguished; or
- The contract is modified such that it results in a change in the measurement model, substantially changes the contract boundary, or requires the modified contract to be included in a different group.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

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### Note 2 – Summary of material accounting policies (Continued)

In such cases, the Company derecognizes the initial contract and recognizes the modified contract as a new contract. When a modification is not treated as a derecognition, the Company recognizes amounts paid or received for the modification as an adjustment to the relevant asset or liability for remaining coverage.

#### **h) Presentation**

Presentation of insurance and reinsurance related items in the Consolidated statements of income include:

- Income and expenses from insurance contracts issued presented separately from net income (expense) from reinsurance contract assets,
- All directly attributable insurance acquisition expenses are included in the insurance service expenses line item, while the remainder of expenses are recorded under other operating expenses.

#### **i) Insurance acquisition cash flows**

Insurance acquisition cash flows consist of costs of selling, underwriting, and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Company defers insurance acquisition cash flows and these expenses are recognized as insurance service expenses as the related premiums are recognized as Insurance revenue.

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic, rational approach that considers all reasonable and supportable information available without undue cost or effort. If directly attributable to a group, cash flows are assigned to that group; if attributable to a portfolio, they are systematically allocated among its groups.

#### **j) Insurance revenue and Insurance service expenses**

The Company recognizes insurance revenue for each period over the coverage period of a group of contracts. Premiums are earned over the terms of the related policies, generally on a pro rata basis. There are some instances where premiums are earned over the term of the policy in accordance with the risk profile of those policies with more premiums being earned when the risk exposure from the policy is greatest.

Insurance service expenses consist of amortization of insurance acquisition cash flows, incurred claims and other insurance expenses, and losses on onerous groups of contracts and reversals of such losses.

#### **k) Income (expense) from reinsurance contract assets**

Income and expenses from reinsurance contracts are presented separately from revenue and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented in one line as "net income (expense) from reinsurance contract assets" in the insurance service result.

The Company presents on the face of the statements of income, the income and expenses from a group of reinsurance contracts, other than insurance finance income or expenses, as a single amount, including the amounts expected to be recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. The Company recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

#### **l) Insurance finance income or expenses**

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from the effect of the time value of money and changes in the time value of money, and the effect of financial risk and changes in financial risk.

The Company records insurance finance income or expenses on insurance contracts issued in net income, including the impact of changes in market interest rates on the value of the insurance assets and liabilities. The Company's related financial assets backing the portfolios are predominantly measured at Fair Value Through Other Comprehensive Income ("FVOCI").

#### **m) Other income**

The Company also has contracts other than insurance and reinsurance contracts which are recognized in Other income on an accrual basis.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 2 – Summary of material accounting policies (Continued)

#### 2.3 Financial Instruments

The Company classifies all of its financial instruments based on the business model for managing the instruments and their contractual terms.

Financial liabilities, such as Debt outstanding and other liabilities are measured at amortized cost. Derivative liabilities and cash-settled Share based payments, which are grouped with other liabilities, are carried at fair value.

##### a) *Classification and measurement*

##### **Business model assessment**

The Company determines its investment business model by considering its insurance activities. In addition, judgment is used in concluding which model aligns best with its core business objectives and practices. Factors that are used in business model decisions include how insurance business generates benefits, significant risks facing the assets and liabilities of the business, how compensation is determined for portfolio managers responsible for managing investments, as well as historical and projected turnover of the investment portfolio to fund insurance business on a day-to-day basis. The Company's business models fall into two categories, which are indicative of the key strategies to generate returns:

- The Company's primary business model is held-to-collect and sell which provides a desired flexibility to support the Company's insurance business i.e., contractual cash flows from financial assets are collected by holding such investments, and these financial assets are sold when required to fund insurance contract liabilities.
- The Company also carries certain financial assets under the held-to-collect business model where the emphasis is to collect contractual cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.

##### **SPPI assessment**

Financial assets which are held within held-to-collect and sell and held-to-collect business models are assessed to evaluate if their contractual cash flows are comprised of Solely Payments of Principal and Interest ("SPPI"). Contractual cash flows generally meet SPPI criteria if such cash flows reflect compensation for basic credit risk and customary returns from a debt instrument which also includes the time value of money. Where the contractual terms introduce exposure to risk or variability of cash flows that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

##### **Debt instruments**

The classification and measurement of debt instruments is dependent on the business model under which the Company manages its investments as well as their cash flow characteristics (refer to SPPI assessment). They are reclassified when and only when the business model for managing those assets changes.

Amortized cost	FVOCI	FVTPL
Assets held for the collection of contractual cash flows. Cash flows represent solely payments of principal and interest.	Assets held for the collection of contractual cash flows and for sale. Cash flows represent solely payments of principal and interest.	Assets that do not meet the criteria for amortized cost nor FVOCI are measured at FVTPL. An irrevocable election can be made (on an instrument-by-instrument basis) to designate assets as FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

##### **Equity instruments**

There are two measurement categories under which an equity instrument could be classified: FVTPL or FVOCI.

FVTPL	FVOCI
Default classification for all equity instruments.	Irrevocable election (on an instrument-by-instrument basis) on the date of acquisition. Designation is not permitted if the equity instrument is held for trading.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 2 – Summary of material accounting policies (Continued)

#### Classifications of financial instruments

The Company's classification of its significant financial instruments is as follows:

Classification	Financial instruments	Description	Initial measurement and subsequent measurement
FVTPL	Debt instruments	Debt instruments in this category are those whose cash flow characteristics fail the SPPI test or are not held within a business model whose objective is either to collect contractual cash flows, or both to collect contractual cash flows and sell.	FVTPL financial instruments are carried at fair value and recognized on the trade date, with the changes in fair value recognized in net income. Transaction costs related to FVTPL financial instruments are expensed in net investment income. Financial assets at FVTPL are recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in net income. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using a contractual interest rate on an effective interest rate basis.
	Equity instruments	All common share portfolios and certain preferred shares which are classified as FVTPL.	Dividend income from equity instruments measured at FVTPL is recorded in net income as net investment income when the right to the payment has been established.
FVOCI	Equity instruments	Instruments in this category largely comprise certain Preferred shares that are intended to be held to collect contractual cash flows and which may be sold in response to needs for liquidity or in response to changes in market conditions. These equity instruments are not held for trading and the Company has elected the Other comprehensive income (loss) ("OCI") option for the instrument.	FVOCI financial instruments are carried at fair value and recognized on the trade date, with changes in fair value recorded as unrealized gains/losses in other comprehensive income. Transaction costs related to financial instruments classified as FVOCI are capitalized on initial recognition and, where applicable, amortized to interest income using the effective interest method.  FVOCI equity instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Foreign exchange gains and losses are included as unrealized gains (losses) within OCI. Dividend income is recognized in net income in the same manner as for financial assets measured at amortized cost. No impairment or ECL calculation is performed for FVOCI equity instruments. On derecognition, cumulative gains or losses previously recognized in OCI are not reclassified from OCI to net income.
	Debt instruments	Debt instruments in this category are those that are intended to be held to collect contractual cash flows and which may be sold in response to needs for liquidity or in response to changes in market conditions. The instrument is held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets, and the contractual terms of these financial assets meet the SPPI test.	FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in net income in the same manner as for financial assets measured at amortized cost. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to net income.
Amortized cost	Debt instruments	These instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows, and the contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Financial instruments are held at amortized cost when they have fixed or determinable payments and are not quoted in an active market. Transaction costs are capitalized on initial recognition and are recognized in investment income using the effective interest rate method. The Company has classified the financial instruments included in other assets (excluding derivative assets) as amortized cost. These are initially measured at fair value at the issuance date net of transaction costs and subsequently measured at amortized cost using the effective interest method.

Financial liabilities, such as Debt outstanding and other liabilities are measured at amortized cost. Derivative liabilities and cash-settled Share based payments, which are grouped with other liabilities, are carried at fair value.

#### The effective interest rate method

Interest income is recorded using the effective interest rate ("EIR") method for all financial assets measured at amortized cost. Interest income on interest bearing financial assets measured at FVOCI is also recorded using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

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### Note 2 – Summary of material accounting policies (Continued)

The EIR (and therefore, the amortized cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the debt instrument.

#### b) Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values by management, which includes input from the Company's third-party investment managers.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Investments carried at fair value are classified in accordance with a valuation hierarchy that reflects the significance of the inputs used in determining their fair value. Under Level 1 of this hierarchy, fair value is derived from unadjusted quoted prices in active markets for identical investments. Under Level 2, fair value is derived from market inputs that are directly or indirectly observable, other than unadjusted quoted prices for identical investments. Level 2 financial instruments comprise fixed income securities such as over the counter bonds and derivative financial instruments such as foreign currency forwards, equity and interest rate swap agreements which are not considered as actively traded or for which fair values are based on valuation techniques. Inputs used in their valuation include prevailing market rates for fixed income securities with similar characteristics and risk profiles.

#### *Valuation of Level 3 assets*

Under Level 3, fair value is derived from inputs, some of which are not based on observable market data. Valuation of Level 3 assets involves assumptions and estimation uncertainty to determine appropriate valuation methodology and valuation inputs.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Significant unobservable inputs and valuation adjustments are regularly reviewed. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the evidence obtained from the third parties is assessed in light of the requirements of IFRS, including the level in the fair value hierarchy in which such investments should be classified.

If the inputs used to measure the fair value of an asset or a liability are categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

#### c) Derivative financial instruments

Derivative financial instruments are classified as FVTPL. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative. Based on market prices, fair value adjustments and realized gains or losses are recognized in Net gains (losses) in the Consolidated Statements of Income.

Derivative financial instruments are typically entered into with the intention to settle in the near future.

#### d) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statements of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously.

#### e) Revenue and expense recognition

Net investment income

- Interest income from loans is recognized on an accrual basis, using the effective interest rate method.
- Dividends are recognized when the shareholders' right to receive payment is established, which is the ex-dividend date.
- Income on debt securities is classified as follows:
  - FVOCI is recognized in interest income using the effective interest rate method, including the amortization of premiums earned or discounts incurred as well as transaction costs.
  - FVTPL is recognized in interest income except that transaction costs are expensed as incurred.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

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### Note 2 – Summary of material accounting policies (Continued)

Net gains (losses) on investment portfolio

- Gains and losses on the sale of FVOCI debt as well as FVTPL debt and equity securities are generally calculated on a first in, first out basis.
- Transaction costs associated with the acquisition of financial instruments classified or designated as FVTPL are expensed as incurred; otherwise, transaction costs are capitalized on initial recognition and amortized using the effective interest method.
- Transaction costs incurred at the time of disposition of a financial instrument are expensed as incurred.

#### f) *Derecognition of financial assets and liabilities*

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Except for preferred shares that are classified as FVTPL, any gain or loss arising on derecognition is recognized directly in net income and presented in realized gains or losses on investments. For preferred shares classified as FVOCI, any gain or loss arising on derecognition remains in OCI and will not be reclassified to Net income.

Financial liabilities are no longer recognized when they have expired or have been cancelled.

#### g) *Impairment of financial assets*

##### *Expected credit loss (“ECL”)*

The measurement of impairment losses across relevant financial assets requires judgment, assumptions and estimation uncertainty, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

ECL is based on probability of default, loss given default and exposure at default inputs and takes into account the expected timing of the loss. The ECL model also incorporates forward-looking economic information. The Company records an allowance for ECLs for all debt instruments measured at amortized cost or FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the appropriate effective interest rate. The economic environment gives rise to uncertainty and affects significant estimates and assumptions made, such as the allowance for expected credit losses.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (“12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (“a lifetime ECL” or LTECL).

The majority of the Company’s debt instruments at FVOCI comprise quoted bonds that are graded in the top investment category and, therefore, are considered to be low credit risk investments. It is the Company’s policy to measure such instruments on a 12-month ECL basis.

Significant assumptions are made with respect to the allowance for ECL. The ECL model incorporates forward-looking economic information. The economic environment gives rise to uncertainty and affects significant estimates and assumptions made, such as the allowance for expected credit losses.

#### **2.4 Cash and cash equivalents**

Cash and cash equivalents include short-term investments with original maturities of 90 days or less. The Company has classified cash and cash equivalents at amortized cost, which approximates fair value.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

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### Note 2 – Summary of material accounting policies (Continued)

#### 2.5 Capital assets

Capital assets are carried at cost less accumulated depreciation and impairment losses. Depreciation is provided over the estimated useful lives of these assets using the following rates and methods:

Office equipment	30% – 40%, declining balance
Furniture and fixtures	20% – 25%, declining balance
Leasehold improvements	Straight-line over the term of the lease

Right-of-use (“ROU”) assets are measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated over the earlier of the end of the useful life of the underlying asset or the end of the term of the underlying lease contracts. The lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Short-term leases or leases of low-value assets are accounted for by recognizing the lease payments associated with those leases as an expense on a straight-line basis over the term of the leases.

The carrying amounts of the Company’s non-financial assets are assessed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated and the carrying value is reduced to the estimated recoverable amount by means of an impairment charge to net income. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

#### 2.6 Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses. Amortization is provided over the estimated useful lives of those assets. A 40% amortization rate and the declining balance method of amortization, or 3 years, straight-line method of amortization are applied to computer software. A 20% amortization rate and the declining balance method of amortization are applied to the customer lists recorded as intangible assets. Licenses and goodwill have indefinite useful lives and are not amortized. Intangible assets with finite lives are amortized over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite lives are not subject to amortization, but are tested for impairment on an annual basis at the Cash Generating Unit level.

#### 2.7 Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities, and are measured using the tax rates and laws that are expected to be in effect in the periods in which the deferred income tax assets or liabilities are expected to be settled or realized, where those tax rates and laws have been substantively enacted.

Deferred tax assets are only recognized to the extent that it is probable that they will be realized.

Estimates are used to determine the value of the deferred tax asset balance based on the assumption that the Company will generate taxable income in future years. Estimates are used to determine the taxes payable balance based on applicable tax legislation. For items in other comprehensive income (loss) (“OCI”), the related tax is also presented in other comprehensive income (loss). To the extent that the Company’s interpretations of tax laws differ from those of tax authorities or that the timing of realization of deferred tax assets is not as expected, the provision for income taxes may increase or decrease in future periods to reflect actual experience.

#### 2.8 Foreign currency

##### a) *Functional and presentation currency*

The Company’s functional and presentation currency is Canadian dollars. Foreign currency transactions are translated into Canadian dollars at the foreign exchange rate in effect on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate in effect at the Statement of Financial Position date. Foreign exchange differences arising on translation are recognized in net income. Foreign currency non-monetary assets and liabilities which are measured at historical cost are recorded at the exchange rate in effect at the date of transaction. Foreign currency non-monetary assets and liabilities which are measured at fair value are recorded at the exchange rate in effect at the date that fair value was determined.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

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### Note 2 – Summary of material accounting policies (Continued)

For debt securities with fixed maturities classified as FVOCI, foreign exchange differences resulting from changes in amortized cost are recognized in net income, while foreign exchange differences arising from unrealized fair value gains and losses are included as unrealized gains (losses) within other comprehensive income (loss). For other financial instruments classified as FVOCI, foreign exchange differences are included as unrealized gains (losses) within other comprehensive income (loss).

#### **b) Financial statements of foreign operations**

For foreign operations that have a functional currency other than Canadian dollars, the results and financial position of such operations are translated into Canadian dollars. Assets and liabilities of the foreign operations are translated at the foreign exchange rates in effect at the Statement of Financial Position date, and income and expenses are translated at average rates approximating the foreign exchange rates in effect at the dates of the transactions.

Foreign exchange differences arising from the translation to Canadian dollars are recognized as cumulative translation adjustment in other comprehensive income (loss).

#### **2.9 Transaction costs**

The Company accounts for transaction costs that are incremental and directly attributable to an equity transaction as a deduction from equity.

#### **2.10 Share based compensation**

The Company's accounting policies with respect to share based compensation are in accordance with IFRS 2, *Share based payment*.

##### **a) Equity-settled stock option plan**

The Company maintains an equity-settled stock option plan, which is further described in Note 26.1. The value of equity-settled stock options is measured at the grant date, and the cost is recognized in other operating expenses as an expense over the vesting period. Obligations related to equity-settled stock option plans are recorded in shareholders' equity as contributed surplus. Any consideration paid by stock option holders to exercise the options increases share capital. The Company uses the Black-Scholes model to measure the fair value of stock options. Inputs to the model include a volatility measure, a risk-free rate and expected life of the options.

##### **b) Cash-settled share based plan**

The Company maintains a cash-settled share based plan, which is further described in Note 26.2. The cost of cash-settled share based options is recognized in other operating expenses as an expense over the vesting period. Obligations related to cash-settled share based plans are recorded as liabilities at fair value in other liabilities. At each reporting date, obligations related to the plan are re-measured at fair value with reference to the fair value of the Company's stock price and the number of units that have vested. The corresponding share based compensation expense or recovery is recognized over the vesting period. The Company uses the Black-Scholes model to measure the fair value of cash-settled share based options. Inputs to the model include a volatility measure, a risk-free rate and expected life of the options.

##### **c) Deferred share units plan ("DSU")**

The Company has adopted a non-employee director DSU plan, which is further described in Note 26.3. This entitles the participants to receive, following the end of the director's tenure as a member of the Board, an amount equivalent to the value of a common share at settlement, for each DSU unit that the participant holds. Obligations related to the plan are recorded as liabilities at fair value in other liabilities, and re-measured at each reporting date at fair value with reference to the fair value of the Company's stock price and the number of units that have vested. The cost of the DSUs is recognized in other operating expenses in the period they are awarded.

##### **d) Equity-settled restricted share units plan ("RSU")**

The Company has adopted an RSU plan, which is further described in Note 26.4. This entitles certain employees to receive RSUs based on the market value of the Company's common shares at the grant date. These RSUs typically vest over the course of three years, however in some instances the vesting period may differ. Obligations related to the equity-settled RSU plan are recorded in shareholders' equity as contributed surplus. The cost of the RSUs is recognized in other operating expenses over the course of the vesting period.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

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### Note 2 – Summary of material accounting policies (Continued)

#### 2.11 Accounting policy amendments

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

##### **a) IFRS 18 – Presentation and Disclosures in Financial Statements**

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosures in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 enhances disclosure requirements in the following areas: the statement of profit and loss, aggregation and disaggregation of financial information, and management-defined performance measures. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and will be applied retrospectively. The Company is currently assessing potential impacts of this new standard on the presentation and disclosure in the financial statements.

##### **b) IFRS 7 and IFRS 9 – Classification and Measurement of Financial Instruments**

In May 2024, the IASB issued 'Amendments to the Classification and Measurement of Financial Instruments' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. The amendments are effective for reporting periods beginning on or after January 1, 2026. The amendments emphasize that for most transactions, derecognition of financial assets and liabilities occurs on the settlement date. The Company has assessed the amendments and does not expect them to have a material impact on its financial statements.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 3 – Critical accounting judgments and estimates in applying accounting policies

#### 3.1 Critical accounting judgments in applying the Company's accounting policies

The preparation of Consolidated Financial Statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Judgments are used in applying the accounting policies used to prepare financial statements. Those judgments affect the carrying amount of certain assets and liabilities and the reported amounts of revenues and expenses recorded during the year.

Judgment area	Description	Reference
<i>a) Insurance and reinsurance contracts</i>	Judgment is used to determine the following: i) Onerous contracts: <ul style="list-style-type: none"><li>whether groups of contracts are onerous;</li></ul> ii) LIC and AIC measurement: <ul style="list-style-type: none"><li>assessing the most appropriate technique to estimate insurance liabilities for the claims incurred, as well as reinsurance assets for incurred claims. In certain instances, different techniques or a combination of techniques have been selected for individual accident years or groups of accident years within the same type of contracts. Other key circumstances affecting the reliability of assumptions include variation in interest rates, cost of capital, delays in settlement and changes in foreign currency exchange rates.</li></ul> iii) Discounting of insurance contract liabilities and reinsurance contract assets: <ul style="list-style-type: none"><li>selecting discount rates to apply to insurance liabilities and insurance assets. Estimates of future cash flows are discounted to reflect the time value of money and financial risks related to those cash flows.</li></ul> iv) Risk adjustment: <ul style="list-style-type: none"><li>the methods and assumptions used to determine the risk adjustment for non-financial risk;</li></ul> v) Measurement model: <ul style="list-style-type: none"><li>whether contracts which are greater than one year qualify for PAA;</li><li>For PAA, judgment is also used in determining the materiality threshold and the coverage period on certain contracts;</li></ul>	Note 2.2
<i>b) Financial assets</i>	Judgment is used in determining the classification of financial assets as FVOCI, FVTPL or amortized cost. The measurement of impairment losses across relevant financial assets requires judgment, assumptions and estimation uncertainty, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk.	Note 2.3
<i>c) Determination of reportable segments and allocation methodology in the presentation of segmented information</i>	Judgment is used in the determination of reportable operating segments, as well as in allocating operating expenses by segment.	Note 19

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 3 – Critical accounting judgments and estimates in applying accounting policies (Continued)

#### 3.2 Assumptions and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated financial statements is included below. Any changes in estimates are recorded in the year in which they are determined. Accordingly, actual results may differ from these and other estimates thereby impacting future financial statements:

Description	Reference
Valuation of insurance contract liabilities, reinsurance contract assets	Note 2.2
Measurement of recoverable from reinsurers	Note 2.2 and Note 23.2(d)
Impairment of goodwill	Note 21
Valuation of level 3 assets	Note 2.3 and Note 6
ECL calculations	Note 2.3 and Note 4.2
Impairment of financial assets	Note 2.3 and Note 4.2
Measurement of income taxes, recoverability of deferred tax assets	Note 2.7 and Note 20

### Note 4 – Investments

#### 4.1 Classification of cash and investments

The following table presents the classification of cash and cash equivalents, short-term securities and investments:

As at December 31, 2025	FVOCI	FVTPL	Amortized cost	Total
<b>Cash and cash equivalents</b>	-	-	<b>287,752</b>	<b>287,752</b>
<b>Investments</b>				
<b>Short-term securities</b>	-	-	<b>15,305</b>	<b>15,305</b>
<b>Fixed income <sup>(1)</sup></b>	<b>1,331,791</b>	<b>163,762</b>	<b>2,000</b>	<b>1,497,553</b>
<b>Common shares</b>	-	<b>60,734</b>	-	<b>60,734</b>
<b>Preferred shares</b>	<b>112,015</b>	<b>78,254</b>	-	<b>190,269</b>
<b>Alternatives</b>	-	<b>69,682</b>	-	<b>69,682</b>
<b>Total investments</b>	<b>1,443,806</b>	<b>372,432</b>	<b>17,305</b>	<b>1,833,543</b>
<b>Total cash, cash equivalents and investments</b>	<b>1,443,806</b>	<b>372,432</b>	<b>305,057</b>	<b>2,121,295</b>
<b>As at December 31, 2024</b>	<b>FVOCI</b>	<b>FVTPL</b>	<b>Amortized cost</b>	<b>Total</b>
Cash and cash equivalents	-	-	270,378	270,378
Investments				
Short-term securities	-	-	14,339	14,339
Fixed income <sup>(1)</sup>	1,020,114	150,235	4,500	1,174,849
Common shares	-	45,704	-	45,704
Preferred shares	69,702	61,561	-	131,263
Alternatives	-	68,379	-	68,379
<b>Total investments</b>	<b>1,089,816</b>	<b>325,879</b>	<b>18,839</b>	<b>1,434,534</b>
<b>Total cash, cash equivalents and investments</b>	<b>1,089,816</b>	<b>325,879</b>	<b>289,217</b>	<b>1,704,912</b>

(1) As at December 31, 2025, included in Fixed income are exchange-traded debt funds amounting to \$140,356 (December 31, 2024 - \$140,793).

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 4 – Investments (Continued)

#### 4.2 Unrealized gains and losses and carrying value of investments

The amortized cost and carrying value of investments as at December 31, 2025 and December 31, 2024 were as follows:

As at December 31, 2025	FVTPL	FVOCI and amortized cost investments				Total
	investments					investments
	At carrying value	Amortized cost	Unrealized gains	Unrealized losses	Carrying value	At carrying value
Short-term securities	-	15,305	-	-	15,305	15,305
Fixed income	163,762	1,312,893	20,898	-	1,333,791	1,497,553
Common shares	60,734	-	-	-	-	60,734
Preferred shares	78,254	110,072	1,943	-	112,015	190,269
Alternatives	69,682	-	-	-	-	69,682
	<b>372,432</b>	<b>1,438,270</b>	<b>22,841</b>	<b>-</b>	<b>1,461,111</b>	<b>1,833,543</b>

As at December 31, 2024	FVTPL	FVOCI and amortized cost investments				Total
	investments					investments
	At carrying value	Amortized cost	Unrealized gains	Unrealized losses	Carrying value	At carrying value
Short-term securities	-	14,339	-	-	14,339	14,339
Fixed income	150,235	1,028,404	-	(3,790)	1,024,614	1,174,849
Common shares	45,704	-	-	-	-	45,704
Preferred shares	61,561	69,710	-	(8)	69,702	131,263
Alternatives	68,379	-	-	-	-	68,379
	<b>325,879</b>	<b>1,112,453</b>	<b>-</b>	<b>(3,798)</b>	<b>1,108,655</b>	<b>1,434,534</b>

The ECL of \$6,848 as at December 31, 2025 (December 31, 2024 – \$5,589) does not reduce the carrying amount of these investments in the Consolidated Statements of Financial Position.

#### *Impairment losses on financial investments subject to impairment assessment*

For the years ended December 31, 2025 and 2024, an analysis of changes in the fair value and the corresponding ECL is as follows:

	For the year ended December 31, 2025			For the year ended December 31, 2024		
	12mECL	LTECL	Total	12mECL	LTECL	Total
<b>Beginning fair value</b>	<b>1,015,562</b>	<b>4,552</b>	<b>1,020,114</b>	527,130	750	527,880
New assets purchased	634,440	-	634,440	723,527	-	723,527
Assets derecognized or matured	(288,672)	(2,050)	(290,722)	(262,250)	-	(262,250)
Change in fair value	(6,273)	(11)	(6,284)	1,955	(702)	1,253
Net foreign exchange income (loss)	(25,757)	-	(25,757)	29,704	-	29,704
Movement between 12mECL and LTECL	1,492	(1,492)	-	(4,504)	4,504	-
<b>Ending fair value</b>	<b>1,330,792</b>	<b>999</b>	<b>1,331,791</b>	1,015,562	4,552	1,020,114

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 4 – Investments (Continued)

	For the year ended December 31, 2025			For the year ended December 31, 2024		
	12mECL	LTECL	Total	12mECL	LTECL	Total
<b>Beginning ECL</b>	<b>3,523</b>	<b>2,066</b>	<b>5,589</b>	3,193	99	3,292
New assets purchased	3,838	-	3,838	2,317	-	2,317
Assets derecognized or matured	(285)	(2,800)	(3,085)	(297)	-	(297)
Movement in ECL	(243)	749	506	(709)	986	277
Movement between 12mECL and LTECL	1	(1)	-	(981)	981	-
<b>Ending ECL</b>	<b>6,834</b>	<b>14</b>	<b>6,848</b>	3,523	2,066	5,589

### 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. As at December 31, 2025, the Company has pledged cash, cash equivalents and short-term deposits amounting to \$163 (December 31, 2024 – \$111), under insurance and reinsurance trust arrangements and are therefore not readily available for general use by the Company.

As at December 31, 2025, the Company pledged \$14,426 (December 31, 2024 – \$11,790) of fixed income investments, and \$2,525 (December 31, 2024 – \$611) of cash and cash equivalents, 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.

### Note 5 – Fair value and notional amount of derivatives

The following sets out the fair value and notional amount of derivatives as at December 31, 2025 and December 31, 2024:

As at	December 31, 2025			December 31, 2024		
	Notional amount	Fair value		Notional amount	Fair value	
		Asset	Liability		Asset	Liability
<b>Foreign currency contracts</b>						
Forwards	143,047	622	549	136,744	-	1,611
<b>Equity contracts</b>						
Swap agreement	12,371	13,032	-	12,990	12,530	-
	<b>155,418</b>	<b>13,654</b>	<b>549</b>	149,734	12,530	1,611
<b>Term to maturity</b>						
less than one year	155,418	13,654	549	149,734	12,530	1,611

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, including investments in subsidiaries. The notional amounts of the forwards as at December 31, 2025 are \$88,301 USD (December 31, 2024 – \$76,157 USD), €12,068 EUR (December 31, 2024 – €1,603 EUR) and £1,320 GBP (December 31, 2024 – £1,240 GBP). The Company also uses swap agreements to mitigate exposure to equity market fluctuations associated with its share based compensation. These derivatives are recorded at fair value (see Note 6, Note 8, Note 12) and gains and losses are recorded in net gains (losses) (see Note 18).

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 6 – Fair value measurement

The following sets out the financial instruments measured at fair value and classified in accordance with the fair value hierarchy as at December 31, 2025 and December 31, 2024:

As at December 31, 2025	Total fair value	Level 1	Level 2	Level 3
<b>Fixed income</b>	<b>1,495,553</b>	-	<b>1,495,553</b>	-
<b>Common shares</b>	<b>60,734</b>	<b>60,734</b>	-	-
<b>Preferred shares</b>	<b>190,269</b>	<b>176,264</b>	<b>14,005</b>	-
<b>Alternatives</b>	<b>69,682</b>	-	-	<b>69,682</b>
<b>Total investments</b>	<b>1,816,238</b>	<b>236,998</b>	<b>1,509,558</b>	<b>69,682</b>
<b>Derivative financial assets</b>	<b>13,654</b>	-	<b>13,654</b>	-
<b>Financial assets</b>	<b>1,829,892</b>	<b>236,998</b>	<b>1,523,212</b>	<b>69,682</b>
<b>Financial liabilities</b>	<b>549</b>	-	<b>549</b>	-

As at December 31, 2024	Total fair value	Level 1	Level 2	Level 3
Fixed income	1,170,349	-	1,170,349	-
Common shares	45,704	45,704	-	-
Preferred shares	131,263	120,931	10,332	-
Alternatives	68,379	-	-	68,379
Total investments	1,415,695	166,635	1,180,681	68,379
Derivative financial assets	12,530	-	12,530	-
Financial assets	1,428,225	166,635	1,193,211	68,379
Financial liabilities	1,611	-	1,611	-

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the hierarchy as at December 31, 2025 and December 31, 2024. For the years ended December 31, 2025 and December 31, 2024, there were no transfers between levels.

	December 31, 2025	December 31, 2024
Balance at beginning of year	<b>68,379</b>	56,778
Realized and unrealized gains (losses)	<b>3,922</b>	(1,011)
Purchase of securities	<b>5,321</b>	10,153
Sale of securities	<b>(5,328)</b>	(2,676)
Foreign exchange	<b>(2,612)</b>	5,135
Balance at end of year	<b>69,682</b>	68,379

The following table presents quantitative information about the significant fair value inputs utilized by the Company for Level 3 assets:

	Fair value as at December 31, 2025	Fair value as at December 31, 2024	Valuation technique
<b>Private equity funds</b>	<b>69,682</b>	68,379	<b>Net asset value <sup>(1)</sup></b>

(1) Based on the net asset value of the equity fund and market transactions which approximate the fair value of the investment.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 7 – Insurance and reinsurance contracts

#### 7.1 Roll-forward of Insurance contract liabilities ("ICL") showing LRC and LIC

Insurance operations	2025			Total
	LRC	LIC		
		Present value of future cash flows	Risk adj. for non-financial risk	
<b>Opening balance of ICL, as at January 1, 2025</b>	<b>567,372</b>	<b>2,639,663</b>	<b>339,018</b>	<b>3,546,053</b>
Insurance revenue	(3,108,033)	-	-	(3,108,033)
Insurance service expenses:				
Incurred claims and other directly attributable expenses	62,536	1,458,203	133,608	1,654,347
Changes that relate to past service	-	157,341	(76,700)	80,641
Insurance acquisition cash flows amortization	849,451	-	-	849,451
<b>Insurance service result from insurance contracts</b>	<b>(2,196,046)</b>	<b>1,615,544</b>	<b>56,908</b>	<b>(523,594)</b>
Finance expense (income) from insurance contracts	-	126,190	-	126,190
Effects of exchange rate movements	(13,859)	(103,644)	(20,224)	(137,727)
<b>Total amounts recognized in comprehensive income</b>	<b>(2,209,905)</b>	<b>1,638,090</b>	<b>36,684</b>	<b>(535,131)</b>
Cash flows:				
Premiums received	3,150,331	-	-	3,150,331
Claims and other directly attributable expenses paid	-	(1,417,764)	-	(1,417,764)
Insurance acquisition cash flows	(966,388)	-	-	(966,388)
<b>Total cash flows</b>	<b>2,183,943</b>	<b>(1,417,764)</b>	<b>-</b>	<b>766,179</b>
<b>Ending balance of ICL, as at December 31, 2025</b>	<b>541,410</b>	<b>2,859,989</b>	<b>375,702</b>	<b>3,777,101</b>

Insurance operations	2024			Total
	LRC	LIC		
		Present value of future cash flows	Risk adj. for non-financial risk	
Opening balance of ICL, as at January 1, 2024	700,843	1,841,713	227,395	2,769,951
Insurance revenue	(3,118,322)	-	-	(3,118,322)
Insurance service expenses:				
Incurred claims and other directly attributable expenses	57,431	1,619,315	128,132	1,804,878
Changes that relate to past service	-	185,772	(37,315)	148,457
Insurance acquisition cash flows amortization	794,775	-	-	794,775
Insurance service result from insurance contracts	(2,266,116)	1,805,087	90,817	(370,212)
Finance expense (income) from insurance contracts	-	78,522	-	78,522
Effects of exchange rate movements	30,907	155,267	20,806	206,980
Total amounts recognized in comprehensive income	(2,235,209)	2,038,876	111,623	(84,710)
Cash flows:				
Premiums received	2,913,889	-	-	2,913,889
Claims and other directly attributable expenses paid	-	(1,240,926)	-	(1,240,926)
Insurance acquisition cash flows	(812,151)	-	-	(812,151)
Total cash flows	2,101,738	(1,240,926)	-	860,812
Ending balance of ICL, as at December 31, 2024	567,372	2,639,663	339,018	3,546,053

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 7 – Insurance and reinsurance contracts (Continued)

#### 7.2 Roll-forward of reinsurance contract assets ("RCA") showing ARC and AIC

	2025			Total
	ARC	AIC		
Reinsurance contracts held		Present value of future cash flows	Risk adj. for non-financial risk	
Opening reinsurance contract assets	300,648	2,278,620	298,851	2,878,119
Opening reinsurance contract liabilities	(106,956)	-	-	(106,956)
<b>Opening balance of RCA, as at January 1, 2025</b>	<b>193,692</b>	<b>2,278,620</b>	<b>298,851</b>	<b>2,771,163</b>
Allocation of reinsurance premiums (ceding premiums paid)	(2,335,109)	-	-	(2,335,109)
Claims recovered:				
Amounts recoverable for incurred claims and other directly attributable expenses	541,730	1,216,170	115,576	1,873,476
Changes to amounts recoverable for incurred claims	-	159,290	(64,541)	94,749
<b>Net income (expense) from reinsurance contracts assets</b>	<b>(1,793,379)</b>	<b>1,375,460</b>	<b>51,035</b>	<b>(366,884)</b>
Finance income (expense) from reinsurance contracts	-	109,801	-	109,801
Effects of exchange rate movements	(8,416)	(92,488)	(18,757)	(119,661)
<b>Total amounts recognized in comprehensive income</b>	<b>(1,801,795)</b>	<b>1,392,773</b>	<b>32,278</b>	<b>(376,744)</b>
Cash flows:				
Premiums paid, net of ceding commissions, claims recovered, and other directly attributable expenses paid	1,569,803	(1,209,466)	-	360,337
<b>Total cash flows</b>	<b>1,569,803</b>	<b>(1,209,466)</b>	<b>-</b>	<b>360,337</b>
Closing reinsurance contract assets	147,179	2,461,927	331,129	2,940,235
Closing reinsurance contract liabilities	(185,479)	-	-	(185,479)
<b>Ending balance of RCA, as at December 31, 2025</b>	<b>(38,300)</b>	<b>2,461,927</b>	<b>331,129</b>	<b>2,754,756</b>

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 7 – Insurance and reinsurance contracts (Continued)

	2024			Total
	ARC	AIC		
Reinsurance contracts held		Present value of future cash flows	Risk adj. for non-financial risk	
Opening reinsurance contract assets	300,000	1,590,376	201,599	2,091,975
Opening reinsurance contract liabilities	(88,386)	-	-	(88,386)
Opening balance of RCA, as at January 1, 2024	211,614	1,590,376	201,599	2,003,589
Allocation of reinsurance premiums (ceding premiums paid)	(2,431,236)	-	-	(2,431,236)
Claims recovered:				
Amounts recoverable for incurred claims and other directly attributable expenses	545,338	1,400,929	113,137	2,059,404
Changes to amounts recoverable for incurred claims	-	152,577	(34,725)	117,852
Net income (expense) from reinsurance contracts assets	(1,885,898)	1,553,506	78,412	(253,980)
Finance income (expense) from reinsurance contracts	-	67,732	-	67,732
Effects of exchange rate movements	19,832	139,648	18,840	178,320
Total amounts recognized in comprehensive income	(1,866,066)	1,760,886	97,252	(7,928)
Cash flows:				
Premiums paid, net of ceding commissions, claims recovered, and other directly attributable expenses paid	1,848,144	(1,072,642)	-	775,502
Total cash flows	1,848,144	(1,072,642)	-	775,502
Closing reinsurance contract assets	300,648	2,278,620	298,851	2,878,119
Closing reinsurance contract liabilities	(106,956)	-	-	(106,956)
Ending balance of RCA, as at December 31, 2024	193,692	2,278,620	298,851	2,771,163

### 7.3 Reinsurance non-performance

Reinsurance does not relieve the Company of its obligations to policyholders. The Company's obligation to pay policyholders is not contingent on the reinsurers paying, or honouring its contractual obligations. For this reason, the Company evaluates the financial condition of its reinsurers and monitors the concentration of credit risk to minimize its exposure to losses from reinsurer insolvencies or contract disputes. 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.

There is a provision for reinsurer non-performance of \$8,921 as at December 31, 2025 (December 31, 2024 – \$13,507).

**TRISURA GROUP LTD.**  
**Notes to the Consolidated Financial Statements**

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

**Note 8 – Other assets**

As at December 31, 2025 and December 31, 2024, other assets consist of:

As at	December 31, 2025	December 31, 2024
Accrued investment income	18,880	14,000
Derivative financial assets	13,654	12,530
Tax recoveries	12,618	4,118
Prepaid expenses	3,995	2,711
Other assets	1,193	9,033
<b>Total</b>	<b>50,340</b>	<b>42,392</b>

**Note 9 – Leases**

The Company leases office premises for its own use. As at December 31, 2025, ROU assets of \$20,528 (December 31, 2024 – \$8,613) are recorded in Capital assets and intangible assets, along with \$22,729 (December 31, 2024 – \$20,770) of other capital assets and intangible assets.

Information about leases for which the Company is a lessee is presented below:

As at	December 31, 2025	December 31, 2024
<b>Right-of-use assets</b>	<b>Premises</b>	<b>Premises</b>
Balance, beginning of year	8,613	9,042
Additions	15,165	1,549
Depreciation	(3,069)	(2,239)
Disposals	-	(74)
Foreign exchange	(181)	335
<b>Balance, end of year</b>	<b>20,528</b>	<b>8,613</b>

As at	December 31, 2025	December 31, 2024
<b>Lease liabilities maturity analysis</b>		
Less than one year	2,404	2,754
One to five years	11,542	5,498
More than five years	16,547	2,346
<b>Total undiscounted lease liabilities</b>	<b>30,493</b>	<b>10,598</b>
<b>Lease liabilities included in the Statements of Financial Position</b>	<b>22,254</b>	<b>9,302</b>
<b>Total cash outflow for leases recognized in the Statements of Cash Flows</b>	<b>2,887</b>	<b>2,415</b>

Amounts recognized in Consolidated Statements of Income for the years ended	December 31, 2025	December 31, 2024
Interest on lease liabilities	858	408
Income from subleasing right-of-use assets	-	7

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 10 – Capital assets

The Company's capital assets consist of the following as at December 31, 2025 and December 31, 2024:

	As at December 31, 2025			As at December 31, 2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	2,874	(1,192)	1,682	4,366	(2,200)	2,166
Office equipment	6,664	(3,467)	3,197	4,245	(2,677)	1,568
Furniture and fixtures	5,325	(2,870)	2,455	1,949	(897)	1,052
	<b>14,863</b>	<b>(7,529)</b>	<b>7,334</b>	<b>10,560</b>	<b>(5,774)</b>	<b>4,786</b>

### Note 11 – Intangible assets

The Company's intangible assets consist of the following as at December 31, 2025 and December 31, 2024:

	December 31, 2025					December 31, 2024				
	Computer software	Customer list	Licenses	Goodwill	Total	Computer software	Customer list	Licenses	Goodwill	Total
Opening CV <sup>(1)</sup>	721	855	2,900	11,508	15,984	597	1,069	2,668	-	4,334
Additions	658	-	-	-	658	437	-	-	10,847	11,284
Amortization	(408)	(171)	-	-	(579)	(313)	(214)	-	-	(527)
Foreign exchange	-	-	(135)	(533)	(668)	-	-	232	661	893
Closing CV <sup>(1)</sup>	<b>971</b>	<b>684</b>	<b>2,765</b>	<b>10,975</b>	<b>15,395</b>	<b>721</b>	<b>855</b>	<b>2,900</b>	<b>11,508</b>	<b>15,984</b>

(1) Carrying value.

### Note 12 – Other liabilities

As at December 31, 2025 and December 31, 2024, other liabilities consist of:

As at	December 31, 2025	December 31, 2024
Deposits in trust <sup>(1)</sup>	96,777	100,608
Accrued liabilities	30,365	27,224
Lease liabilities	22,254	9,302
Share based payment plan	12,010	11,301
Taxes payable	5,267	6,722
Derivative financial liabilities	549	1,611
Deferred tax liabilities	-	694
Other liabilities	3,360	4,840
	<b>170,582</b>	<b>162,302</b>

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

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 13 – Capital management

The Company's capital is its shareholders' equity, which consists of common shares, contributed surplus, retained earnings and accumulated other comprehensive income (loss). 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.

In Canada, under guidelines established by the Office of the Superintendent of Financial Institutions which apply to the regulated Canadian insurance company of Trisura, 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 target MCT level based on the nature of their operations and the business they write. Management, with the board of directors' approval, has established a target MCT level in accordance with these requirements.

In the US, regulated insurance companies are subject to externally imposed regulatory capital requirements by either the Oklahoma Insurance Department or the New Jersey Department of Banking and Insurance, depending on the state in which the Trisura entity is domiciled. A requirement of the regulators is that the US 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. In addition, the Company's carriers are subject to the various capital requirements of each US state in which it is licensed.

### Note 14 – Debt outstanding

#### 14.1 Debt outstanding

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 \$125,000 (December 31, 2024 – \$75,000). Under this arrangement, the Company is able to draw funds in the form of Canadian prime rate advances, base rate advances, Canadian Overnight Repo Rate Average ("CORRA") loans or Secured Overnight Financing Rate ("SOFR") loans. The interest rate is based on the Canadian prime rate, base rate, CORRA 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.

There have been no changes to the letter of credit issued between December 31, 2024 and December 31, 2025. An amount of \$59,772 (December 31, 2024 – \$23,272) has been drawn under this revolving credit facility.

As part of the covenants of the current loan arrangement, the Company is required to maintain certain financial ratios, which were fully met as at December 31, 2025 and December 31, 2024.

#### 14.2 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 December 31, 2025 and December 31, 2024.

	Maturity date	Term (years)	Fixed rate	Coupon (payment)	Principal amount	Carrying value	
						December 31, 2025	December 31, 2024
Revolving credit facility					59,772	59,772	23,272
Senior unsecured notes	June 11, 2026	5	2.64%	Jun, Dec	75,000	75,000	75,000
					134,772	134,772	98,272

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 15 – Share capital

#### 15.1 Issued and outstanding

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 December 31, 2025 and December 31, 2024, no non-voting shares were issued and no preferred shares are outstanding.

For the year ended December 31, 2025, 30,000 stock options (December 31, 2024 – 199,986 stock options) issued under the Company's existing stock option plan were exercised.

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

As at	December 31, 2025		December 31, 2024	
	Number of common shares	Amount (in thousands)	Number of common shares	Amount (in thousands)
Balance, beginning of year	47,615,902	481,797	47,439,770	481,023
Common share repurchased	(190,030)	(7,782)	-	-
Shares under RSU plan	(83,101)	(2,701)	(23,854)	(2,215)
Common shares issued	30,000	813	199,986	2,989
Balance, end of year	47,372,771	472,127	47,615,902	481,797

As part of the RSU 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 December 31, 2025, the Company has an aggregate of 47,809,021 common shares (December 31, 2024 – 47,779,021 common shares) outstanding, which includes 436,250 treasury shares (December 31, 2024 – 163,119 treasury shares).

#### 15.2 Normal course issuer bid

On December 9, 2025, the Company renewed the normal course issuer bid ("NCIB") program to purchase for cancellation during the next twelve months up to 3% of the Company's issued and outstanding common shares. For the year ended December 31, 2025, 190,030 common shares were repurchased at an average price of \$40.94 per share.

### 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 by dividing the net income attributable to common shareholders for the reporting period by the weighted-average number of common shares adjusted for the effects of all dilutive potential common shares, which consist of stock options.

	2025	2024
Net income attributable to common shareholders	142,246	118,915
Weighted-average number of common shares outstanding (in shares)	47,788,314	47,707,201
EPS – basic (in dollars)	2.98	2.49
Dilutive effect of the conversion of options on common shares (in shares)	771,663	815,634
Diluted weighted-average number of common shares outstanding (in shares)	48,559,977	48,522,835
EPS – diluted (in dollars)	2.93	2.45

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 17 – Net investment income (loss)

	2025	2024
Cash and cash equivalents, and short-term securities	8,715	19,006
FVOCI bonds	55,090	34,105
FVTPL bonds	7,287	7,396
<b>Interest income</b>	<b>71,092</b>	<b>60,507</b>
FVTPL common shares	2,683	2,724
FVTPL preferred shares	4,838	3,878
FVOCI preferred shares	4,487	3,464
<b>Dividend income</b>	<b>12,008</b>	<b>10,066</b>
Investment expenses	(4,425)	(3,528)
<b>Net investment income (loss)</b>	<b>78,675</b>	<b>67,045</b>

### Note 18 – Net gains (losses)

	2025	2024
FVOCI financial instruments:		
FVOCI fixed income	387	1,712
FVOCI equity securities	3	-
FVTPL financial instruments:		
FVTPL fixed income	2,046	939
FVTPL equity securities	17,620	14,645
FVTPL alternatives	3,807	(831)
	<b>23,863</b>	<b>16,465</b>
Derivatives <sup>(1)</sup> :		
Swap agreements	1,186	1,053
Embedded derivatives	(1,333)	(630)
Net foreign currency gains (losses)	(6,105)	10,108
<b>Net gains (losses)</b>	<b>17,611</b>	<b>26,996</b>

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

### Note 19 – Segmented information

#### 19.1 Reportable segments

As at December 31, 2025, the Company has two reportable segments. Trisura Specialty consists of Surety and Corporate Insurance, written in Canada and the US, as well as Warranty and Canadian Fronting written only in Canada. Trisura US Programs consists of a broad range of admitted and surplus lines in the US focused on the programs space written through a highly reinsured model.

Judgment is used in the determination of reportable segments, as well as in allocating operating expenses by segment.

Corporate and Other represents investment activities and expenses that do not relate specifically to any one segment of the Company.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 19 – Segmented information (Continued)

#### 19.2 Segment operating performance

The Company measures the profitability of the Company's segments based on the operating earnings before tax, which is adjusted to remove the impact of certain items, referred to as non-operating items, to normalize earnings in order to reflect core operations.

As at March 31, 2025, the Company changed its segment measure from income before income taxes to operating earnings before tax. The chief operating decision makers use operating earnings before tax as the primary measure for purposes of making decisions about allocating resources to the segments and in assessing the operating performance of each reportable segment. Segment operating earnings before tax is different from income before income taxes as it excludes certain non-operating items, as those items are not considered to be indicative of ongoing core operations. Comparatives have been restated to reflect this new presentation.

For the year ended December 31, 2025	Trisura Specialty	Trisura US Programs	Corporate and Other	Total
Net insurance revenue <sup>(1)</sup>	558,137	207,956	-	766,093
Net investment income	-	-	78,675	78,675
<b>Segment revenue</b>	<b>558,137</b>	<b>207,956</b>	<b>78,675</b>	<b>844,768</b>
Net claims <sup>(2)</sup>	(106,196)	(146,711)	-	(252,907)
Net expenses <sup>(3)</sup>	(375,400)	(22,453)	-	(397,853)
Corporate operating expenses <sup>(4)</sup>	-	-	(4,630)	(4,630)
Other finance costs	-	-	(5,035)	(5,035)
<b>Operating earnings before tax</b>	<b>76,541</b>	<b>38,792</b>	<b>69,010</b>	<b>184,343</b>
For the year ended December 31, 2024	Trisura Specialty	Trisura US Programs	Corporate and Other	Total
Net insurance revenue <sup>(1)</sup>	482,628	200,938	-	683,566
Net investment income	-	-	67,045	67,045
Segment revenue	482,628	200,938	67,045	750,611
Net claims <sup>(2)</sup>	(79,235)	(145,609)	-	(224,844)
Net expenses <sup>(3)</sup>	(324,243)	(17,483)	-	(341,726)
Corporate operating expenses <sup>(4)</sup>	-	-	(2,974)	(2,974)
Other finance costs	-	-	(3,270)	(3,270)
Operating earnings before tax	79,150	37,846	60,801	177,797

(1) Net insurance revenue comprises of insurance revenues, net of reinsurance premiums earned, incorporating the adjustments for non-operating items related to net insurance revenue.

(2) Net claims comprises the portion of insurance service expenses related to movement in the liability for incurred claims, less the portion of net income (expense) from reinsurance contracts assets related to the asset for incurred claims, plus the finance income (expenses) from insurance/reinsurance contracts, incorporating the adjustments for non-operating items related to net claims.

(3) Net expenses comprises the portion of insurance service expense related to commission expense, less the portion of net reinsurance expense related to reinsurance ceding commission, plus other directly attributable expense and insurance acquisition cash flows excluding commission, net of other income, plus other expenses related to Trisura Specialty, Trisura US Programs, incorporating the adjustments for non-operating items related to net expenses.

(4) Corporate operating expenses reflect the portion of other operating expenses not related to Trisura Specialty or Trisura US Programs, incorporating the adjustments for non-operating items related to other operating expenses.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 19 – Segmented information (Continued)

The reconciliations of the segment revenue and operating earnings before tax to the amounts recognized in the Consolidated Statements of Income are presented below.

For the years ended December 31	2025	2024
Segment revenue	844,768	750,611
Expense from reinsurance contracts <sup>(1)</sup>	2,335,109	2,431,235
Other income	7,563	7,506
Net insurance revenue from exited lines <sup>(2)</sup>	6,831	8,517
Net insurance revenue from non-recurring items <sup>(3)</sup>	-	(4,996)
	<b>3,194,271</b>	<b>3,192,873</b>
Represented by <sup>(4)</sup> :		
Insurance revenue	3,108,033	3,118,322
Net investment income	78,675	67,045
Other income	7,563	7,506
	<b>3,194,271</b>	<b>3,192,873</b>

(1) Expense from reinsurance contracts reflects earned reinsurance premium ceded.

(2) Net insurance revenue from exited lines refers to insurance revenue and the portion of Net income (expense) from reinsurance contract assets reflecting reinsurance ceded, associated with exited lines.

(3) Net insurance revenue from non-recurring items refers to insurance revenue and the portion of Net income (expense) from reinsurance contract assets reflecting reinsurance ceded, associated with the non-recurring items.

(4) This is represented by the following line items on our Consolidated Statements of Income.

For the years ended December 31	2025	2024
Operating earnings before tax	184,343	177,797
Adjustments:		
Impact of exited lines <sup>(1)</sup>	(1,256)	(30,577)
Impact of movement in yield curve in net insurance finance income (expenses)	(3,809)	(1,207)
Net gains (losses) <sup>(2)</sup>	16,352	24,699
Other non-operating items <sup>(3)</sup>	(6,368)	(12,222)
Income before income taxes, as reported	<b>189,262</b>	<b>158,490</b>

(1) Impact of exited lines refers to the impact to income before income taxes of certain programs which have been non-renewed and have been put into run-off, collectively referred to as exited lines, as included in insurance service result.

(2) Net gains (losses) is inclusive of net credit impairment reversals (losses).

(3) Other non-operating items include miscellaneous expenses that in the view of management are not part of our core insurance operations.

**TRISURA GROUP LTD.**  
**Notes to the Consolidated Financial Statements**

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

**Note 20 – Income taxes**

	Statements of Financial Position		Statements of Comprehensive Income	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Deferred taxes related to:				
Loss available for carry forward	5,056	2,460	(2,595)	704
Net insurance contract liabilities	11,397	12,190	218	2,919
Deferred expenses for tax purposes	27,710	30,440	1,534	(28,329)
Investments – unrealized gains and losses	(1,894)	4,008	5,823	665
	42,269	49,098	4,980	(24,041)
Less deferred taxes related to:				
Deferred revenues for tax purposes	(4,919)	(5,478)	(311)	(1,102)
Capital, intangible and other assets	37	(273)	(304)	122
	(4,882)	(5,751)	(615)	(980)
Deferred income taxes	37,387	43,347	4,365	(25,021)
Reported in:				
Deferred tax assets	37,473	44,043	-	-
Deferred tax liabilities	(86)	(696)	-	-
Income tax (recovery) expense reported to net income	-	-	1,018	(24,540)
Income tax (recovery) expense reported to OCI	-	-	3,347	(481)

The Company exercises judgment in estimating the provision for income taxes.

A deferred income tax asset is recognized only to the extent that realization of the related income tax benefit through future taxable profits is probable. Management has assessed the recoverability of the deferred income tax asset carrying values based on future years' taxable income projections and believes the carrying values of the deferred income tax assets as at December 31, 2025 and December 31, 2024 are recoverable.

The following shows the major components of income tax expense (benefit) for the years ended December 31, 2025 and 2024:

	2025	2024
Current tax expense (benefit)	45,998	64,115
Deferred tax expense (benefit)	1,018	(24,540)
<b>Income tax expense (benefit)</b>	<b>47,016</b>	<b>39,575</b>
<b>Income taxes recorded in OCI:</b>		
Net changes in unrealized gains (losses) on FVOCI investments	5,780	3,695
Reclassification of net gains (losses) on FVOCI investments	679	2,333
Origination and reversal of temporary differences	519	(481)
<b>Total income tax expense (benefit) recorded in OCI</b>	<b>6,978</b>	<b>5,547</b>

**TRISURA GROUP LTD.**  
**Notes to the Consolidated Financial Statements**

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

**Note 20 – 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 Consolidated Statements of Income for the years ended December 31, 2025 and 2024:

	2025	2024
Income before income taxes	189,262	158,490
Statutory income tax rate	26.5%	26.5%
	<b>50,154</b>	42,000
Variations due to:		
Permanent differences	(453)	(758)
International operations subject to different tax rates	(4,808)	(1,891)
Unrecognized tax loss	-	614
True up	2,123	(390)
<b>Income tax expense (benefit)</b>	<b>47,016</b>	<b>39,575</b>

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. In certain circumstances, permanent differences relate to expenses not deductible for tax purposes.

As at December 31, 2025, the Company has unused tax losses of \$19,078 (December 31, 2024 – \$9,284), which will expire in the following years:

	December 31, 2025
2043	6,393
2044	2,356
2045	10,329
	<b>19,078</b>

**International Tax Reform - Pillar Two Model Rules**

In May 2023, the IASB issued *International Tax Reform - Pillar Two Model Rules*, which amended IAS 12, *Income Taxes*, for fiscal years on or after December 31, 2023. The Company has performed an assessment of the potential exposure to Pillar Two income taxes. This assessment is based on the most recent Country-by-Country reporting and financial performance of the Company's constituent entities. Based on the assessment conducted, the Company qualifies for the transitional safe harbour in all jurisdictions in which it operates, and management is not aware of any circumstances under which this might change. Therefore, the Group has concluded there is no material impact from the implementation of Pillar Two top-up taxes.

# TRISURA GROUP LTD.

## Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

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

### Note 21 – Prior year acquisition

On March 15, 2024, the Company closed its acquisition of 100% of the issued share capital of First Founders Assurance Company (“FFAC”), for cash consideration of \$18.8 million. FFAC is a US Treasury listed surety company and is a business as defined by IFRS 3 *Business Combinations*. This acquisition will allow the Company to access a broader portion of a larger surety market within the US, resulting in increased insurance revenue within Trisura Specialty.

The initial amounts assigned to the identifiable assets acquired, goodwill and liabilities assumed on March 15, 2024 are as set out in the table below. The Purchase Price Allocation process is now final.

Cash and cash equivalents	3,791
Investments	6,359
Other assets	83
Insurance contract liabilities	(888)
Other liabilities	(1,372)
Total identifiable assets and liabilities assumed	7,973
Goodwill	10,833
Total consideration transferred in cash	18,806
Cash outflow arising on acquisition:	
Cash consideration	18,806
Less: cash and cash equivalents acquired	(3,791)
Net cash flow on acquisition	15,015

The goodwill represents the excess of the purchase price over the fair value of the net assets, and is attributable to the future economic benefits and other synergies expected from the Treasury listing certificate obtained and other assets acquired that are not individually identified and separately recognized in the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

The assessment of impairment of goodwill requires significant judgement. Goodwill is allocated to cash-generating units (“CGUs”) and tested for impairment annually, or when indicators of impairment exist.

Determining any impairment of goodwill involves assumptions and estimation uncertainty regarding the assessment of impairment indicators including cash flow projections, growth rates, and economic factors.

The annual impairment test for the CGU was performed as at December 31, 2025, which included a qualitative assessment of impairment indicators, and a quantitative test by comparing the carrying amount of this group of assets to their recoverable amount.

No impairment loss on goodwill has been recognized for this CGU for the year ended December 31, 2025.

### Note 22 – Additional information on the Consolidated Statements of Cash Flows

The following table shows the changes in working capital for the years ended December 31, 2025 and December 31, 2024:

	2025	2024
Insurance contract liabilities	363,049	775,215
Income taxes	46,121	23,288
Other operating liabilities	5,038	5,063
Leases and accrued liabilities	3,137	50,004
Other operating assets	(2,272)	(17,398)
Reinsurance contract assets	(98,435)	(767,574)
	316,638	68,598

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

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### Note 23 – Risk management

As a provider of insurance products, effective risk management is critical to the Company's ability to protect the interests of its stakeholders. The most significant risks include those associated with insurance and reinsurance contracts and holding financial instruments. The Company has policies and procedures governing the identification, measurement, monitoring, mitigating and controlling of risks associated with insurance contracts and holding financial instruments. The most significant risk associated with insurance contracts is insurance risk, which includes pricing risk, concentration risk and reserving risk. The significant risks associated with financial instruments are credit risk, liquidity risk and market risk (comprising currency risk, interest rate risk and other price risks such as equity risk). Sensitivity analyses are performed on these significant risks which could impact the Company's results and financial condition. Results of the sensitivity analyses should only be viewed as directional estimates as they can differ materially from actual results.

The following sections describe how the Company manages its insurance risk and risks associated with financial instruments.

#### 23.1 Insurance risk

Insurance risk is the risk that the ultimate cost of claims, as well as acquisition expenses, related to insurance contracts will exceed premiums received in respect of those contracts. This could occur because either the frequency or severity of claims is greater than expected.

The Company's objective for managing insurance risk is to mitigate the risk while continuing to grow and to achieve profitable underwriting results within its identified product lines. Senior management seeks to achieve this objective through effective use of underwriting and pricing policies, procedures and guidelines, which it has developed for pricing and issuing bonds and policies. In addition, careful oversight is applied to the underwriting process to ensure that these policies, procedures and guidelines are followed. Furthermore, the Company regularly reviews its underwriting practices to ensure that they reflect emerging trends in its existing business and in the marketplace. Insurance risk is further mitigated through effective claims and expense management, and through the use of reinsurance.

The insurance risks associated with insurance contracts underwritten by the Company are subject to a number of variables such as estimated loss ratios and estimated claims settlement costs, which are sensitive to various assumptions which can impact the estimation of claims liabilities (see Note 2.2).

There were no significant changes in the Group's objectives, policies and processes for managing risk and the methods used to measure risk compared to the previous period.

Some additional factors that impact insurance risk include pricing risk, reserving risk, and concentration risk, which are described below:

##### **a) Pricing risk**

Pricing risk is the risk that an insurance product has been priced using assumptions about claims activity that are different from the actual experience of that product line. The Company mitigates the impact of pricing risk through the use of guidelines, which are designed such that premium rates take into account claims frequency and severity, expense levels, investment returns and profit margins required to support a particular product line. The Company reviews pricing assumptions regularly to ensure that they reflect up-to-date claims experience and expected future changes in that experience, as well as market conditions. The Company further mitigates the impact of pricing risk through the employment of experienced underwriting staff.

##### **b) Reserving risk**

Reserving risk is the risk that future claims arising on past exposure periods exceed the liability recorded in respect of Liability for incurred claims. The Company's management of reserving risk is discussed in Note 2.2.

##### **c) Concentration of insurance risk**

Concentration risk is the risk that the Company's insurance products are concentrated within a particular geographic area, particular class of business, or a particular insured, thereby increasing the exposure of the Company to a single event or a series of related events. Concentration of risk could arise as a result of accumulations of large numbers of insurance or reinsurance contracts exposed to similar perils, classes of business or geographic areas.

To mitigate the impact of concentration of risk, the Company applies risk management practices, including the use of reinsurance, monitoring and modelling techniques, and regularly reviews its portfolio of insurance risks for concentration and aggregation of risks and makes adjustments as needed in order to ensure exposures are within tolerances. The active management of its reinsurance programs and collateral requirements is also an important element in maintaining net claims exposures and concentration and aggregation risks within the Company's risk tolerance.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 23 – Risk management (Continued)

The following table shows the mix of the Company's insurance policies by product line and geography, which reflects the Company's diversification of insurance risk:

	December 31, 2025		December 31, 2024	
	Canada	US	Canada	US
Surety	135,453	100,751	93,685	83,411
Corporate Insurance	183,892	1,511	175,272	131
Warranty	143,289	-	122,627	-
US Programs and Canadian Fronting	475,438	2,067,699	505,601	2,137,595
<b>Insurance revenue</b>	<b>938,072</b>	<b>2,169,961</b>	<b>897,185</b>	<b>2,221,137</b>

#### d) Sensitivity to insurance risk

The insurance risks associated with the lines of business underwritten by the Company are sensitive to various assumptions which can impact the estimation of the liability for incurred claims. The relevant risk variables for the Company's estimation of the liability for incurred claims are subject to assumptions that impact the ultimate value of the estimated loss ratio as well as the estimated claims settlement costs. The loss ratio is used to calculate losses of the Company as a percentage of insurance revenue, after taking into account the impact of reinsurance. Below is an analysis showing the impact of a 5% increase in the loss ratio, as a percentage of insurance revenue, before and after taking into account the impact of reinsurance, and a 5% increase in claims settlement costs of claims reserves, based on an increase in the current LIC and AIC balances. Such variances in the estimation were considered reasonably possible during the years ended December 31, 2025 and 2024. The impacts described in the table below are independent of one another. A 5% decrease to the loss ratio and a 5% decrease in claims settlement costs would have the opposite effect on profit before tax and shareholders' equity.

Sensitivity factor	Dec.31, 2025	Dec.31, 2024	Dec.31, 2025	Dec.31, 2024	Dec.31, 2025	Dec.31, 2024	Dec.31, 2025	Dec.31, 2024
	Impact on profit before tax, gross of reinsurance		Impact on profit before tax, net of reinsurance		Impact on shareholders' equity, gross of reinsurance		Impact on shareholders' equity, net of reinsurance	
5% increase to loss ratio	(158,242)	(158,043)	(38,896)	(34,107)	(122,542)	(122,611)	(29,507)	(26,037)
5% increase to claims settlement costs	(233,471)	(207,102)	(32,717)	(27,520)	(182,193)	(162,139)	(25,256)	(21,862)

#### e) Prior year claims development

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

In setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The following table presents the net cumulative claim payments to date and estimate of net undiscounted liabilities for incurred claims, including effect of the risk adjustment for non-financial risk, at the end of the year:

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 23 – Risk management (Continued)

#### Net claims loss development

Accident year	All prior years	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimate of net ultimate claims		28,378	21,741	23,179	36,109	54,972	94,940	162,281	225,246	246,253	<b>262,493</b>	
One year later		26,772	19,059	20,095	33,009	55,612	89,333	173,094	218,579	230,979		
Two years later		26,380	17,409	19,890	31,031	58,307	105,292	195,608	222,249			
Three years later		25,826	16,467	19,468	30,101	60,914	117,307	198,505				
Four years later		26,739	15,222	19,248	31,311	66,582	117,146					
Five years later		26,198	14,698	18,125	32,287	64,937						
Six years later		25,867	14,323	18,555	31,963							
Seven years later		25,980	14,191	18,333								
Eight years later		25,758	14,412									
Nine years later		25,293										
Current estimate		25,293	14,412	18,333	31,963	64,937	117,146	198,505	222,249	230,979	<b>262,493</b>	
Cumulative claim paid to date		(24,504)	(13,524)	(17,454)	(29,314)	(58,001)	(88,317)	(161,700)	(164,705)	(129,985)	<b>(66,607)</b>	
Net undiscounted LIC	4,873	789	888	879	2,649	6,936	28,829	36,805	57,544	100,994	<b>195,886</b>	<b>437,072</b>
Effect of discounting	(89)	(34)	(44)	(113)	(409)	(1,053)	(2,391)	(3,703)	(6,099)	(9,117)	<b>(15,998)</b>	<b>(39,050)</b>
Effect of risk adjustment	511	79	89	138	441	1,305	2,889	4,038	7,418	9,903	<b>17,802</b>	<b>44,613</b>
<b>Total net LIC</b>	<b>5,295</b>	<b>834</b>	<b>933</b>	<b>904</b>	<b>2,681</b>	<b>7,188</b>	<b>29,327</b>	<b>37,140</b>	<b>58,863</b>	<b>101,780</b>	<b>197,690</b>	<b>442,635</b>

#### Reconciliation to Note 7.1 Roll-forward of net ICL showing LIC and Note 7.2 Roll-forward of net RCA showing AIC

As at December 31, 2025	Note	Estimates of the present value of future cash flows	Risk adjustment	Total
Insurance contract liabilities - LIC	7.1	2,859,989	375,702	3,235,691
Reinsurance contract assets - AIC	7.2	(2,461,927)	(331,129)	(2,793,056)
<b>Total net LIC</b>		<b>398,062</b>	<b>44,573</b>	<b>442,635</b>

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

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### Note 23 – Risk management (Continued)

#### 23.2 Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. Credit risk arises mainly from investments in bonds and short-term securities, and balances receivable from insurance brokers and reinsurers.

For fixed income securities, the Company manages its credit risk by placing limits on its exposure to a single counterparty, by reference to the credit rating of the counterparty or based on the collateral supporting the counterparty risk. Management also limits its aggregate fixed income securities credit risk by placing limits on aggregate values of securities at different credit rating levels. Management monitors credit quality of its fixed income securities on an on-going basis through its reviews of the investment portfolio.

For Premiums receivable, which form a component of the LRC, the Company uses insurance brokers, managing general agents, and program administrators as intermediaries for the distribution of its product offerings and is therefore subject to the risk that these intermediaries fail to remit the premiums they have collected on its behalf. The Company primarily deals with intermediaries with which it has entered into a contract that details, among other things, the intermediary's responsibilities and payment obligations. These intermediaries are typically regulated and licensed by insurance regulators. Further, the Company monitors receivables and follows up on all past due amounts to ensure satisfactory collection arrangements are in place.

For balances receivable from reinsurers, which form a component of the Reinsurance Contract Assets, the Company applies its reinsurance risk management policy to manage the associated credit risk. The Company is ultimately at risk on the limits of coverage provided under its product offerings, regardless of whether it has ceded a portion of this exposure to reinsurers. If a reinsurer is unwilling or unable to satisfy its obligations, the Company does not have the right to correspondingly reduce its claims payment obligations. The Company's reinsurance is well-diversified and controls are in place to manage exposure to reinsurance counterparties.

The Company uses both licensed and unlicensed reinsurers. When using licensed reinsurers, the Company generally uses those with an A.M. Best credit rating of A-, and management monitors these ratings on a regular basis. If the reinsurer has an A.M. Best rating of below A- an agreed upon level of collateral is provided. Furthermore, the Company's reinsurance risk management policy places limits on the participation of individual reinsurers in the Company's reinsurance arrangements. These participations and limits are reviewed regularly.

When the Company uses an unlicensed or unrated reinsurer an agreed upon level of collateral is required, generally in the form of a custodial account secured under a reinsurance security agreement, a letter of credit or other forms of security acceptable to the Company.

Derivative assets and other assets are monitored with reference to the credit quality of the counterparty, and an impairment allowance is made if deemed appropriate.

The nature of the Company's exposure to credit risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 23 – Risk management (Continued)

#### a) *Maximum exposure to credit risk of the Company*

The following table sets out the Company's maximum exposure to credit risk related to financial instruments. The maximum credit exposure is the carrying value of the asset net of any allowances for losses.

<b>As at</b>	<b>December 31, 2025</b>	December 31, 2024
Cash and cash equivalents, and short-term securities	<b>303,057</b>	284,717
Fixed income	<b>1,497,553</b>	1,174,849
Accrued investment income	<b>18,880</b>	14,000
Reinsurance contract assets - AIC	<b>2,793,056</b>	2,577,471
Derivative assets	<b>13,654</b>	12,530
Other assets	<b>1,193</b>	9,033
	<b>4,627,393</b>	4,072,600

#### b) *Concentration of credit risk of the Company*

Concentrations of credit risk can arise from exposures to a single debtor, a group of related debtors or groups of debtors that have similar risk characteristics, for example they may operate in the same or similar industries. The following table provides details of the carrying value of fixed income securities by industry sector:

<b>As at</b>	<b>December 31, 2025</b>	December 31, 2024
Financial	<b>540,291</b>	384,804
Real Estate	<b>229,183</b>	137,150
Consumer Discretionary	<b>181,253</b>	160,011
Government	<b>70,027</b>	87,866
Industrial	<b>69,619</b>	73,393
Energy	<b>63,334</b>	83,604
Utility	<b>56,133</b>	46,827
Power & Pipelines	<b>54,557</b>	42,997
Consumer Staples	<b>46,895</b>	54,497
Telecom Services	<b>38,780</b>	48,969
Other	<b>147,481</b>	54,731
<b>Total credit risk exposure</b>	<b>1,497,553</b>	1,174,849

**TRISURA GROUP LTD.**  
**Notes to the Consolidated Financial Statements**

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

**Note 23 – Risk management (Continued)**

**c) Asset quality on financial assets**

The following table summarizes the credit ratings for fixed income securities, cash equivalents and short-term securities:

As at	December 31, 2025	December 31, 2024
Fixed income securities – underlying items		
AAA	29,653	28,754
AA	135,360	124,139
A	691,893	503,068
BBB	585,447	466,799
Below BBB	55,200	52,089
Total	1,497,553	1,174,849
Cash equivalents and short-term securities		
R-1 (high)	31,635	29,995
R-1 (medium)	-	4,339
Total	31,635	34,334
	1,529,188	1,209,183

**d) Recoverable from reinsurers**

The following table shows a breakdown of the reinsurance contract assets (which includes reinsurance payable), and corresponding collateral held, by A.M. Best rating of the reinsurers:

As at A.M. Best rating	December 31, 2025		December 31, 2024	
	Reinsurance contract assets	Collateral held <sup>(1)</sup>	Reinsurance contract assets	Collateral held <sup>(1)</sup>
A++	217,091	-	211,039	-
A+	936,923	78,952	1,074,359	90,118
A	354,698	175,480	250,879	134,430
A-	298,723	113,022	387,514	76,319
B++ and below <sup>(2)</sup>	947,321	1,174,356	847,372	999,490
	2,754,756	1,541,810	2,771,163	1,300,357

(1) Collateral held excludes certain forms of collateral for a total of \$14,192 received after December 31, 2025 (December 31, 2024 - \$56,847).

(2) Includes reinsurance contract assets and collateral related to unrated reinsurers.

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 23 – Risk management (Continued)

#### 23.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may arise from a number of potential areas including, for example, duration mismatch between assets and liabilities.

Generally, the Company's financial liabilities are settled by delivering cash and it is able to rely on the cash flow generated from its operations to satisfy its liquidity requirements, which are primarily operating expenses and claim payments.

By their nature, the timing and quantum of claims payments are subject to significant uncertainty and are estimated actuarially as set out in Note 2.2. Although the Company has reinsurance treaties in place under which a portion of the claims payments may be recovered, including by way of set off against premiums payable to the reinsurers, such recoveries usually follow the making of payments and often delays of a number of months can occur. This timing difference between gross cash outflows and expected reinsurance recoveries gives rise to liquidity risk. Hence the Company must have access to sufficient liquid resources to fund gross amounts payable when required.

To manage its liquidity requirements, the Company maintains a minimum balance of cash and cash equivalents, and short-term securities and a highly rated, highly liquid investment portfolio. The Company's investment policy sets out credit quality criteria and has limits on single issuer exposures. In addition, the investment policy stipulates average duration targets.

The following tables set out the Company's financial assets and liabilities by contractual maturity, and summarize the maturity profile of groups of insurance contracts issued that are liabilities and reinsurance contracts that are assets of the Company.

<b>As at December 31, 2025</b>	<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>No specific maturity</b>	<b>Total</b>
<b>Cash and cash equivalents, short-term securities</b>	<b>23,261</b>	<b>-</b>	<b>-</b>	<b>264,491</b>	<b>287,752</b>
<b>Investments</b>	<b>78,054</b>	<b>667,539</b>	<b>681,504</b>	<b>406,446</b>	<b>1,833,543</b>
<b>Other financial assets</b>	<b>46,345</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,345</b>
<b>Reinsurance contract assets - AIC</b>	<b>1,143,509</b>	<b>1,410,812</b>	<b>238,735</b>	<b>-</b>	<b>2,793,056</b>
<b>Financial and insurance assets</b>	<b>1,291,169</b>	<b>2,078,351</b>	<b>920,239</b>	<b>670,937</b>	<b>4,960,696</b>

<b>As at December 31, 2024</b>	<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>No specific maturity</b>	<b>Total</b>
Cash and cash equivalents, short-term securities	24,292	-	-	246,086	270,378
Investments	146,814	479,140	587,354	221,226	1,434,534
Other financial assets	39,681	-	-	-	39,681
Reinsurance contract assets - AIC	1,081,147	1,266,512	229,812	-	2,577,471
Financial and insurance assets	1,291,934	1,745,652	817,166	467,312	4,322,064

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 23 – Risk management (Continued)

As at December 31, 2025	Up to 1 year	1 to 5 years	Over 5 years	No specific maturity	Total
<b>Financial liabilities</b>	<b>86,550</b>	<b>7,337</b>	<b>9,576</b>	<b>67,119</b>	<b>170,582</b>
<b>Debt outstanding</b>	<b>134,772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134,772</b>
<b>Insurance contract liabilities - LIC</b>	<b>1,330,292</b>	<b>1,629,116</b>	<b>276,283</b>	<b>-</b>	<b>3,235,691</b>
<b>Financial and insurance liabilities</b>	<b>1,551,614</b>	<b>1,636,453</b>	<b>285,859</b>	<b>67,119</b>	<b>3,541,045</b>

As at December 31, 2024	Up to 1 year	1 to 5 years	Over 5 years	No specific maturity	Total
Financial liabilities	102,411	-	-	59,891	162,302
Debt outstanding	23,272	75,000	-	-	98,272
Insurance contract liabilities - LIC	1,241,821	1,469,288	267,572	-	2,978,681
Financial and insurance liabilities	1,367,504	1,544,288	267,572	59,891	3,239,255

#### 23.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes currency risk, interest rate risk and other price risks such as equity price risk.

##### a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company faces currency risk as a result of having operations primarily in the United States and Canada and therefore has exposure to currency risk arising from fluctuations in exchange rates of the Canadian dollar against the United States dollar. The Company also has currency risk as a result of having investments in the Company's Canadian operations denominated in foreign currencies. The foreign currency positions of the Company are monitored regularly and the Company uses derivatives throughout the year to manage foreign exchange risks where appropriate.

##### i) Exposure to currency risk

The Company manages its currency risk through its investment policy which considers duration of investments held as well as asset liability matching.

The following table summarizes the net currency exposure of Canadian domiciled entities categorized by major currency. The balances in the table below are presented in the foreign currency indicated:

As at December 31,	USD		BRL	
	2025	2024	2025	2024
Total net exposure	<b>17,040</b>	10,964	<b>4,484</b>	3,971

The following table summarizes the carrying value of net assets of US domiciled entities in their functional currency of USD.

As at December 31,	USD	
	2025	2024
Total net exposure	<b>378,778</b>	273,568

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 23 – Risk management (Continued)

#### ii) Sensitivity to currency risk

As at December 31,	Impact on comprehensive income and shareholders' equity			
	2025	2024	2025	2024
Sensitivity factor	10% increase in CAD versus USD		10% decrease in CAD versus USD	
USD investments supporting Canadian domiciled entities	(1,561)	(1,053)	1,717	1,159
Consolidated net assets of subsidiaries	(37,319)	(28,122)	41,061	30,939

#### b) Interest rate risk

Interest rate risk is the potential for financial loss resulting from changes in interest rates. Fixed income investments, and preferred shares are subject to interest rate risk although, in the case of fixed income investments, to the extent they are held to maturity, the risk is limited to the reinvestment yield being different from the original yield to maturity. The fair value of bonds changes inversely with changes in market rates of interest, with greater impact to bonds with longer durations. The Company's discounted Insurance contract liabilities - LIC and Reinsurance contract assets - AIC are also subject to interest rate risk.

In respect of insurance or reinsurance contract assets or liabilities for remaining coverage, the Company expects that the time between providing each part of the coverage and the related premium due date is no more than a year apart, and so the time value of money is not required to be taken into account. In respect of insurance contract assets or liabilities for incurred claims, if cash flows are expected to be paid or received more than one year from the date the claims are incurred, then the insurance or reinsurance contract liability or asset would be adjusted using a discount rate updated at end of each reporting period, resulting in the balance being sensitive to interest rate movements.

The Company manages its interest rate risk through its investment policy which considers duration of investments held as well as asset liability matching.

The below sensitivity analysis was prepared under the assumptions that shifts in yield curve are parallel and all other variables remain constant.

As at December 31,	2025		2024	
	100 basis point increase	100 basis point decrease	100 basis point increase	100 basis point decrease
Fixed Income	(64,958)	67,733	(51,359)	51,384
Reinsurance contract assets	(60,107)	63,564	(55,918)	59,037
Insurance contract liabilities	69,104	(73,051)	64,617	(68,055)
Impact on profit before tax	(55,961)	58,246	(42,660)	42,366
Impact on equity	(42,624)	44,366	(32,108)	31,899

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 23 – Risk management (Continued)

#### c) *Equity price risk*

Equity price risk is the uncertainty associated with the valuation of financial assets arising from changes in equity markets.

The Company's exposure to equity price risk is managed and mitigated through its investment policy which sets out maximum exposures to equities at aggregate and per issuer levels as well as requiring diversification across different industry sectors.

<b>As at December 31,</b>	<b>2025</b>	<b>2024</b>
Sensitivity factor	<b>Impact on net income <sup>(1)</sup></b>	
10% increase in equity prices <sup>(1)</sup>	<b>8,355</b>	6,828
10% decrease in equity prices <sup>(1)</sup>	<b>(8,355)</b>	(6,828)

*(1) The methodology used to calculate the change is based on 10% of the fair value of the equities (excluding preferred shares and any funds which hold predominantly fixed income securities), net of tax, at the Statement of Financial Position dates.*

### Note 24 – Benefits

The Company has established and contributes to a number of group retirement savings plan arrangements under which the Company makes contributions. Contributions are charged to other operating expenses and are recognized as incurred.

### Note 25 – Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any executive officers or directors of the Company.

The following transactions were carried out with key management personnel:

<b>For the years ended,</b>	<b>2025</b>	<b>2024</b>
Salaries and other employee benefits	<b>4,717</b>	4,244
Share based payments	<b>4,079</b>	3,957

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 26 – Share based compensation

#### 26.1 Equity-settled stock options

Under the stock option plan, the exercise price of each stock option will be established at the time that the option is granted. It is expected that the vesting period will normally be 20% per year over five years and the expiry date of stock options granted will not exceed ten years, however in some instances the vesting period may differ.

The following is a continuity schedule of stock options outstanding as at December 31, 2025 and 2024:

	December 31, 2025		December 31, 2024	
	Number of options	Weighted average exercise price (in dollars)	Number of options	Weighted average exercise price (in dollars)
Outstanding, beginning of year	1,556,645	19.56	1,598,078	16.62
Exercised during the year	(30,000)	21.99	(199,986)	12.15
Granted during the year	419,957	35.07	158,553	39.78
<b>Outstanding, end of year</b>	<b>1,946,602</b>	<b>22.87</b>	<b>1,556,645</b>	<b>19.56</b>

As at December 31, 2025, the outstanding stock options consist of the following:

Exercise price range per share (in dollars)	Number of options outstanding	Range for average remaining contractual life (in years)	Number of options exercisable
31 to 45	919,617	5.46 to 9.16	212,331
16 to 30	192,135	5.01 to 5.14	134,980
0 to 15	834,850	1.64 to 4.15	834,850

As at December 31, 2024, the outstanding vested stock options consist of the following:

Exercise price range per share (in dollars)	Number of options outstanding	Range for average remaining contractual life (in years)	Number of options exercisable
31 to 45	449,660	7.19 to 9.91	110,798
16 to 30	222,135	6.01 to 6.14	107,820
0 to 15	834,850	2.64 to 5.15	761,694

As at December 31, 2025, 1,182,161 (December 31, 2024 – 980,312) equity-based stock options were vested. As at December 31, 2025, the Company had recorded \$7,942 (December 31, 2024 – \$5,683) in share reserve related to the options in the contributed surplus balance of the Consolidated Statements of Financial Position. For the year ended December 31, 2025, the Company recorded \$2,412 (December 31, 2024 – \$1,518) of expense related to the options, in other operating expenses. The fair value of the options issued were determined using the Black-Scholes option pricing model. Inputs to the model include expected volatility, option life and risk free rate. The volatility estimate was based on the historical volatility of the Company's stock price. The weighted average fair value of stock options issued in 2025 at the measurement date was \$7.76 (in dollars) (December 31, 2024 – \$13.00).

# TRISURA GROUP LTD.

## Notes to the Consolidated Financial Statements

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

### Note 26 – Share based compensation (Continued)

#### 26.2 Cash-settled stock options

As at December 31, 2025, 157,480 options were outstanding (December 31, 2024 – 187,480) which had been issued to officers of the Company by the board of directors as part of a cash-settled share based payment plan, with a vesting period of 20% per year over five years, and an expiration date of ten years. As at December 31, 2025, 157,480 options were vested (December 31, 2024 – 183,956). As at December 31, 2025, the Company had recorded \$5,676 (December 31, 2024 – \$6,113) in liabilities related to the options in the Consolidated Statements of Financial Position. For the year ended December 31, 2025, the Company recorded \$326 of expense (December 31, 2024 – \$915 of expense) related to the options, in other operating expenses. As at December 31, 2025, the weighted average fair value of share options issued was \$36.04 (in dollars) (December 31, 2024 – \$32.62).

#### 26.3 Cash-settled DSUs

DSUs are awarded to certain directors of the Company at the market value of the Company's common shares at the grant date. These DSUs are awarded in lieu of directors fees at the option of the Directors. As at December 31, 2025, 148,262 (December 31, 2024 – 133,096) DSUs were awarded to directors who are not employees of the Company or one of its affiliates.

The following table shows the movement in the number of DSUs issued during the year:

<b>For the years ended December 31,</b>	<b>2025 (in units)</b>	2024 (in units)
Opening balance	<b>133,096</b>	133,665
Granted during the year	<b>15,166</b>	12,822
Exercised during the year	-	(13,391)
<b>Ending balance</b>	<b>148,262</b>	133,096

For the year ended December 31, 2025, no units had been exercised (December 31, 2024 – 13,391) and \$6,334 (December 31, 2024 – \$5,188) had been recorded as liabilities. The liability was measured based on the fair value of the common shares of the Company at December 31, 2025. For the year ended December 31, 2025, the Company recorded \$1,126 of expense (December 31, 2024 – \$1,216 of expense) related to the DSUs in other operating expenses.

#### 26.4 Equity-settled RSUs

The following table shows the RSUs issued and outstanding as at December 31, 2025 and 2024:

<b>As at</b>	<b>December 31, 2025 (in units)</b>	December 31, 2024 (in units)
Outstanding, beginning of year	<b>191,749</b>	172,225
Vested during the year	<b>(75,878)</b>	(95,525)
Cancelled during the year	<b>(5,115)</b>	(4,330)
Granted during the year	<b>158,979</b>	119,379
<b>Outstanding, end of year</b>	<b>269,735</b>	191,749

During the year ended December 31, 2025, compensation expense of \$4,997 (December 31, 2024 – \$4,493) related to the RSUs was recorded in other operating expenses.

### Note 27 – Commitments

The Company has entered into commitments related to the funding of investments. These commitments are generally payable on demand based on the funding needs of the private equity investments and subject to the terms and conditions of each limited partnership agreement.

As at December 31, 2025, the unfunded commitments for the Company are \$13,282 (December 31, 2024 – \$18,724).

## CORPORATE INFORMATION

### DIRECTORS

**George Myhal<sup>1</sup>**  
*Chair of the Board*

**Paul Gallagher<sup>2</sup>**  
*Corporate Director*

**Barton Hedges<sup>3</sup>**  
*Corporate Director*

**Robert Taylor**  
*Corporate Director*

**David Clare**  
*Corporate Director*

**Janice Madon**  
*Corporate Director*

**Anik Lanthier**  
*Corporate Director*

**Lilia Sham**  
*Corporate Director*

**Sacha Haque**  
*Corporate Director*

- 1. Chair of the Governance and Compensation Committee*
- 2. Chair of the Audit Committee*
- 3. Chair of the Investment and Risk Committee*

### OFFICERS

**David Clare**  
*President and Chief Executive Officer*

**David Scotland**  
*Chief Financial Officer*

**Michael Beasley**  
*President and Chief Executive Officer*  
*Trisura Insurance Company*

### CORPORATE OFFICE

Bay Adelaide Centre  
333 Bay Street, Suite 1610  
Toronto, Ontario  
M5H 2R2  
Telephone: (416) 214-2555  
Facsimile: (416) 214-9597

### REGISTRAR AND TRANSFER AGENT

#### TSX Trust Company

301 - 100 Adelaide Street West  
Toronto, ON  
M5H 4H1  
Telephone: (416) 682-3860 or  
toll free within North America  
(800) 387-0825  
Facsimile: (888) 249-6189  
Website: [www.tsxtrust.com](http://www.tsxtrust.com)  
E-mail: [shareholderinquiries@tmx.com](mailto:shareholderinquiries@tmx.com)

### EXCHANGE LISTING

TSX Stock Symbol: TSU

**Richard Grant**  
*Chief Underwriting Officer*

**Phillip Shirtliff**  
*Chief Risk Officer*

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