



COMPANY OVERVIEW

Q3 2021 UPDATE

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Non-GAAP Measures

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.

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 and claims excellence, the use of advanced technology, and efficient capital management are at the core of our strategy execution
- Operate in all 50 states and select international markets
- Rated A- by AM Best
- As of August 1, 2021, Skyward Specialty had 381 employees across 12 offices

Select Financial Metrics

(US\$ millions)	H1 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

(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. Refer to Westaim's MD&A at June 30, 2021 and December 31, 2020 for further details.

(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.

**We spark people's potential by shrewdly
shifting specialty risk to a safer place**



RULE OUR NICHE



Our strategy is to dominate those specialty segments where we choose to compete

- I. Drive market leading performance through daily excellence and technical mastery of the elements of our business from underwriting to claims
- II. Utilize advanced technology to drive superior outcomes in underwriting, risk management, claims, as well as operational efficiency
- III. Retain and expand our incomparable and diverse team of the best talent
- IV. Sustain our nimble and creative entrepreneurial culture and continue to capitalize on marketplace disruption

To deliver top quartile returns and growth in book value

LEADERSHIP TEAM OF "A" SPECIALTY INSURANCE EXECUTIVES



Andrew Robinson
Chief Executive Officer
Previously President Specialty and EVP Corp. Development, Hanover Insurance Group | Managing Director, Global Insurance at PWC



John Burkhardt
President Specialty Lines
Previously SVP & Head of Professional Lines & Industry Verticals at QBE | Global Product Manager, Specialty Underwriting Center at Chubb



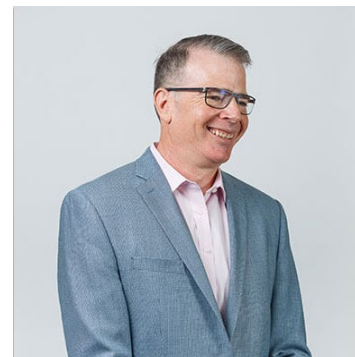
Kirby Hill
President Industry Solutions & Specialty Programs
Previously CEO & Co-Founder of Norwich Group, Inc.



Mark Haushill
Chief Financial Officer
Previously CFO, Argo Group | CFO, American Safety Holdings Certified Public Accountant



Leslie Shaunty
General Counsel
Previously Corporate Counsel and Director of HR, Mattress Firm | Director Labor Relations, Chevron Phillips Chemical, Pasadena Plant



Sean Duffy
Chief Claims Officer
Previously Chief Claims Officer, One Beacon Insurance Group | SVP Corporate Claims at Great American Insurance



Tom Schmitt
Chief Administrative Officer & Chief People Officer
Previously CHRO of OneBeacon Insurance Group | CHRO at James River Insurance Group

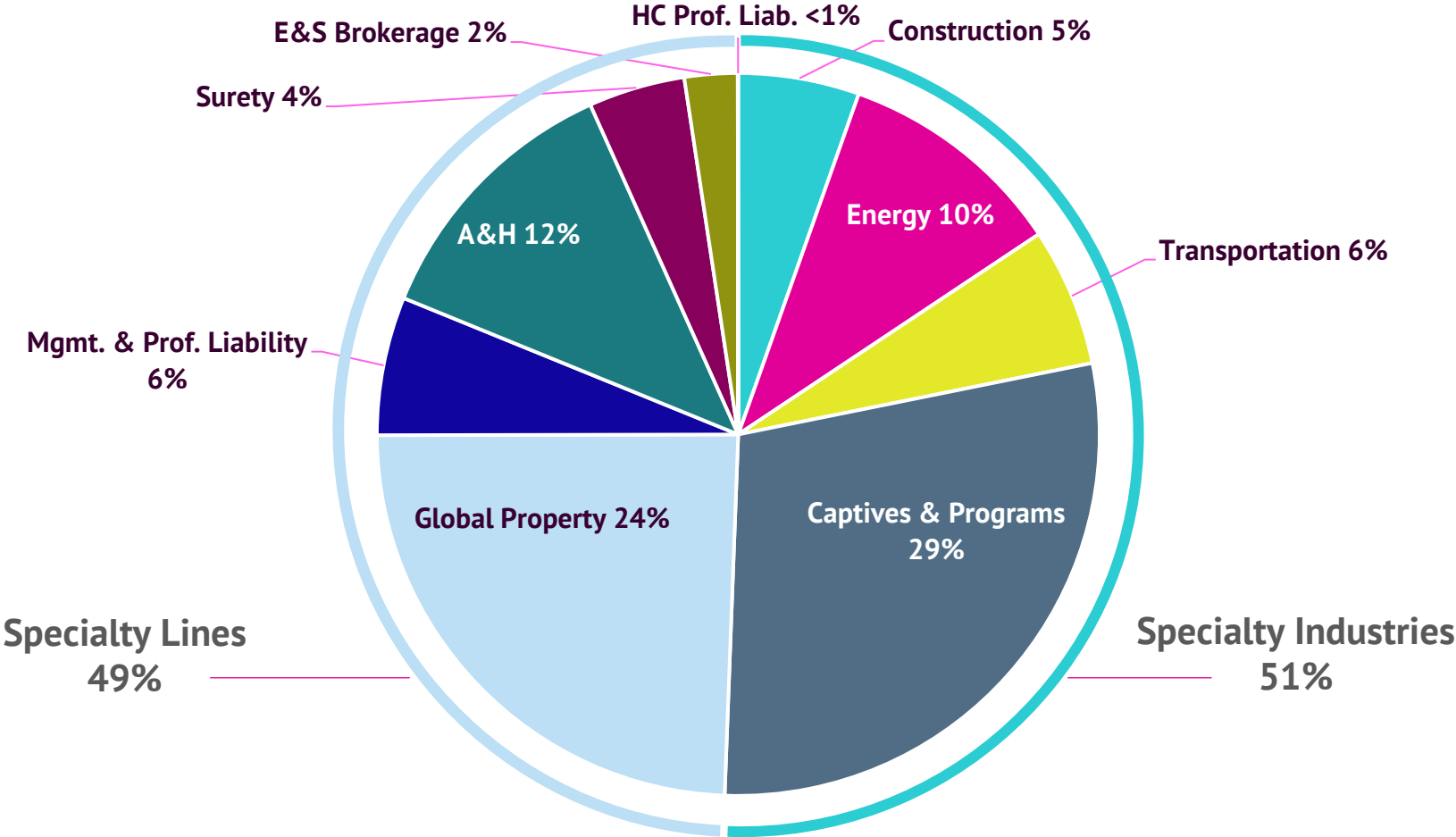


Dan Bodnar
Chief Information & Technology Officer
Previously VP & CIO (US) at Argo Insurance Group | VP of IT at HCC Insurance Holdings



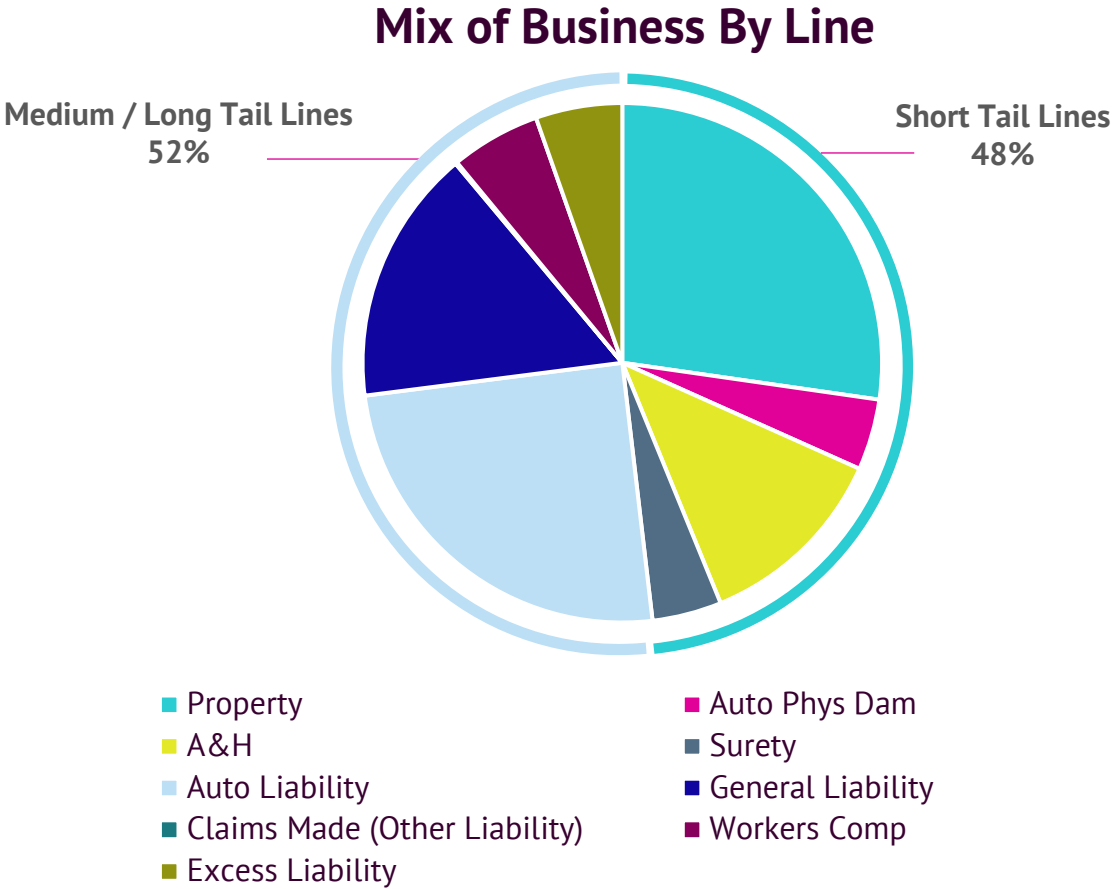
Sandip Kapadia
Senior Vice President, Underwriting Strategy & Enterprise Analytics
Previously Vice President at Crum & Forster Enterprise | Senior Pricing Actuary at PartnerRe

GO TO MARKET WITH TEN SPECIALTIES⁽¹⁾⁽²⁾



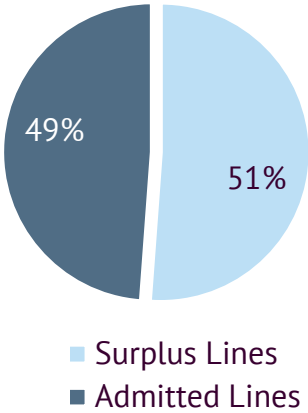
(1) Year to date through June 30, 2021 gross written premium
(2) Excludes discontinued business

HIGHLY DIVERSIFIED & BALANCED BUSINESS (1)(2)

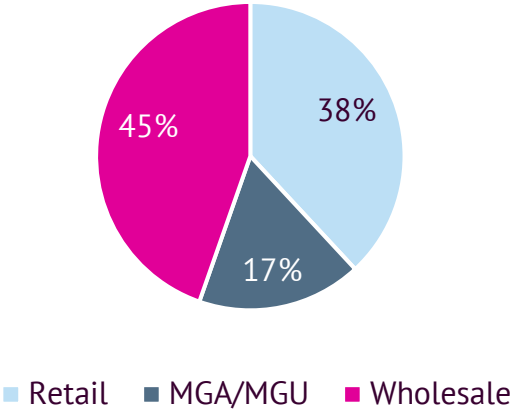


(1) Year to date through June 30, 2021 gross written premium
(2) Excludes discontinued business

Admitted vs Surplus Lines



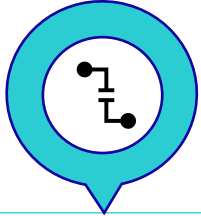
Distribution Source



LAUNCHPOINT TO TOP QUARTILE PERFORMANCE



Q1-20



- Executed loss portfolio transfer

Q2-20



- Hired Andrew Robinson as CEO
- Raised \$100MM through rights offering
- Added Jim Hays and Don Larson to Board

Q3-20



- Shut down mono-line work comp business
- Exited lawyers' professional liability
- Exited insurance agents and brokers professional liability
- AM Best moved company to A-stable outlook

Q4-20



- Hired Mark Boland and team - launched transactional E&S business
- Launched public excess D&O product
- Hired Rick Childs to lead construction; began business expansion
- Launched Skyward Specialty brand

1H-21



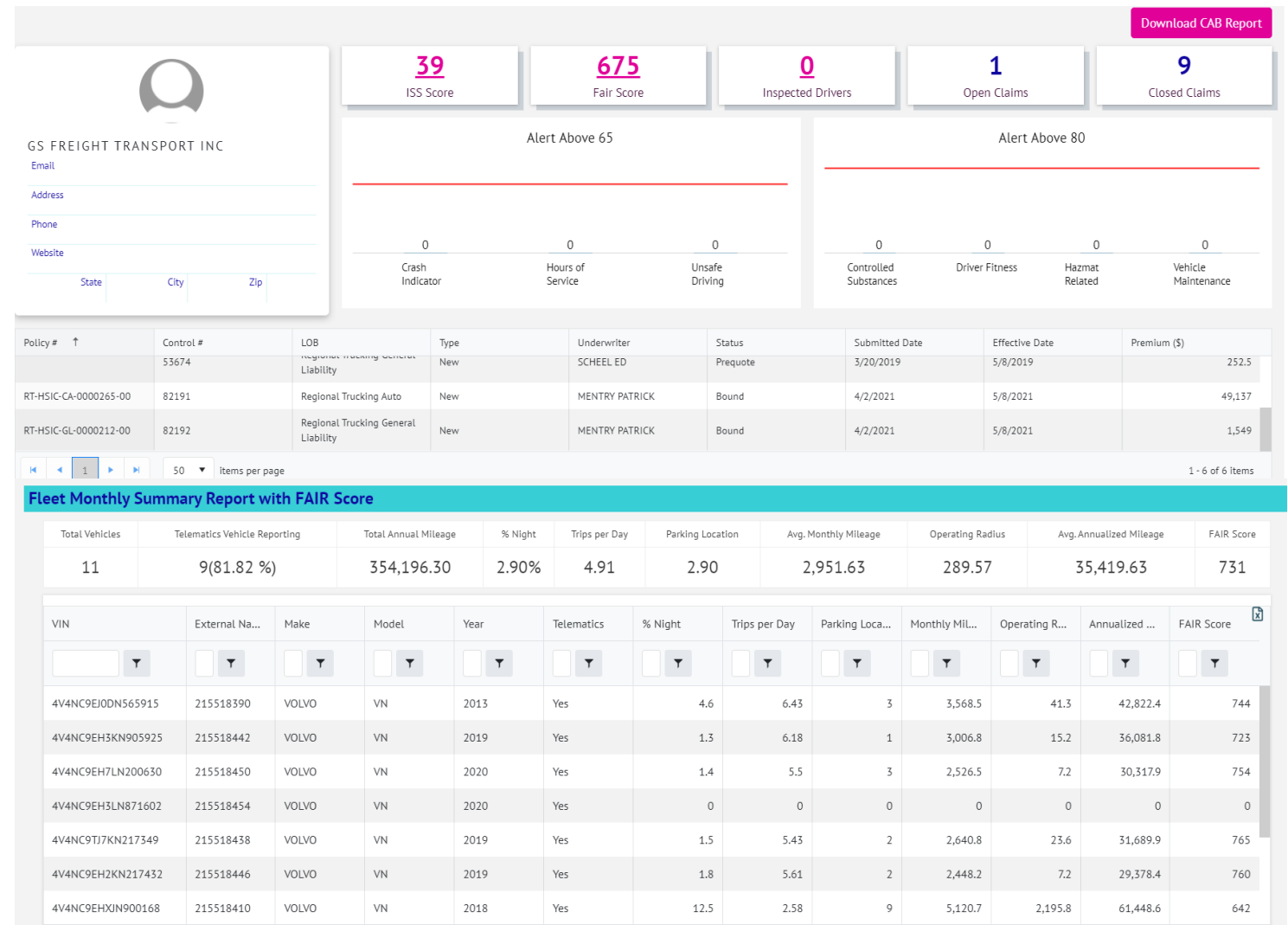
- Hired John Burkhardt to lead specialty lines; reorganized for growth
- Hired Brenda Craig – launch healthcare professional liability business
- Acquired Aegis Surety; simultaneously sold Xpro (exterminator solutions)
- Completed portfolio clean-up – exited Timber (Auto), Title (E&O), Dealers Open Lot, Tennant Program
- Launched Smart Cargo | Corvus Partnership
- Launched market leading commercial flood solution | reThought partnership
- Hired 9 underwriters in support of investment in Professional and Management Liability
- Achieved strongest organic growth in company history

OUR TECHNOLOGY DNA WINS

SKYDRIVE - BEST IN CLASS ANALYTICS FOR COMMERCIAL AUTO



- Underwriting and risk management portal for Skyward underwriters, brokers and insureds
- Combines real-time intelligence on driver and fleet history, safety and performance – incorporates telematics (any platform), DOT, CAB and other third-party data
- Exponentially increases the power of risk selection. Underwriting, risk management and claims decision-making
- Risk scoring based on wide ranging insights (e.g., hours of service violations, equipment maintenance, G-force events, route selection, traffic control adherence, etc.)
- “Gamifies” driver feedback of behaviors, drives targeted training; behaviors such as G-force inform claim triage and handing strategy

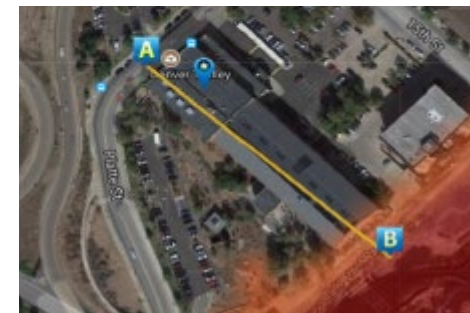
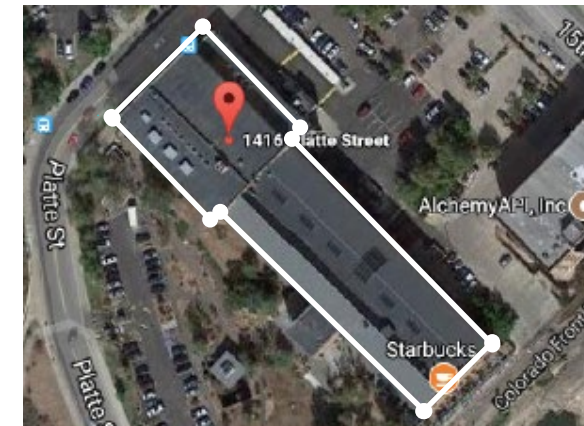


OUR TECHNOLOGY DNA WINS COMMERCIAL FLOOD RISK USING HIGH-DEF DATA AND MODELS



- Partnered with reThought to establish a robust flood solution for middle market primary and excess commercial risks (\$10MM single property value)
- \$41BN⁽¹⁾ market opportunity lacks capacity and solutions
- Far and away the most advanced analytical approach in the market:
 - Automates 'Engineering-Quality-Analysis' for Complex Risks – High-definition flood exposure data generated from hundreds of sources to create a best-in-industry view of a specific property/risk
 - Multi-model approach combining third-party and internal models to project expected loss
- Skyward expresses its underwriting rules through the reThought technology

Assessing, Pricing and Structuring Flood Risk Terms for This Platte River Front Property Requires Advanced Technology



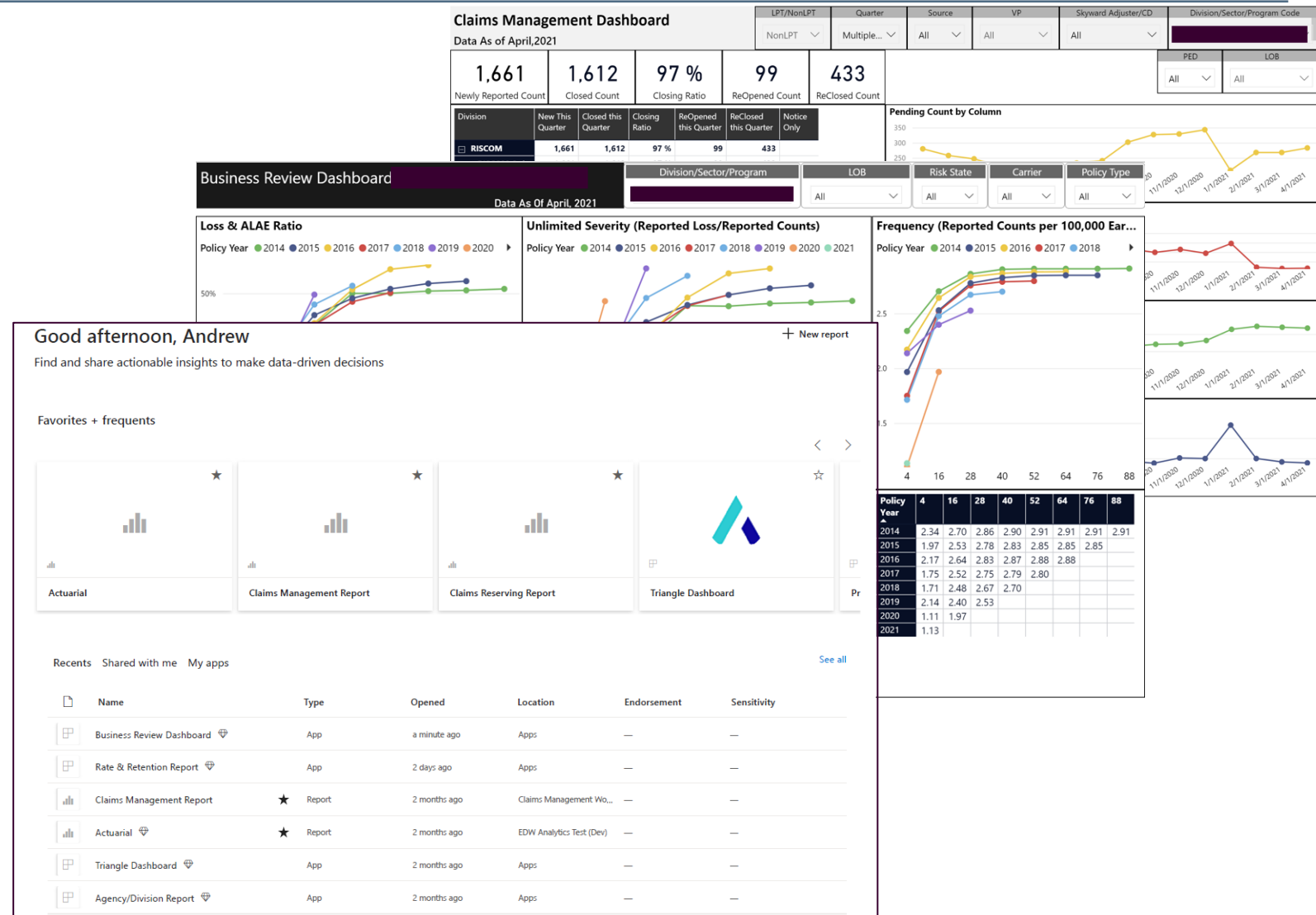
(1) Verisk Estimate

OUR BUSINESS INTELLIGENCE IS A SUPER-POWER

REAL-TIME ANALYTICS OF ENTIRE BUSINESS PORTFOLIO



- Sky B.I. is Skyward Specialty's single, comprehensive and only enterprise data repository
- It is our foundation for reporting, business intelligence, analytics and other advanced data capabilities
- Data and sources include:
 - Production & submission data
 - Actuarial
 - Loss ratio, severity, frequency triangles
 - Pricing / retention metrics
 - Claims data
 - Data held at coverage and claimant level going back 10 years
 - Select third party / external data



AN ENGAGED TEAM TO DRIVE PERFORMANCE

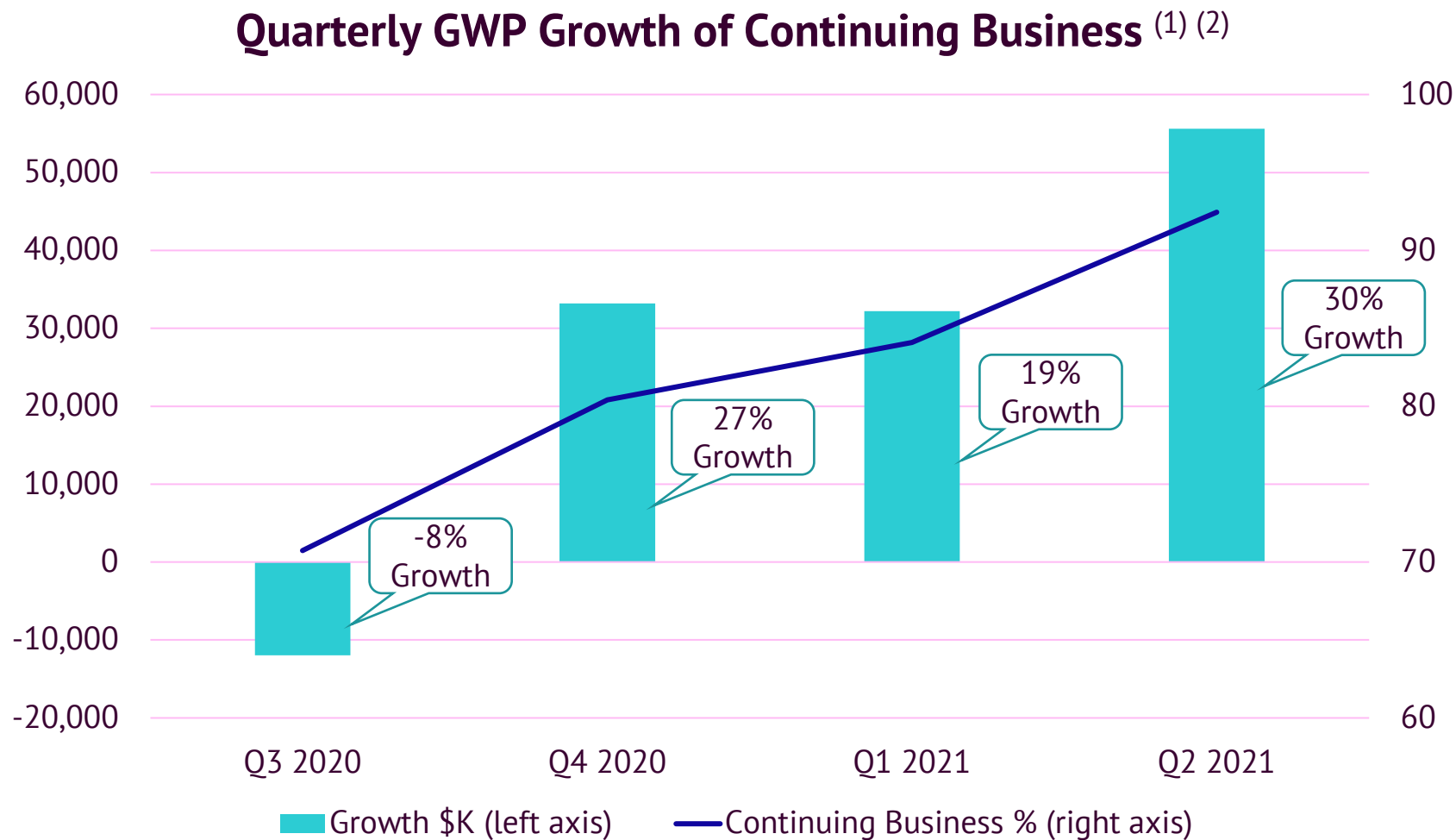


Skyward Employee Engagement Survey

12/2020 Survey – 89% Employee Participation	Total Agree / Strongly Agree
I understand how my specific job responsibilities contribute to the success of Skyward.	96
I am excited about Skyward’s vision and strategy.	95
I am proud to work for Skyward.	93
I know what I need to do to be successful in my role.	92
I have confidence in senior leadership’s direction for the future success of Skyward.	90



OUR MOMENTUM IS ACCELERATING

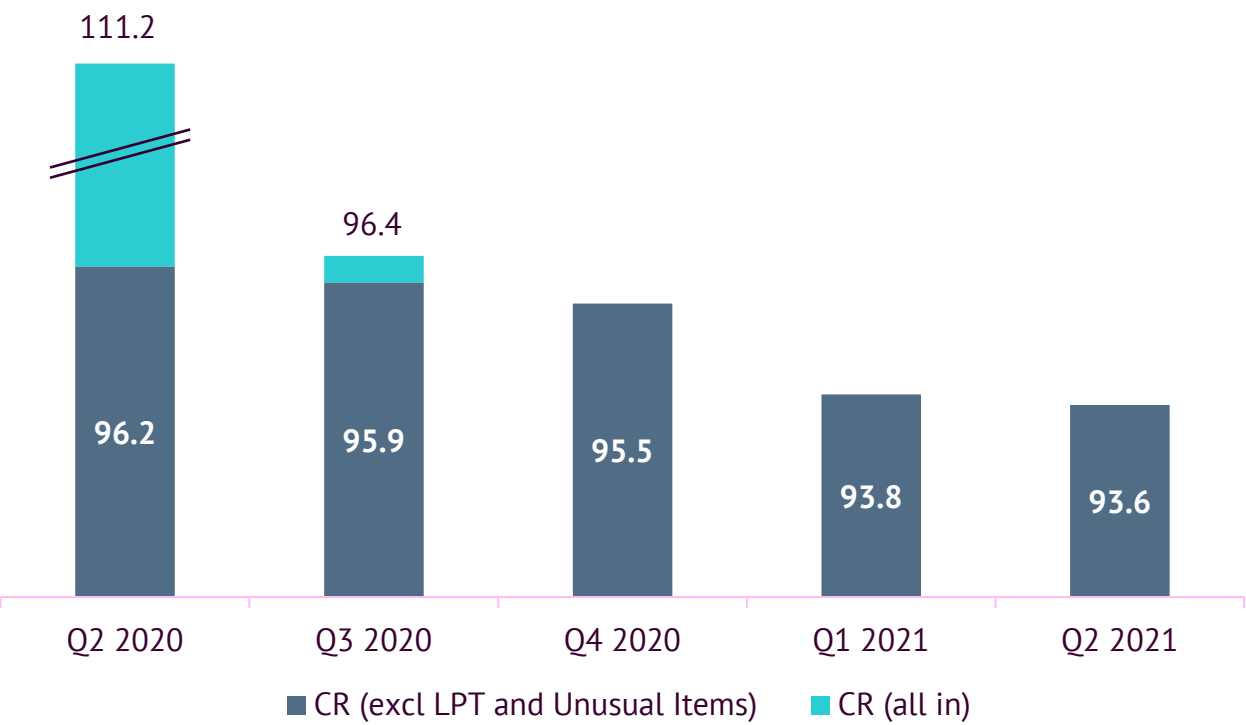


(1) Excludes lines of business that were discontinued through to June 30, 2021
(2) Right axis is defined as percentage of total gross written premium represented by continuing business.

EXCELLENT FINANCIAL TRAJECTORY



Combined Ratio Progression



Pricing and New Product Momentum Last Four Quarters

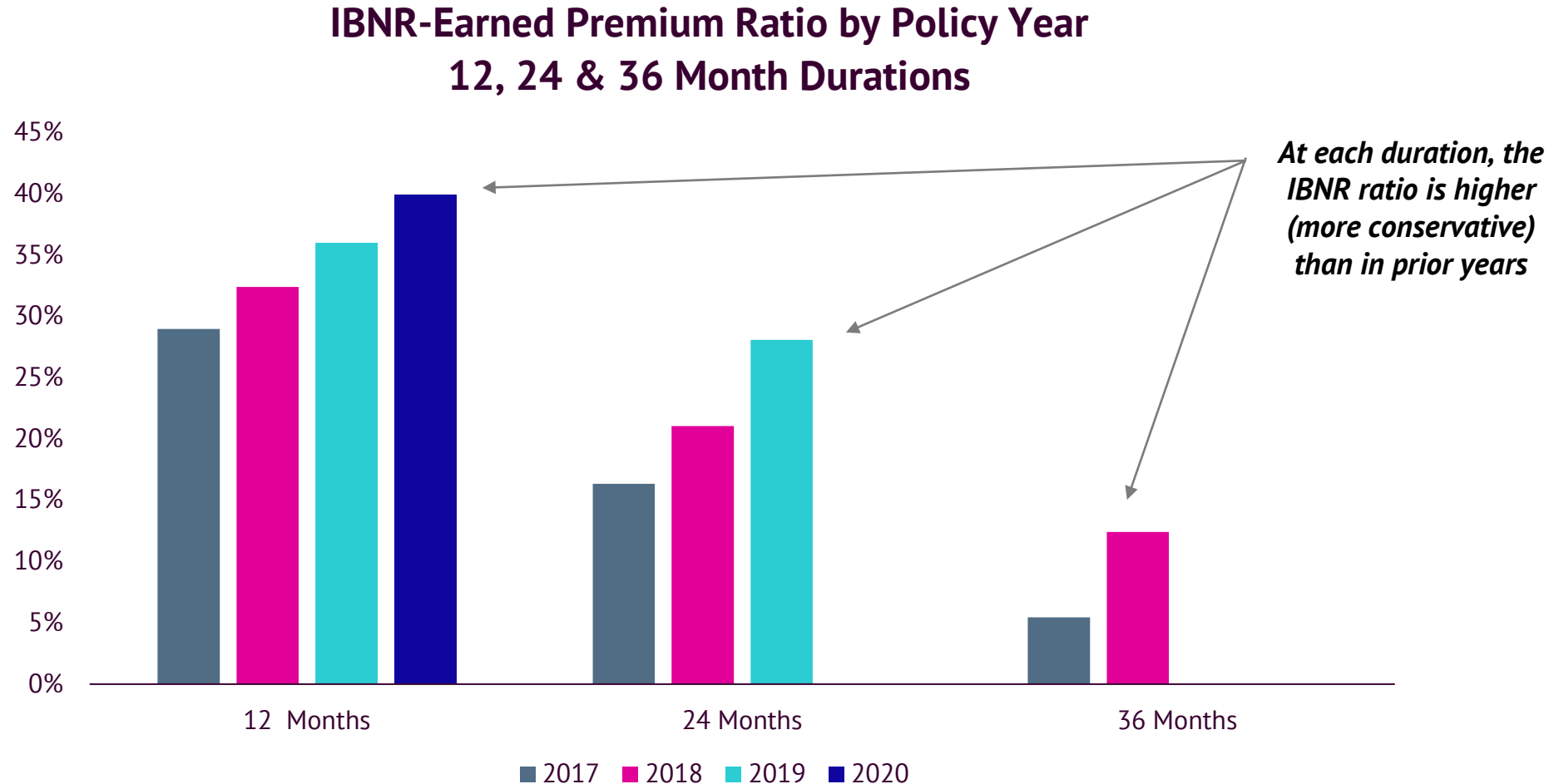
+ 10% Rate Change on Renewals

New Business Differential + 4%

+ 7 New Product Lines Launched

(1) The impact of LPT includes the initial cost of the LPT plus adverse development on prior years' claims reserves subject to the LPT. Refer to Westaim's MD&A at June 30, 2021 and December 31, 2020 for further details.
(2) Rate Change on Renewals is the pure rate (excluding exposure change) for work comp, general liability, commercial auto and inland marine, and rate inclusive of exposure for property, excess and A&H achieved during the last 4 quarters.
(3) New Business Differential is a measure of the pure rate difference for new business accounts (exclusive of exposure) as compared to renewal accounts for work comp, general liability and commercial auto, measured over the last 4 quarters.

RESERVE POSITION IS STRONG AND IMPROVING

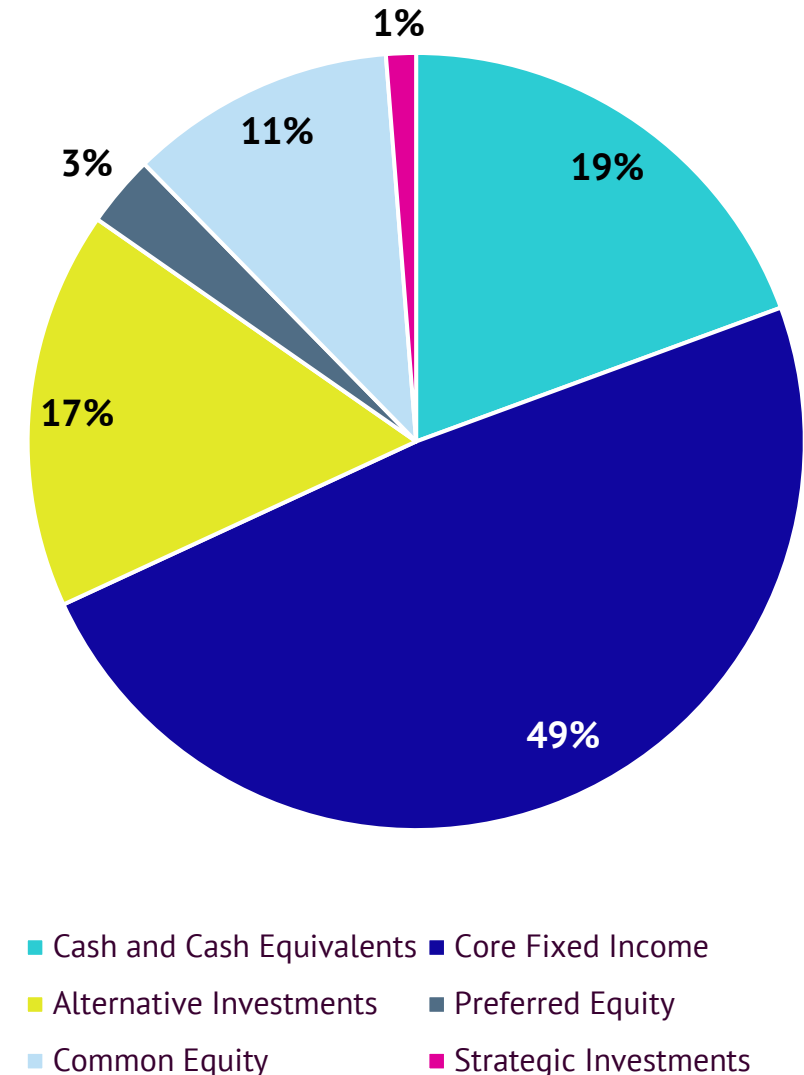


(1) Net IBNR development as reported at December 31, 2020

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 portfolio duration of approximately 2.8
- The tax equivalent annualized yield for the investment portfolio was approximately 3.0%
- 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 as we execute the remaining commitments already approved as part of our investment strategy



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

MULTIPLE TRACKS FOR PROFITABLE GROWTH



- **Expand Where Positioned for Profitable Growth**
 - ✓ Construction
 - ✓ Surety
 - ✓ Professional Lines (management liability, financial institutions, miscellaneous professional)
 - ✓ Transactional Property
 - ✓ A&H
 - ✓ Captive solutions in existing segments
- **Add Profitable Adjacencies**
 - ✓ Public D&O (Excess to start)
 - ✓ Broadened appetite in Construction
 - ✓ Launch next new product line – e.g., Professional Lines for Cannabis Industry
- **Pursue New Specialties Aligned to Our Strategy**
 - ✓ Launch next new specialty
 - ✓ Highly attractive opportunities in partnership with Insurtechs

FINANCIAL OUTLOOK IS OUTSTANDING



1. Excellent position in our chosen segments, many with considerable growth initiatives in place already + Technology DNA that others don't have
2. Expanding underwriting margins
 - I. Rate well in excess of loss cost inflation
 - II. Portfolio actions towards more profitable segments
3. Expense leverage and growth to accelerate - 2021 is principal investment period for scale up of certain segment and launch of new businesses
4. Quickly becoming employer of choice – A+ talent choosing Skyward!
5. Best distributors highly engaged in our growth given talent and expanding portfolio
6. Strong and improving reserve position
7. Yield improvement as \$150+MM of cash and cash equivalents being deployed thoughtfully to drive improved new money yields

WE'RE GOING SKYWARD

