



Q2 2021 Investor Presentation

August 19, 2021

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Certain statements in this presentation are “forward-looking statements”. Any statements that express or involve discussions with respect to predictions, target yields and returns, internal rates of return, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always using words or phrases such as “expects”, “does not expect”, “is expected”, “seeks”, “endeavours”, “anticipates”, “does not anticipate”, “plans”, “estimates”, “believes”, “does not believe” or “intends”, “does not intend” or stating that certain actions, events or results may, could, would, might or will occur or be taken, or achieved) are not statements of historical fact and may be “forward-looking statements”. In particular, but without limiting the foregoing, this presentation contains forward-looking statements pertaining to: Skyward Specialty's growth strategy and potential expansion opportunities; Opportunities available to Arena FINCOs and Arena Investors; Arena Investors' pipeline; and opportunities for building value at Westaim. Forward-looking statements are based on expectations, estimates and projections as well as other relevant factors at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. These include, but are not limited to, the risk factors discussed in Westaim's Annual Information Form for its fiscal year ended December 31, 2020. Except as required by law, Westaim does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forward-looking statement or to update such forward-looking statement.

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All amounts herein are in United States million dollars unless otherwise indicated. Certain comparative figures have been reclassified to conform to the presentation of the current year, and certain totals, subtotals and percentages may not reconcile due to rounding.

Important Disclosures

Non-GAAP Measures

Westaim

Westaim uses both international financial reporting standards (as issued by the International Accounting Standards Board) ("IFRS") and non-GAAP measures to assess performance. Westaim cautions readers about non-GAAP measures that do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures used by other companies.

Book Value Per Share ("BVPS") is a non-GAAP measure – see section 15 of Westaim's MD&A for the quarter ended June 30, 2021 for a discussion of BVPS including a reconciliation to the Corporation's shareholders' equity as at June 30, 2021 determined under IFRS.

Skyward Specialty

Skyward Specialty uses United States generally accepted accounting principles ("US GAAP") and non-GAAP measures to assess performance. Please refer to Westaim's MD&A for the quarter ended June 30, 2021 for Skyward Specialty's non-GAAP measures.

The adjusted stockholders' equity of Skyward Specialty as at June 30, 2021 reflects the Skyward Specialty stockholders' equity obtained from the unaudited financial statements of Skyward Specialty as at and for the quarter ended June 30, 2021 prepared in accordance with accounting principles generally accepted in the United States of America, adjusted for a reclassification of a stock notes receivable from employees relating to their purchase of Skyward Specialty common and convertible preferred shares.

Arena FINCOs and Arena Investors

Arena FINCOs and Arena Investors uses both US GAAP, IFRS and non-GAAP measures to assess performance.

Net Return on the Arena FINCOs investment portfolios is the aggregate of investment income, net of gains (losses) on investments less interest expense, management, asset servicing and incentive fees, and other operating expenses of the Arena FINCOs divided by average carrying values for the Arena FINCOs, for the period.

Gross Return on the Arena FINCOs investment portfolios is the aggregate of investment income, net of gains (losses) on investments less interest expense divided by average carrying values for the Arena FINCOs, for the period.

Realized IRR: Realized calculations are presented net of investment level expenses and gross of fund level fees (e.g. management and incentive fees), which can impact returns significantly.

Current IRR reflects all investment activity, i.e. prior actual cash flows and future projected cash flows (which are discounted as of the reporting date), from the inception of each applicable investment through June 30, 2021. The current IRR may not be representative of the realized IRR upon exit of each investment, which may increase or decrease.

Underwritten IRRs: Investment-level gross underwritten IRR represents the internal rate of return prior to or at the time of making the initial investment as reflected in and supported by loan agreements, including, but not limited to, note purchase agreements and origination agreements. The underwritten IRR is one of many metrics considered by Arena prior to investment and is not typically updated after the initial funding date. The underwritten IRR may be presented as a single percentage or a range. Such gross IRRs are estimated and do not take into account any entity level management fees, incentive allocation and/or any other associated fees, all of which may significantly reduce the net return received attributable to any investment. These underwritten IRRs are not a proxy for investment performance for any strategy or fund. The underwritten IRRs disclosed herein are being presented for the purpose of providing insight into the investment objectives of Arena, detailing anticipated risk and reward characteristics in order to facilitate comparisons with other investments and for establishing a benchmark for future evaluation of Arena's strategy. The IRRs are also being presented because financially sophisticated investors may find this information useful in determining where Arena's strategies may fit within their investment portfolios. The IRRs included in this presentation are not intended, and must not be regarded, as a representation, warranty or prediction that any Arena vehicles will achieve any particular return with respect to any particular investment opportunity or for a particular time period, or that Arena and its investors will not incur losses. In evaluating these IRRs, it should be noted that (a) there can be no assurance that Arena will be able to source and consummate investments of the type it is seeking to make and (b) the assumptions underlying the IRRs may prove not to be accurate or not materialize. There can be no assurance that the objective of the investment shown can be met or that substantial losses will be avoided.

All amounts herein are in United States dollars unless otherwise indicated. Certain comparative figures have been reclassified to conform to the presentation of the current year, and certain totals, subtotals and percentages may not reconcile due to rounding.

Important Disclosures

Arena Investors

The following is being provided solely in relation to Arena Investors, LP, its funds, subsidiaries and affiliates:

Returns shown are unaudited. **Past performance is not indicative or a reliable indicator of future performance. Actual results may vary.**

The information set forth herein does not purport to be complete, is unaudited and subject to change. Arena has no obligation to update or revise such information. Unless otherwise stated, the information contained herein is current as of the date of the presentation.

This document does not constitute investment advice nor is it a recommendation or an offer of investment advisory services or products. No person in any jurisdiction may treat this document as a solicitation or offer of any advisory product or service. A prospective investor must rely solely on the terms and associated disclosures in any final offering memoranda, investment management agreement and associated subscription documents (if any), which would constitute the only basis upon which offerings of any product or service may be made.

Investments in Arena vehicles are speculative in nature and involve risk. There can be no assurance that investment objectives will be achieved and investment results may vary substantially over time. These investments are not intended to be a complete investment program for any investor. There is no secondary market for an investor's interest in Arena funds and none is expected to develop. Arena's funds are not registered under the Investment Company Act of 1940 and accordingly are not extensively regulated. Opportunities for redemption and transferability of interests are restricted, so investors may not have access to capital when it is needed. Leverage may be employed in the funds, which can make investment performance volatile. Valuation of the investments may involve uncertainties and the exercise of judgment. An investor should not make an investment unless the investor is prepared to lose all or a substantial portion of its investment. The fees and expenses charged in connection with investments may be higher than the fees and expenses of other investment alternatives and may offset profits, and the performance-based compensation paid to Arena may create an incentive for Arena to make more speculative investments than would otherwise be the case. Arena has total authority and control over its funds and the use of a single advisor applying generally similar investment programs could mean a lack of diversification and, consequently, higher risk. For a comprehensive list of risk factors, an investor must review the risk factors as specified in the related confidential information memorandum for a specific fund or investment management agreement, which will be made available upon request.

The information provided herein should not be considered a recommendation regarding a particular investment. The actual and potential investments discussed herein are meant to be examples of Arena's investment approach. It should not be assumed that any of the investments discussed herein will prove to be profitable, or that the investment recommendations or decisions made by Arena in the future will be profitable. The particular investments discussed herein are those that most closely represent the current average-sized Arena investment in a particular category (Corporate Private Credit, Real Estate Private Credit, Commercial and Industrial Assets, Structured Finance and Consumer Assets).

In addition, performance of market indices is being provided for the purpose of making general market data available as a point of reference only. We believe there are no known directly comparable indices for the Arena Special Opportunities Strategies composite which is comprised of the Arena Special Opportunities Fund, LP and Arena Special Opportunities (Offshore) Master, LP (collectively the "Fund"). The Fund's investments are not limited to the investments listed by the market indices. The Fund may invest in different securities and engage in different trading strategies from the indices. In addition, it should be noted that the sector, industry, stock and country exposures, volatility, risk characteristics and holdings of the Fund differ materially from those of the indices. The indices do not reflect fees and expenses associated with the active management of portfolios. The performance returns of the indices were obtained from Bloomberg and other third-party sources and include the reinvestment of earnings. Although Arena believes these sources to be reliable, it is not responsible for errors or omissions from these sources.

Market indices used: The Standard & Poor's LSTA Leveraged Loan 100 Index is a capitalization-weighted syndicated loan index that seeks to mirror the performance of the 100 largest syndicated loans in the levered loan market. Leveraged loans are senior secured debt obligations rated below investment grade. The index information provided is for illustrative purposes only. The Fund's strategy does not track the index and can significantly vary than that of the performance on the indexes provided.

The Westaim Corporation

The Westaim Corporation

Westaim is a publicly listed (TSXV:WED) investment holding company specializing in providing long-term capital to businesses operating primarily within the global financial services industry. Our focus has been, and continues to be, to seek high quality investment opportunities that allow us to partner with businesses and aligned management teams that are well positioned to compound wealth and provide above average returns over the long-term for our shareholders.

Skyward Specialty Insurance Group

Specialty Property and Casualty Insurance 44% look-through ownership⁽¹⁾

Skyward Specialty is a US based specialty property and casualty insurance company with approximately \$1 billion in annual gross written premium and over \$2 billion in assets. Skyward Specialty writes on both an admitted and non-admitted basis with a focus on defined business lines in high profit niche segments to deliver top quartile consistent returns. Rated A- by AM Best.

Skyward Specialty's highly experienced team of 381 are represented across 12 offices providing coverage in all 50 states and select international markets.

Arena Investors

Alternative Investment Manager 51% ownership⁽²⁾

Arena Investors is a New York based global institutional money manager that originates and underwrites portfolios of asset-backed credit investments that are highly diversified and uncorrelated, delivering consistent returns for investors with a duration of approximately two years.

Arena Investors' committed AUM of \$2.3 billion includes Westaim's proprietary capital of \$176 million plus third party institutional and high net worth clients.

A highly skilled and experienced team of 65+ across the globe are enabled by robust processes, proprietary infrastructure and access to a global origination network. In 2020, Arena Investors performance was recognized by their peers, with the firm winning four prestigious industry awards.

Arena FINCOs

Westaim's Proprietary Capital Invested with Arena Investors 100% ownership

The **Arena FINCOs** are specialty finance companies that primarily purchase diversified asset-backed credit investments and in certain circumstances, facilitate the origination and creation of credit investments for their own account and for third parties.

Arena FINCOs' capital has been and remains very strategic in the development of Arena Investors and the Arena FINCOs have participated as lead investor in several new product offerings.

(1) At June 30, 2021, the Company owned Skyward Specialty's preferred shares which are convertible into Skyward Specialty common shares representing 23.0% of the fully diluted Skyward Specialty common shares (December 31, 2020 – 23.2%). The Company also owned 21.0% of the Skyward Specialty fully diluted common shares through the HIIG Partnership which is established and operates in Ontario, Canada (December 31, 2020 – 21.3%). Accordingly, the Company's total look-through ownership interest in Skyward Specialty is 44.0% (December 31, 2020 – 44.5%). Based on the Company's control of the HIIG Partnership, and its ownership of preferred shares, the Company held a 56.9% and 57.5% voting interest in Skyward Specialty at June 30, 2021 and December 31, 2020, respectively.

(2) The remaining 49.0% is Bernard Partners, LLC's initial profit sharing percentage, and under the Associate Agreements, Bernard Partners, LLC has the right to earn-in up to 75% equity ownership percentage in the associates and to thereby share up to 75% of the profit of the associates based on achieving certain AUM and cash flow thresholds.

Q2 2021 Quarterly Operating Highlights

Westaim reports consecutive quarters of earnings and growth across all businesses

Skyward Specialty Insurance Group	<ul style="list-style-type: none"> Skyward Specialty's Q2 2021 Net Income was \$13.4 million (excluding unusual items – Net Income of \$14.9 million) compared to Q2 2020 Net Income of \$0.9 million (excluding unusual items – Net Income of \$12.1 million); YTD Q2 2021 Net Income was \$27.0 million (excluding unusual items – Net Income of \$28.5 million) compared to YTD Q2 2020 Net Loss of (\$47.3) million (excluding unusual items – Net Loss of (\$1.7) million) Continued improvement in underwriting performance resulted in a combined ratio of 93.6% in Q2 2021 compared to 96.2% excluding LPT in Q2 2020 primarily due to strategic actions taken over the past year to re-underwrite the portfolio and favourable industry market conditions The loss ratio excluding catastrophes improved to 65.9% in Q2 2021 compared to 72.0% in Q2 2020 and on a YTD Q2 2021 basis of 65.6% compared to 70.0% for YTD Q2 2020 Investment income for Q2 2021 was solid at \$13.4 million composed of \$8.6 million of net investment income and \$4.8 million of realized and unrealized gains primarily on the equity portfolio, equivalent to the investment income of \$13.4 million in Q2 2020; YTD Q2 2021 investment income was \$25.6 million compared to a loss of (\$4.3) million in YTD Q2 2020 Adjusted stockholders' equity at June 30, 2021 increased to \$429.1 million from \$414.8 million at March 31, 2021 and \$405.5 million at December 31, 2020
Arena Investors	<ul style="list-style-type: none"> Arena Investors' Q2 2021 Net Income was \$4.2 million compared to Q2 2020 Net Loss of (\$0.8) million; YTD Q2 2021 Net Income was \$6.3 million compared to YTD Q2 2020 Net Loss of (\$2.3) million Committed AUM at June 30, 2021 was \$2.3 billion, an increase from \$2.2 billion at March 31, 2021 and \$2.0 billion at December 31, 2020 and \$1.4 billion at Q2 2020; As of August 2, 2021 estimated committed AUM grew further to \$2.6 billion Fee-Paying AUM at June 30, 2021 was \$1.7 billion, an increase from \$1.6 billion at March 31, 2021 and \$1.3 billion at December 31, 2020 and \$1.0 billion at Q2 2020 Revenue was \$14.6 million in Q2 2021 vs. \$5.6 million in Q2 2020. Revenue was \$26.8 million in YTD Q2 2021 vs. \$10.8 million in YTD Q2 2020 Arena Investors' platform is poised to continue to increase AUM and deploy committed capital across firm-wide investment vehicles (Arena fully-diversified strategy funds and accounts, excess capacity opportunities and stable income strategies) which is expected to continue to demonstrate operating leverage improvements through 2021 and beyond
Arena FINCOs	<ul style="list-style-type: none"> Arena FINCOs' Q2 2021 Net Income was \$2.7 million (+1.6% net investment return) compared to Q2 2020 Net Income of \$1.4 million (+0.9% net investment return); YTD Q2 2021 Net Income was \$10.1 million (+6.2% net investment return) compared to YTD Q2 2020 Net Loss of (\$2.0) million (-1.1% net investment return) At June 30, 2021, the fair value of Arena FINCOs was \$173.1 million compared to \$163.0 million at December 31, 2020 Deployed proceeds from the bond issue in late 2020 has added leverage and enabled total investments to reach 123% of Arena FINCOs net assets
Westaim	<ul style="list-style-type: none"> Westaim's Q2 2021 Net Profit was \$10.9 million compared to Q2 2020 Net Loss of (\$0.1) million; YTD Q2 2021 Net Profit of \$20.0 million; YTD Q2 2020 Net Loss of (\$20.6) million Westaim's Adjusted Net Profit excluding unusual items was \$11.6 million in Q2 2021 compared to \$4.8 million in Q2 2020; and YTD Q2 2021 Net Profit of \$20.7 million compared to YTD Q2 2020 Adjusted Net Loss of (\$0.8) million GAAP earnings per share in Q2 2021 of \$0.08 compared to Q2 2020 of (\$0.00); GAAP earnings per share in YTD Q2 2021 of \$0.14 compared to YTD Q2 2020 of (\$0.15) At June 30, 2021, Westaim's book value was \$ 340.5 million or \$2.38 (C\$2.95) per share compared to December 31, 2020 adjusted book value of \$320.5 million or \$2.24 (C\$ 2.85) per share

Westaim Summary Quarterly Operating Results

Operating result	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Income from investment in Arena FINCOs and ASOF	\$2.8	\$1.4	\$10.2	(\$1.9)
Income from investment in Skyward Specialty excluding unusual items	5.6	7.1	9.2	1.8
Income (loss) from investment in Arena Investors	2.2	(0.4)	3.2	(1.2)
Income (loss) from investments excluding unusual items	\$10.6	\$8.1	\$22.6	(\$1.3)
Holding company operating expenses	(\$1.7)	(\$1.3)	(\$3.4)	(\$2.9)
Preferred securities interest expense	(0.5)	(0.5)	(1.0)	(0.9)
Interest and fee income	0.6	0.5	1.2	1.1
Net holding company operating and interest expenses	(\$1.6)	(\$1.3)	(\$3.2)	(\$2.7)
Share-based compensation (expense) recovery	(0.1)	(1.1)	(0.8)	1.3
Foreign exchange (loss) gain	(0.3)	(0.6)	(0.7)	1.0
Site restoration (expense) recovery	2.6	0.0	2.6	(0.1)
Derivative warrants - change in fair value (loss) gain	0.4	(0.3)	0.2	1.3
Total net holding company (expenses) recovery	\$1.0	(\$3.3)	(\$1.9)	\$0.8
Income tax (expense)	(0.0)	(0.0)	(0.0)	(0.1)
Adjusted profit (loss) and comprehensive income (loss) excluding unusual items	\$11.6	\$4.8	\$20.7	(\$0.8)
Westaim's share of unusual items*	(0.7)	(4.9)	(0.7)	(19.9)
GAAP profit (loss) and comprehensive income (loss)	\$10.9	(\$0.1)	\$20.0	(\$20.6)
GAAP earning (loss) per share-diluted	\$0.08	(\$0.00)	\$0.14	(\$0.15)
Adjusted earning (loss) per share-diluted excluding unusual items	\$0.08	\$0.03	\$0.14	(\$0.02)

- GAAP profit and comprehensive income in Q2 2021 was \$10.9 million (\$0.08 per share) compared to a GAAP loss and comprehensive loss of (\$0.1) million (\$0.00 per share) in Q2 2020
- Skyward Specialty reported higher underwriting income in Q2 2021 with a combined ratio of 93.6% compared to 96.2% excluding LPT in Q2 2020
- Skyward Specialty recorded \$13.4 million of investment income in Q2 2021 stable vs. \$13.4 million in Q2 2020
- Arena FINCOs' and ASOF's diversified and uncorrelated portfolios contributed \$2.8 million to Westaim's income in the quarter for a 1.6% net investment return vs. 0.9% in Q2 2020
- Arena Investors produced solid investment returns in Q2 2021, resulting in a significant increase in incentive fee income in the quarter over the prior year
- Arena Investors also increased fee-paying AUM to \$1.7 billion at June 30, 2021 vs. \$1.0 billion at June 30, 2020 resulting in higher management and service fee revenue for the YTD 2021

* Refer to Westaim's MD&A section 3 Investments at June 30, 2021 and December 31, 2020 for details of the unusual items.

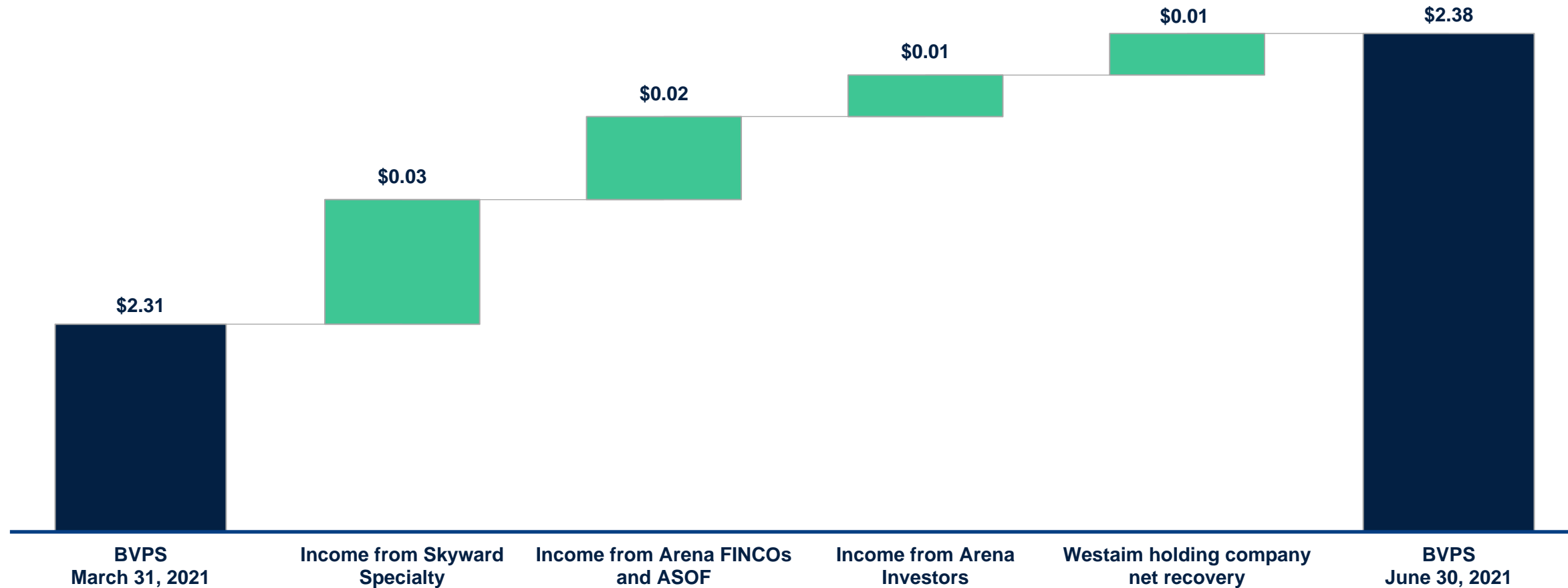
Westaim Summary Statement of Financial Position

As at	June 30, 2021	March 31, 2021	December 31, 2020
Assets			
Cash	\$9.7	\$8.6	\$8.7
Income tax receivable	0.1	0.1	0.1
Other assets	1.5	1.5	1.6
Investment in Skyward Specialty	189.3	184.4	180.8
Investment in Arena FINCOs	173.1	170.4	163.0
Investment in Arena Investors	19.4	19.2	20.2
Investment in ASOF	3.0	3.0	2.9
Total Assets	\$396.1	\$387.2	\$377.3
Liabilities			
Accounts payable and accrued liabilities	\$11.7	\$11.0	\$11.0
Income tax payable	0.0	0.1	0.3
Preferred securities	40.3	39.8	39.2
Derivative warrant liability	0.9	1.3	1.0
Site restoration provision	2.3	5.0	4.9
Deferred tax liability	0.4	0.4	0.4
Total Liabilities	\$55.6	\$57.6	\$56.8
Shareholders' equity	340.5	329.6	320.5
Total liabilities and shareholders' equity	\$396.1	\$387.2	\$377.3
Number of common shares outstanding	143,186,718	143,186,718	143,186,718
Book value per share - in US\$¹	\$2.38	\$2.31	\$2.24
Book value per share - in C\$¹	C\$2.95	C\$2.90	C\$2.85

- Book value per share increased US\$0.07 (+3.0%) in Q2 2021 and US\$0.14 (+6.3%) YTD Q2 2021
- In Q2 2021, the fair value of investments increased \$7.9 million to \$384.9 million over Q1 2021, which was \$10.6 million of income less \$0.7 million of unusual items further reduced by a repayment of \$2.0 million on the Westaim loan to Arena Investors in the quarter
- Skyward Specialty's valuation increased due to strong net income recorded in the Q2 2021 from underwriting and investment income (valuation of 1.0x adjusted book value remained unchanged in Q2 2021 from Q4 2020)
- Arena FINCOs net investment return in Q2 2021 was 1.6% due to solid investment performance and significantly reduced cash drag from prior quarters
- Site restoration provision reduced from \$5.0 million in Q1 2021 to \$2.3 million in Q2 2021 as Westaim negotiated a settlement to commute one of its site restoration indemnities related to certain industrial sites formerly owned by Westaim and, contemporarily, received an indemnity recovery from the previous owners of these same industrial sites

(1) Period end exchange rates: \$1.24095 at June 30, 2021, 1.25685 at March 31, 2021 and 1.27395 at December 31, 2020.

Westaim Book Value per Share (US\$): Three months ended June 30, 2021



Any terms not defined in this document are defined in Westaim's June 30, 2021 MD&A.

Westaim Book Value per Share (US\$): Six months ended June 30, 2021



Any terms not defined in this document are defined in Westaim's June 30, 2021 MD&A.



COMPANY UPDATE

SKYWARD SPECIALTY AT A GLANCE



Business Overview

- A private, US-based specialty property and casualty insurer that writes on both an admitted and non-admitted basis
- Strategy focuses on building defensible positions in high profit niche segments to deliver top quartile consistent returns
- Top talent that drives disciplined and insightful underwriting, claims excellence, and efficient capital management is at the core of our strategy execution
- Operate in all 50 states and select international markets
- Rated A- by AM Best
- 381 employees as of June 30, 2021 across 12 offices

Select Financial Metrics

(US\$ millions)	YTD Q2 2021 ⁽¹⁾	FY 2020 ⁽¹⁾
Select Income Statement Metrics		
Gross written premium	\$501	\$874
Net written premium	\$246	413
Pre-tax income	36	23
Net income	29	18
Combined ratio	93.7%	96.2%
Select Balance Sheet Metrics		
Cash and invested assets	\$951	\$877
Total assets	2,095	1,953
Total liabilities	1,676	1,559
Adjusted stockholders' equity ⁽²⁾	429	406

For more information about Skyward Specialty including its 'Rule your Niche' strategy described by Andrew Robinson, CEO of Skyward Specialty, visit westaim.com/investments/skyward-specialty-insurance-group/ and follow on LinkedIn at www.linkedin.com/company/skywardspecialty/.

(1) Does not include charges related to the Loss Portfolio Transfer ("LPT") transaction completed in Q2 2020, development subject to the LPT or other unusual items.

(2) The adjusted stockholders' equity of Skyward Specialty reflects the Skyward Specialty stockholders' equity prepared in accordance with US GAAP adjusted for a reclassification of stock notes receivable. Refer to Westaim's MD&A at June 30, 2021 and December 31, 2020 for further details.

SUMMARY STATEMENTS OF OPERATIONS



	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Gross written premium (GWP)	\$262.7	\$253.0	\$500.5	\$485.8
Net written premium (NWP)	\$136.3	\$110.9	\$246.1	\$210.9
Net earned premium	\$109.8	\$94.8	\$215.9	\$192.9
Commission and fee income	0.9	1.0	1.8	2.3
Less: Losses and LAE excluding LPT ⁽¹⁾	(72.4)	(68.3)	(145.4)	(135.1)
Less: Policy acquisition costs	(6.7)	(5.7)	(13.0)	(11.5)
Less: Other operating expenses ⁽¹⁾	(24.6)	(18.3)	(45.7)	(42.6)
Underwriting result excluding LPT⁽¹⁾	\$7.0	\$3.5	\$13.6	\$6.0
Net investment income	\$8.6	\$4.3	\$15.0	\$7.3
Net realized and unrealized gains (losses)	4.8	9.1	10.6	(11.6)
Investment income (loss)	\$13.4	\$13.4	\$25.6	(\$4.3)
Interest expense	(\$1.2)	(\$1.3)	(\$2.4)	(\$3.1)
Amortization expense	(0.4)	(0.4)	(0.8)	(0.9)
Income (loss) before taxes excluding unusual items	\$18.8	\$15.2	\$36.0	(\$2.3)
Income tax expense (recovery)	3.9	3.1	7.5	(0.6)
Net income (loss) excluding unusual items	\$14.9	\$12.1	\$28.5	(\$1.7)
Impact of LPT net of tax	-	(9.3)	-	(43.7)
Unusual items net of tax	-	(1.9)	-	(1.9)
Goodwill impairment net of tax	(1.5)	-	(1.5)	-
Net income (loss)	\$13.4	\$0.9	\$27.0	(\$47.3)
Total other comprehensive income (loss)	0.4	4.3	(4.0)	6.4
Comprehensive income (loss)	\$13.8	\$5.2	\$23.0	(\$40.9)
Other Select Financial Information				
Loss ratio excluding LPT ⁽¹⁾	65.9%	72.0%	67.3%	70.0%
Expense ratio	27.7%	24.2%	26.4%	26.8%
Combined ratio excluding LPT⁽¹⁾	93.6%	96.2%	93.7%	96.8%

US\$ millions except share and per share amounts.

(1) Does not include charges related to the Loss Portfolio Transfer ("LPT") transaction completed in Q2 2020, development subject to LPT or other unusual items. See Westaim's Q2 2021 MD&A for details.

Written Premium Growth

- Skyward Specialty is focused on being a disciplined gross line underwriter, earning an underwriting profit on a gross and net basis
- GWP increased 3.8% in Q2 2021 vs. Q2 2020 and NWP increased 22.9% in Q2 2021 vs. Q2 2020

Underwriting Profitability

- Underwriting result was \$7.0 million in Q2 2021 vs. \$3.5 million in Q2 2020; and \$13.6 million in YTD Q2 2021 vs. \$6.0 million in YTD Q2 2020
- The improving loss ratio is driving the combined ratio to 93.6% for Q2 2021 vs. 96.2% Q2 2020; and 93.7% for YTD Q2 2021 vs. 96.8% YTD Q2 2020
- Underwriting actions over the past year are being reflected in improvement in loss ratio excluding CATs of 65.9% in Q2 2021 vs. 72.0% in Q2 2020 and 65.6% for YTD Q2 2021 vs. 70.0% for YTD Q2 2020

Investment Performance

- For Q2 2021 the investment portfolio performed solidly, generating \$13.4 million of Investment Income including gains on the equity portfolio continuing and strong returns on alternative investments

Other Items

- Skyward Specialty discontinued a professional liability product line in Q2 2021 resulting in a goodwill write down of \$1.5 million after tax

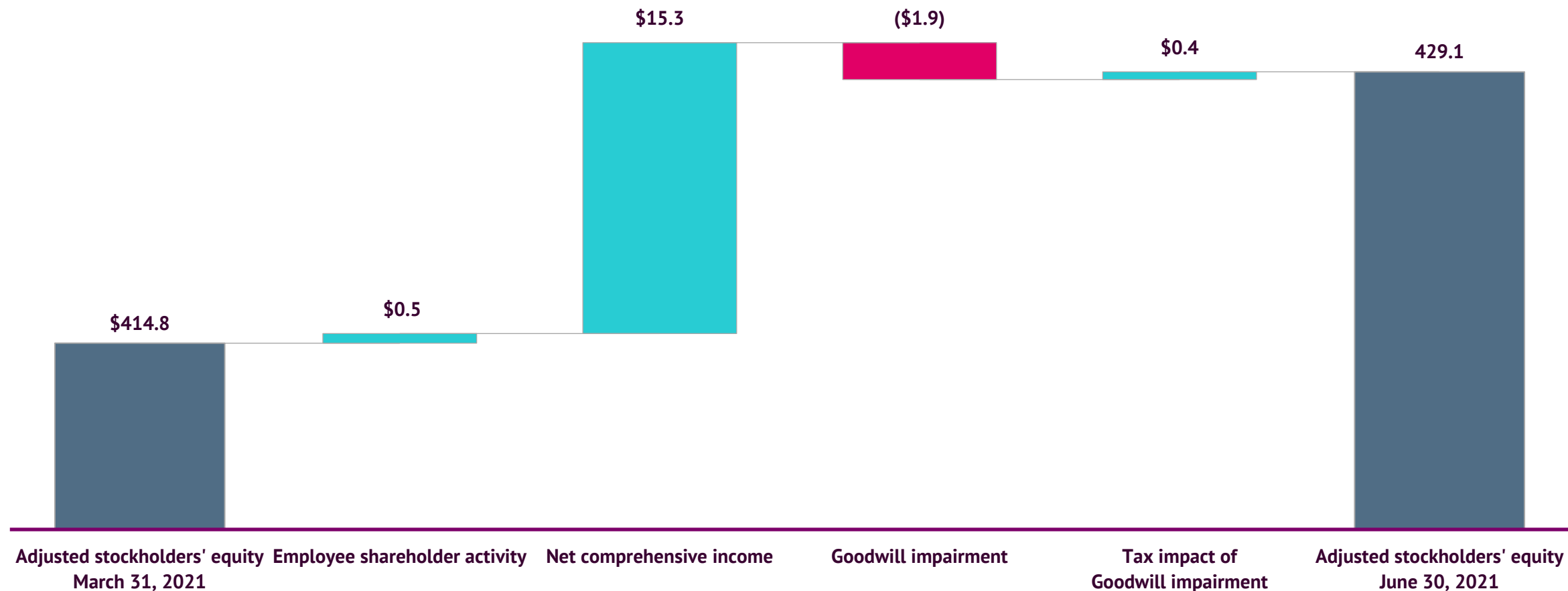
SUMMARY BALANCE SHEETS



As at	June 30, 2021	March 31, 2021	December 31, 2020
Investments	\$856.6	\$822.5	\$764.8
Cash and restricted cash	94.0	94.0	112.0
Insurance related assets	1,015.6	973.2	949.1
Deferred tax asset	35.1	38.7	41.1
Goodwill and intangible assets	93.5	95.9	86.2
Total assets	\$2,094.8	\$2,024.3	\$1,953.2
Insurance related liabilities	\$1,547.2	\$1,482.1	\$1,430.0
Payable for securities purchased	-	8.9	0.1
Notes payable	50.0	50.0	50.0
Trust preferred securities	78.5	78.5	78.4
Total liabilities	\$1,675.7	\$1,619.5	\$1,558.5
Stockholders' equity	\$429.1	\$414.8	\$405.5
Stock notes receivable	(10.0)	(10.0)	(10.8)
Total stockholders' equity	\$419.1	\$404.8	\$394.7
Total liabilities and stockholders' equity	\$2,094.8	\$2,024.3	\$1,953.2

- Adjusted stockholders' equity increased to \$429.1 million or 5.8% from Q4 2020 reflecting income of \$27.0 million partially offset by \$4.0 million of unrealized losses on fixed income investments recorded in other comprehensive income (loss)
- With the investment portfolio actions taken over the past 12 months, the repositioning of Skyward Specialty's investment platform is largely complete; large cash balances being deployed following strategic changes within the investment portfolio
- With interest rates declining in the quarter, the core fixed income portfolio recovered \$2.3 million of unrealized losses from Q1 2021 that were recorded in AOCI, bringing the unrealized losses on fixed income for the YTD Q2 2021 to \$3.5 million
- Skyward Specialty's financial position remains strong, with a debt to capitalization of 23.5% as at June 30, 2021 positioning the company for growth

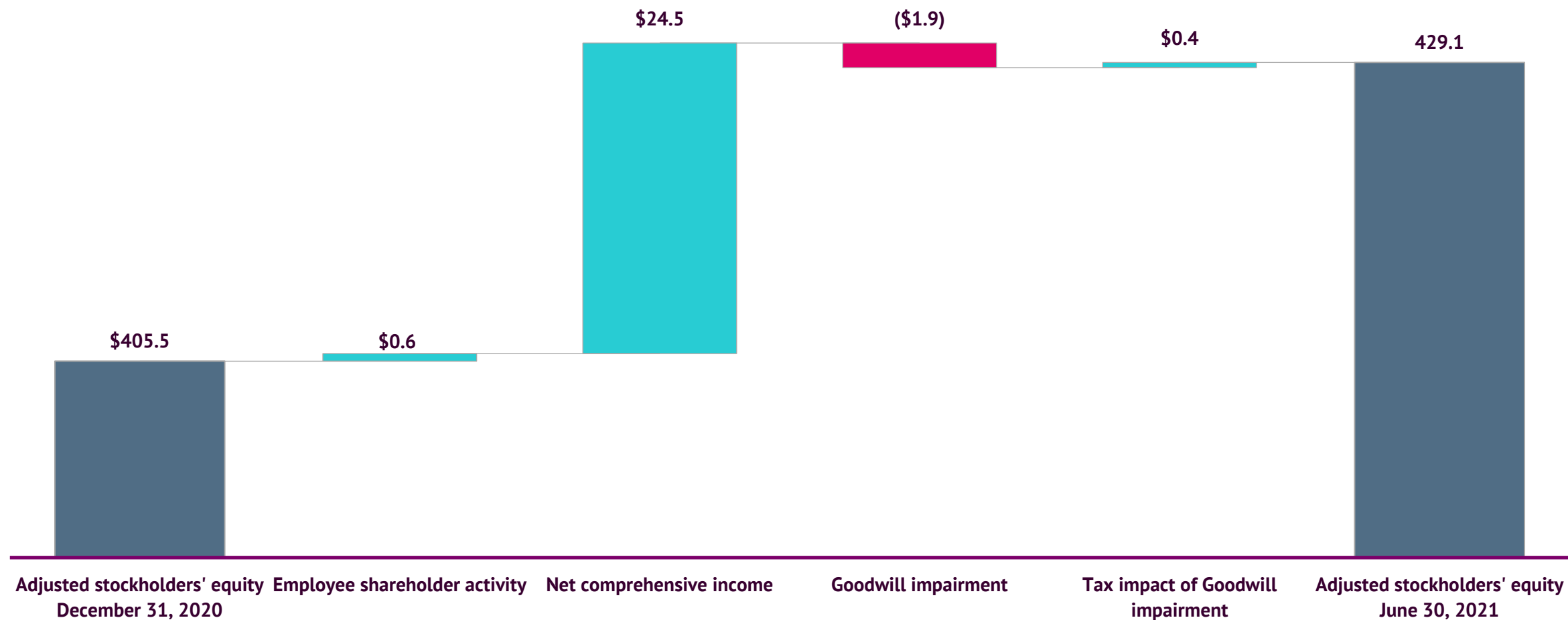
ADJUSTED STOCKHOLDERS' EQUITY: FOR THE THREE MONTHS ENDED JUNE 30, 2021⁽¹⁾



Any terms not defined in this document are defined in Westaim's June 30, 2021 MD&A.

(1) The adjusted stockholders' equity of Skyward Specialty as at June 30, 2021 reflects the Skyward Specialty stockholders' equity obtained from the unaudited financial statements of Skyward Specialty as at and for the three months ended June 30, 2021 prepared in accordance with accounting principles generally accepted in the United States of America, adjusted for a reclassification of a stock notes receivable from employees relating to their purchase of Skyward Specialty common and convertible preferred shares.

ADJUSTED STOCKHOLDERS' EQUITY: FOR THE SIX MONTHS ENDED JUNE 30, 2021⁽¹⁾



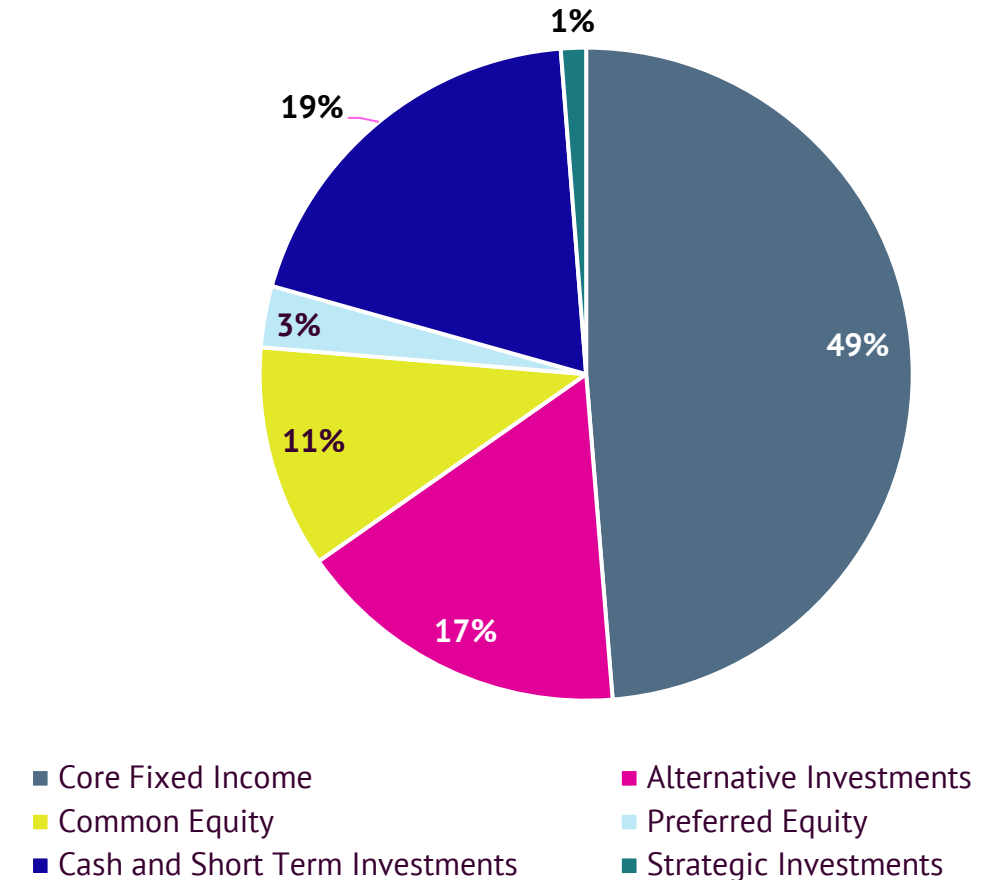
Any terms not defined in this document are defined in Westaim's June 30, 2021 MD&A.

(1) The adjusted stockholders' equity of Skyward Specialty as at June 30, 2021 reflects the Skyward Specialty stockholders' equity obtained from the unaudited financial statements of Skyward Specialty as at and for the three months ended June 30, 2021 prepared in accordance with accounting principles generally accepted in the United States of America, adjusted for a reclassification of a stock notes receivable from employees relating to their purchase of Skyward Specialty common and convertible preferred shares.

CONSERVATIVE INVESTMENT PORTFOLIO



- The total portfolio of approximately \$857 million is comprised of core fixed income and short-term investments, cash and cash equivalents, common and preferred equities, and alternative investments⁽¹⁾
- Conservative investment portfolio with a 4.3 duration on core fixed income (2.8 duration overall)
- The tax equivalent annualized yield for the investment portfolio was approximately 3.0% at June 30, 2021
- Weighted Average Credit Quality of AA for core fixed income portfolio, which is managed by New England Asset Management
- Alternative assets are comprised primarily of alternative credit investments managed by Arena Investors
- Common equity portfolio is primarily large-cap value with a domestic bias
- Significant cash and equivalents to be deployed based on opportunity



(1) Total Portfolio is equal to GAAP Balance Sheet "Total Investments" less payables for securities sold (excludes Balance Sheet "Cash" and "Restricted cash").



ARENA
INVESTORS LP

June 30, 2021

Seeing What's Possible



ABOUT ARENA INVESTORS

\$2.6B

Assets Under Management

~\$200M

of AUM is employee and
related capital

Vast Global Origination and
Servicing Network

Offices in New York, Jacksonville,
San Francisco, Dublin, and
London⁽²⁾

~\$3B

deployed into 270 transactions
since launch in 2015

- Global originator and underwriter of proprietary investments seeking to produce consistent and uncorrelated returns
- Institutional scale and experience with transaction sizes between \$5 million – \$50 million, which avoids competition with global alternatives firms focusing on \$100m+ investments
- Deep and experienced team — Managing Directors average 20+ years of experience across the firm
- Global origination network built over 25+ years
- Robust process and proprietary infrastructure built over 15 years
- High level of alignment with investors, partners, and other stakeholders
- Strong governance and full transparency

(1) The assets under management of Arena includes estimated employee capital, co-invest, and capital committed but not yet deployed as of August 2, 2021.

(2) The Jacksonville and Dublin offices are used by an Arena affiliate, Quaestor Advisors, LLC, and Arena Investors EF Designated Activity Company.



Platform Fully Constructed

- Global senior staff in place
- Infrastructure and entities fully established and operational
- Platform of product offerings complete
- In process to secure appropriate financing for capital pools

Proven Performance

- ~\$3B deployed into 270 privately negotiated transactions
- 134 exited privately negotiated investments with a realized IRR of 17.41%⁽¹⁾
- The portfolio has had positive results in 63 of the 69 months since inception⁽²⁾
- Consistent and uncorrelated performance; stable results through COVID-19

Driving Third-Party Assets Under Management

- Arena's assets under management⁽³⁾ have grown at a compound annual growth rate of ~56% from Dec 31, 2015 to August 2, 2021
- \$2.6 billion in assets under management⁽³⁾ and growing

Well Positioned To Drive Operating Leverage

- Now reaching a point where future growth will have significant operating leverage as fee-paying AUM grows
- Focused on driving valuable fee-related earnings and cash flow for distribution

1. Inclusive of Arena's core investment strategy as well as Stable Income – Real Estate Credit investments. 136 active positions have an underwritten IRR of 17.26% and a current IRR of 11.03%. Current IRR reflects all investment activity, i.e., prior actual cash flows and future projected cash flows (which are discounted as of the reporting date), from the inception of each applicable investment through 6/30/2021. The current IRR may not be representative of the realized IRR upon exit of each investment, which may increase or decrease.

2. Through June 30, 2021 and based on composite performance, see disclosures on slide 23. Past performance is not indicative of future performance. Actual results may vary.

3. Estimated committed AUM as of August 2, 2021 and includes undrawn commitments for closed-end, SMA, and Excess Capacity Funds (New Zealand Real Estate Credit Partners I and II).



(dollars in millions)	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020
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Recurring Income

Management / Servicing Fees	\$ 7.0	\$ 4.8	\$ 13.4	\$ 9.8
Other Income	0.1	0.1	0.2	0.1
Recurring Income	\$ 7.1	\$ 4.9	\$ 13.6	\$ 9.9
Operating Expenses	(8.1)	(5.5)	(15.8)	(11.4)
Fee Related Earnings (Loss)	\$ (1.0)	\$ (0.6)	\$ (2.2)	\$ (1.5)

Incentive Income

Incentive Fees	\$ 7.5	\$ 0.6	\$ 13.2	\$ 0.7
Incentive Fee Compensation ¹	(2.0)	(0.6)	(3.9)	(0.9)
Net Incentive Fees	\$ 5.5	\$ 0.0	\$ 9.3	\$ (0.2)

Net Income

EBITDA	\$ 4.5	\$ (0.6)	\$ 7.1	\$ (1.7)
Depreciation	-	(0.0)	(0.1)	(0.1)
Interest Expense	(0.3)	(0.2)	(0.7)	(0.5)
Net Income (Loss)	\$ 4.2	\$ (0.8)	\$ 6.3	\$ (2.3)

Q2 2021 Results:

- Net profit was \$4.2 million for Q2 2021 and \$6.3 million for YTD Q2 2021, compared to a (\$0.8) million loss in Q2 2020 and a (\$2.3) million loss for YTD Q2 2020.
- Management and Service Fee revenue was \$7.0 million for Q2 2021 and \$13.4 million for YTD Q2 2021, compared to \$4.8 million for Q2 2020 and \$9.8 million for YTD Q2 2020.
- Net incentive income was \$5.5 million for Q2 2021 and \$9.3 million for YTD Q2 2021, compared to \$0.0 million for Q2 2020 and (\$0.2) million for YTD Q2 2020.
- Recurring revenue is growing. With recurring revenue approximately equal to operating expenses, Arena is now reaching a point where future growth is well positioned to drive significant operating leverage given the overall platform has largely been built-out ahead of this growth.

1. Unless contractually obligated and as governed in employment agreements or other similar documents, Arena is not required (past or future) to utilize incentive fees in compensating employees.



\$2.6B UNDER MANAGEMENT, \$1.7B DEPLOYED*

ARENA FULLY DIVERSIFIED
STRATEGY \$1.9B, \$1.5B DEPLOYED*

Permanent Capital (Arena FINCOs)

- Arena Finance
- Arena Origination Company

Open-ended Evergreen Funds

- Arena Special Opportunities Fund, LP
- Arena Special Opportunities Fund (Cayman), LP
- Arena Special Opportunities Fund (Cayman 2), LLC

Closed-Ended Drawdown Funds

- Arena Special Opportunities Partners I, LP including Rated Feeder Fund for Insurance Company Investors
- Arena Special Opportunities Partners (Cayman) I, LP
- Arena Special Opportunities Partners II, LP including Rated Feeder Fund for Insurance Company Investors

Separately Managed Accounts

EXCESS CAPACITY OPPORTUNITIES

\$0.55B, \$0.2B DEPLOYED*

New Zealand
Real Estate Credit

Separately Managed Accounts

STABLE INCOME STRATEGIES

\$0.15B, \$0.04B DEPLOYED*

Real Estate Credit

Structured Finance/ABS

1. All vehicles are asset-liability matched with respect to redemptions.

2. Performance of any individual Arena vehicle is available upon request.

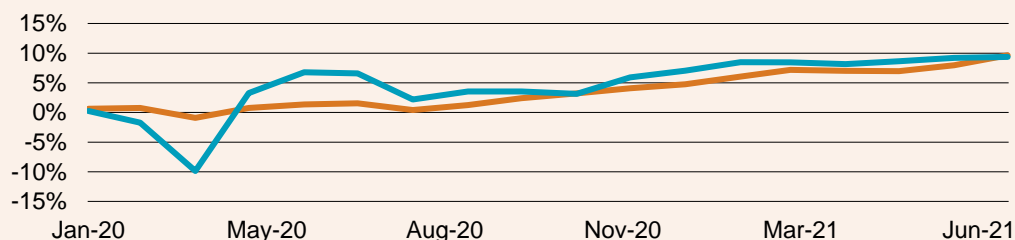
* The assets under management includes estimated employee capital, co-invest, and capital committed but not yet deployed (except where noted) as of August 2, 2021.



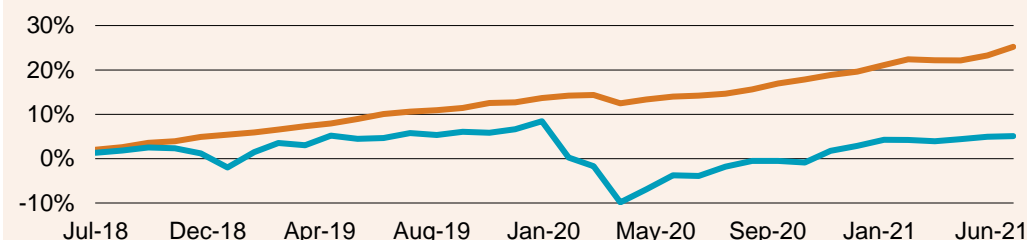
ARENA
INVESTORS LP

Arena's core investment strategy seeks to build a highly diversified and uncorrelated portfolio of investments. Consistent performance including stable performance during COVID-19. Our five-year track record has also outperformed the LSTA Leveraged Loan 100 index on a cumulative return basis.

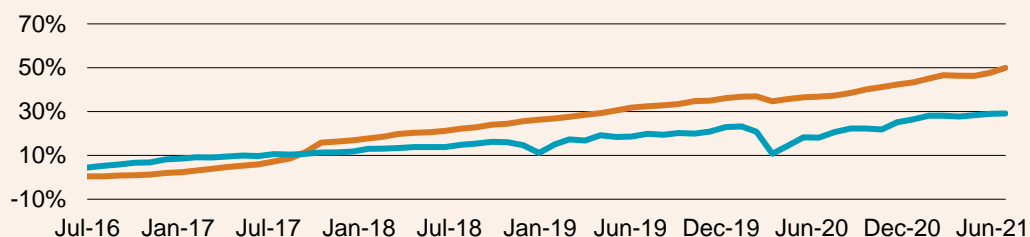
JANUARY 2020 – JUNE 2021



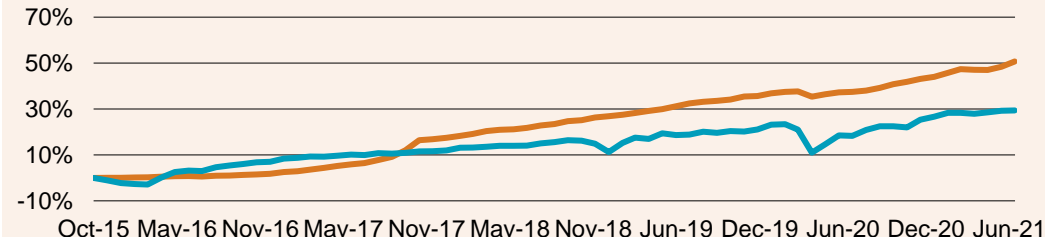
3 YEARS



5 YEARS



SINCE INCEPTION



— Arena Composite — LSTA Leveraged Loan 100 Index

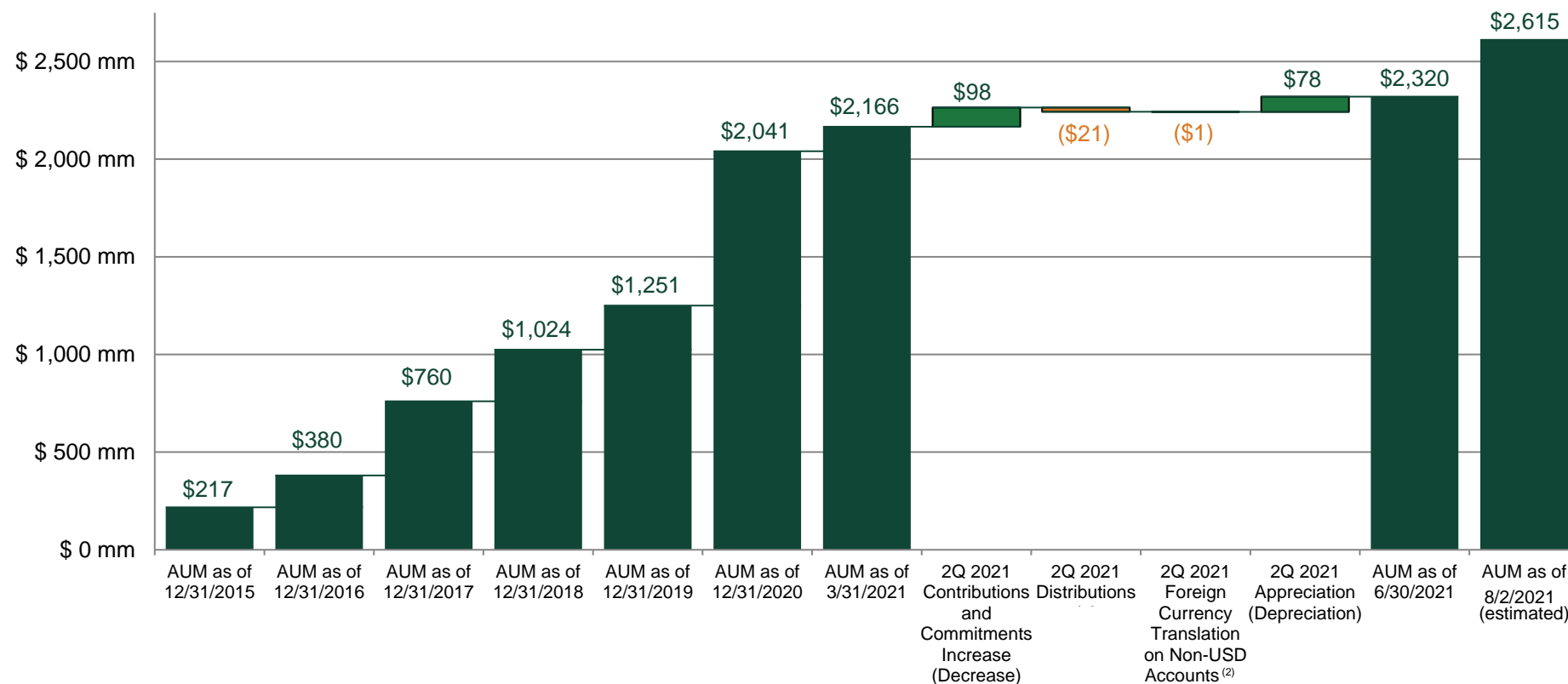
1. This composite is comprised of one onshore open-ended fund and one offshore open-ended fund, which commenced operations on October 1, 2015 and March 1, 2016, respectively. For the period from March 1, 2016 until September 30, 2018, the offshore fund received an expense subsidy for monthly expenses in excess of 0.10% of NAV. Time-weighted monthly returns are calculated net of annual management fees of 2%, 0.5% asset servicing expense and an incentive fee of 20%, which represent the standard fees charged to Fund investors. All returns are based on the reinvestment of principal, interest and dividends received by the composite. Cumulative returns are not annualized. The LSTA Leveraged Loan 100 Index are presented gross of any expenses or fees. Past performance is not indicative of future performance. Actual results may vary.



ARENA
INVESTORS LP

Arena Group's assets under management (including undrawn commitments) grew \$154 million in Q2 and an additional \$295 million through August 2, 2021.

From Dec 31, 2015 to August 2, 2021, AUM has grown at a CAGR of ~56%.



1. AUM includes undrawn commitment for closed-end, SMA, and New Zealand Real Estate Credit Partners I and II Funds.
 2. Foreign currency fluctuations on NAV for accounts reported in currencies other than USD.



Arena Investors – Deal Structure Aligns Arena Management and Westaim

- Arena Investors was founded by Dan Zwirn and Westaim in August 2015 under an arrangement designed to align Arena Investors’ senior management interests very tightly with those of Westaim and its shareholders. The principal elements of the arrangement include:
 - Funding:** Westaim would fund the start-up expenses and operating losses of Arena Investors until profitability in order to build out an institutional quality, front and back office platform that was positioned to scale as the business grows. In 2021, the build out of the platform is largely complete, with an outstanding loan payable from Arena Investors to Westaim at Q2 2021 of \$24.0 million. This loan is to be repaid before the distribution of earnings of Arena Investors to its members (i.e. Westaim and BP LLC, a holding company owned by members of Arena Investors’ senior management team).
 - Ownership and Profit Participation:** A structure was developed by which BP LLC would effectively “Earn-In” to its ownership of Arena Investors over time as the business reached thresholds of: (i) Assets under Management; and (ii) Trailing Twelve Month EBITDA margin. A Profit Participation would entitle the party to participate in cash distributions from Arena Investors, while Ownership would entitle the party to actual ownership of the enterprise. The following table details possible future changes to profit participation and ownership interest agreed between Westaim and BP LLC⁽¹⁾:

	Trailing Twelve Month Revenue (TTM) to EBITDA Margin	AUM Threshold	BP LLC		Westaim	
			Profit Percentage	Equity Ownership	Profit Percentage	Equity Ownership
(i)	<35%	< \$1 billion	49.0%	-	51.0%	100.0%
(ii)	>35%	>\$1 billion	49.0%	49.0%	51.0%	51.0%
(iii)	>50%	>\$2 billion	54.5%	54.5%	45.5%	45.5%
(iv)	>55%	>\$3 billion	60.0%	60.0%	40.0%	40.0%
(v)	>60%	>\$4 billion	67.5%	67.5%	32.5%	32.5%
(vi)	>60%	>\$5 billion	75.0%	75.0%	25.0%	25.0%

- BP LLC Investment in Westaim Shares:** As a further alignment of interests, BP LLC committed to invest 25% of the first \$100 million of pre-tax distributions received from Arena Investors, and 12.5% thereafter to acquire Westaim common shares in the public market at the time, up to a 19.9% ownership of the outstanding Westaim common shares. Distributions are expected to commence once the outstanding loan to Westaim is repaid.

(1) Refer to Section 3.02 Second Amended and Restated Limited Liability Agreement of Arena Investors.



ARENA
Arena FINCOs

Arena Fincos: Summary of Operating Results

	Three months ended June 30, 2021		Six months ended June 30, 2021	
	2021	2020	2021	2020
Investment income	\$2.0	\$1.2	\$3.0	\$3.6
Net gain (losses) on investments	3.1	1.6	12.2	(2.8)
Interest expense	(0.9)	-	(1.7)	-
Net investment income	\$4.2	\$2.8	\$13.5	\$0.8
Operating expenses:				
Management and asset servicing fees	(1.1)	(1.0)	(2.1)	(2.2)
Incentive fees	(0.3)	(0.1)	(0.9)	(0.1)
Other operating expenses	-	(0.2)	(0.3)	(0.4)
Net performance of Arena Fincos*	\$2.8	\$1.5	\$10.2	(\$1.9)
Holding companies' expenses	(0.1)	(0.1)	(0.1)	(0.1)
Net operating results of the Arena Fincos	\$2.7	\$1.4	\$10.1	(\$2.0)
Gross investment return	2.5%	1.7%	8.3%	0.3%
Net investment return*	1.6%	0.9%	6.2%	(1.1%)

- Proceeds from the bond offering continue to be invested, with Arena Fincos total investments increasing 17.9% in YTD Q2 2021 from \$180.3 million at Q4 2020 to \$212.6 million at Q2 2021
- Additional leverage will be available in Q3 through a revolving credit facility for liquidity support in lieu of maintaining cash reserves and therefore the Arena Fincos will be able to manage treasury more effectively, fully invested in productive, yield-oriented investments
- Year to date investment performance continues to be strong with a 1.6% net return in Q2 and 6.2% YTD Q2 compared to 0.9% in Q2 2020 and (1.1%) YTD Q2 2020

* Net investment return does not include certain corporate level advisory fees and interest paid to Westaim, and other corporate level expenses.
 US\$ millions except share and per share amounts.

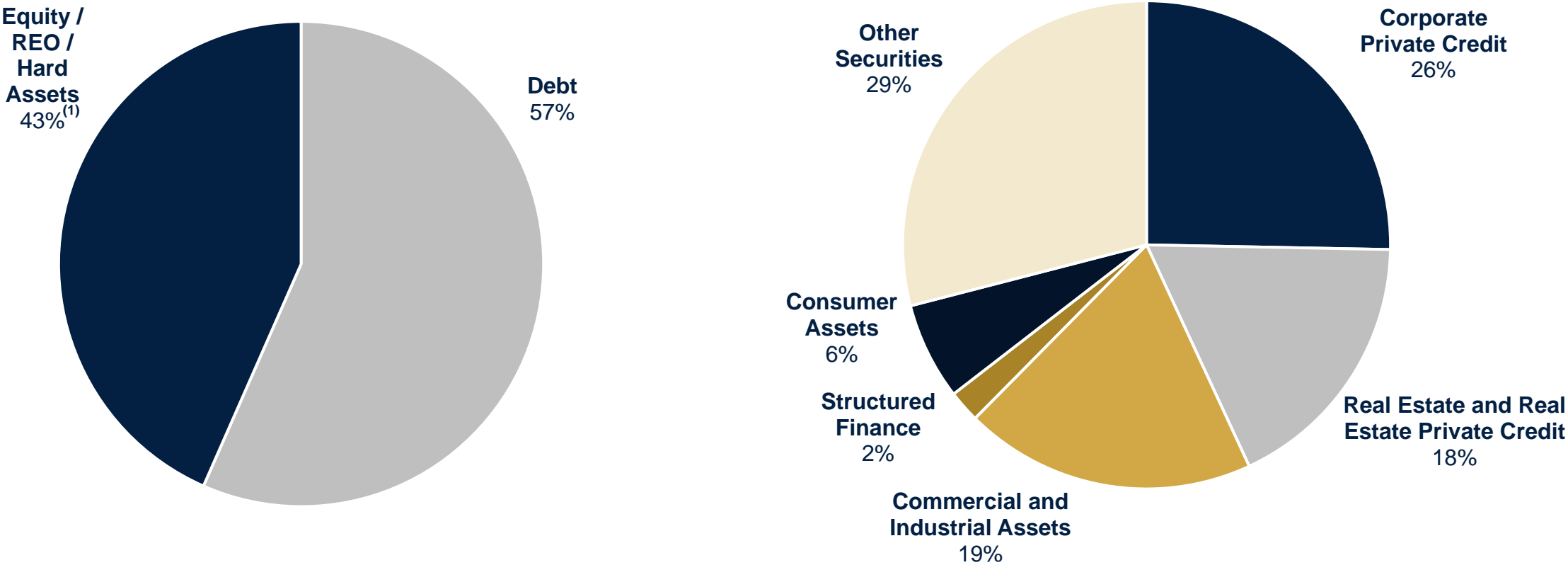
Arena FINCOs: Summary of Net Assets

Fair Value	June 30, 2021	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$22.3	\$26.5	\$21.4
Due from brokers, net	(24.3)	(20.3)	(5.5)
Investments:			
Corporate Private Credit	53.8	52.2	46.2
Real Estate Private Credit and Real Estate Assets	37.8	36.9	49.9
Commercial and Industrial Assets	41.1	39.2	30.8
Structured Finance	4.5	5.2	5.2
Consumer Assets	13.7	14.4	13.8
Other Securities	61.7	54.0	34.4
Total Investments	\$212.6	\$201.9	\$180.3
Senior secured notes payable	(43.5)	(43.4)	(43.4)
Other net assets	6.0	5.7	10.2
Net assets of the Arena FINCOs	\$173.1	\$170.4	\$163.0

Changes in Investment in Arena FINCOs	Q2 2021	Q1 2021	FY 2020
Opening balance	\$170.4	\$163.0	\$205.8
Return of capital to Westaim	-	-	(20.0)
Dividends paid to Westaim	-	-	(22.7)
Net operating results of the Arena FINCOs	2.7	7.4	(0.1)
Ending balance	\$173.1	\$170.4	\$163.0

- The Arena FINCOs were able to deploy cash to investments in the quarter, but the cash balance remained high at June 30, 2021 and will be used to settle the short-term net balance due to brokers
- The Investment portfolio remains diversified across different investment types and number of investments

Arena FINCOs: Portfolio breakdown as at June 30, 2021



Arena FINCOs held 240 positions at June 30, 2021 compared to 158 positions at December 31, 2020

(1) Equity / REO / Hard Assets reflects any hard asset ownership, in which Arena FINCO has direct ownership rights of the asset, including real estate owned investments (REO), private assets, and corporate entities.



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