



Q3 2021 Investor Presentation

November 18, 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"), adjusted profit and comprehensive income, and adjusted earnings per share – diluted, excluding unusual items are non-GAAP measures – see section 15 of Westaim's MD&A for the quarter ended September 30, 2021 for a discussion of these non-GAAP measures including a reconciliation to Westaim's financial results 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 section 3.A.ii of Westaim's MD&A for the quarter ended September 30, 2021 for Skyward Specialty's non-GAAP measures.

The adjusted stockholders' equity of Skyward Specialty as at September 30, 2021 reflects the Skyward Specialty stockholders' equity obtained from the unaudited financial statements of Skyward Specialty as at and for the quarter ended September 30, 2021 prepared in accordance with US GAAP, 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 September 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 period, 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.

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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 389 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 \$2.6 billion includes Westaim's proprietary capital of \$175 million plus third party institutional and high net worth clients.

A highly skilled and experienced team of 75+ 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 September 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 September 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.

Q3 2021 Quarterly Operating Highlights

Westaim reports continued quarterly earnings driven by favourable results from Skyward Specialty and Arena Investors

Skyward Specialty Insurance Group

- **Skyward Specialty's Q3 2021 Net Income was \$7.7 million compared to Q3 2020 Net Income of \$6.4 million (Net Income excluding unusual items of \$6.7 million); YTD Q3 2021 Net Income was \$34.7 million (Net Income excluding unusual items of \$36.2 million) compared to YTD Q3 2020 Net Loss of (\$40.9) million (Net Income excluding unusual items of \$5.0 million)**
 - The YTD combined ratio of 94.7% continued to outperform the prior year of 96.5%; Q3 2021 catastrophe losses contributed to a higher combined ratio of 96.4% compared to 95.9% in Q3 2020
 - Underwriting result improvements, primarily from strategic actions taken over the past year to refocus the portfolio towards the most profitable underwriting divisions and rate actions, are reflected in the combined ratio excluding catastrophes of 91.6% in Q3 2021 compared to 92.6% in Q3 2020; YTD Q3 2021 combined ratio excluding catastrophes was 92.0% compared to 95.3% in YTD Q3 2020
 - Total investment income for Q3 2021 was solid at \$6.8 million composed of \$8.0 million of net investment income and realized and unrealized net losses of \$1.2 million, primarily on the equity portfolio, compared to the total investment income of \$5.8 million in Q3 2020; YTD Q3 2021 investment income was \$32.4 million compared to \$1.5 million in YTD Q3 2020
 - Adjusted stockholders' equity at September 30, 2021 increased to \$435.7 million from \$429.1 million at June 30, 2021 and \$405.5 million at December 31, 2020

Arena Investors

- **Arena Investors' Q3 2021 Net Income was \$2.0 million compared to Q3 2020 Net Loss of \$0.7 million; YTD Q3 2021 Net Income was \$8.3 million compared to YTD Q3 2020 Net Loss of \$3.0 million**
 - Committed AUM at September 30, 2021 was \$2.6 billion, an increase from \$2.3 billion at June 30, 2021 and \$2.0 billion at December 31, 2020 and \$1.6 billion at Q3 2020
 - Fee-Paying AUM at September 30, 2021 was \$2.0 billion, an increase from \$1.7 billion at June 30, 2021 and \$1.3 billion at December 31, 2020 and \$1.2 billion at Q3 2020
 - Revenue was \$14.1 million in Q3 2021 vs. \$8.0 million in Q3 2020; YTD Q3 2021 revenue was \$41.0 million vs. \$18.6 million in YTD Q3 2020
 - Arena Investors' AUM pipeline remains strong with several product offerings marketing to a well diversified base of sophisticated investors from all constituents (insurance companies, pension funds, endowment funds, foundations and other investors) which, combined with strong investment performance, is key for Arena Investors to achieve operating leverage as the business grows

Arena FINCOs

- **Arena FINCOs' Q3 2021 Net Loss was \$0.8 million (-0.4% net investment return) compared to Q3 2020 Net Income of \$0.4 million (+0.2% net investment return); YTD Q3 2021 Net Income was \$9.3 million (+5.8% net investment return) compared to YTD Q3 2020 Net Loss of \$1.6 million (-0.9% net investment return)**
 - At September 30, 2021, the fair value of Arena FINCOs was \$172.3 million compared to \$173.1 million at June 30, 2021 and \$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 133% of Arena FINCOs net assets

Westaim

- **Westaim's Q3 2021 Net Profit was \$1.6 million compared to Q3 2020 Net Profit of \$0.6 million; YTD Q3 2021 Net Profit of \$21.6 million; YTD Q3 2020 Net Loss of \$20.0 million**
 - Westaim's Adjusted Net Profit excluding unusual items was \$1.6 million in Q3 2021 compared to \$0.9 million in Q3 2020; and YTD Q3 2021 Adjusted Net Profit of \$22.3 million compared to \$0.1 million YTD Q3 2020
 - GAAP earnings per share in Q3 2021 of \$0.01 compared to Q3 2020 of \$0.00; GAAP earnings per share in YTD Q3 2021 of \$0.15 compared to YTD Q3 2020 loss per share of \$0.14
 - At September 30, 2021, Westaim's book value was \$342.1 million or \$2.39 (C\$3.02) per share compared to December 31, 2020 book value of \$320.5 million or \$2.24 (C\$2.85) per share

Westaim Summary Quarterly Operating Results

| Operating result (Currency amounts in millions of US\$ except per share data) | Three months ended September 30 | | Nine months ended September 30 | |
|--|------------------------------------|----------------|-----------------------------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Income from investment in Arena FINCOs and ASOF | (\$0.8) | \$0.5 | \$9.5 | (\$1.5) |
| Income from investment in Skyward Specialty excluding unusual items | 3.0 | 3.6 | 12.2 | 5.4 |
| Income (loss) from investment in Arena Investors | 1.0 | (0.3) | 4.2 | (1.5) |
| Income (loss) from investments excluding unusual items | \$3.2 | \$3.8 | \$25.9 | \$2.4 |
| Holding company operating expenses | (\$1.6) | (\$1.4) | (\$5.0) | (\$4.3) |
| Preferred securities interest expense | (0.5) | (0.5) | (1.5) | (1.4) |
| Interest and fee income | 0.6 | 0.5 | 1.8 | 1.6 |
| Net holding company operating and interest expenses | (\$1.5) | (\$1.4) | (\$4.7) | (\$4.1) |
| Share-based compensation (expense) recovery | (0.2) | (0.8) | (1.0) | 0.4 |
| Foreign exchange (loss) gain | (0.2) | (0.4) | (0.9) | 0.5 |
| Site restoration recovery | - | - | 2.6 | - |
| Derivative warrants - change in fair value (loss) gain | 0.3 | (0.3) | 0.4 | 1.0 |
| Total net holding company expenses | (\$1.6) | (\$2.9) | (\$3.6) | (\$2.2) |
| Income tax expense | - | - | - | (0.1) |
| Adjusted profit and comprehensive income (loss) excluding unusual items | \$1.6 | \$0.9 | \$22.3 | \$0.1 |
| Westaim's share of unusual items* | - | (0.3) | (0.7) | (20.1) |
| GAAP profit (loss) and comprehensive income (loss) | \$1.6 | \$0.6 | \$21.6 | (\$20.0) |
| GAAP earning (loss) per share-diluted | \$0.01 | \$0.00 | \$0.15 | (\$0.14) |
| Adjusted earning (loss) per share-diluted excluding unusual items | \$0.01 | \$0.01 | \$0.16 | (\$0.01) |

- GAAP profit and comprehensive income in Q3 2021 was \$1.6 million (\$0.01 per share) compared to a GAAP profit and comprehensive income of \$0.6 million (\$0.00 per share) in Q3 2020
- Skyward Specialty reported slightly higher underwriting income in Q3 2021 of \$4.5 million vs. \$4.1 million in Q3 2020 despite elevated catastrophes
- Skyward Specialty recorded \$6.8 million of investment income in Q3 2021, a significant improvement vs. \$5.8 million in Q3 2020
- Arena FINCOs' and ASOF's diversified and uncorrelated portfolios reduced Westaim's income by (\$0.8) million in the quarter with a -0.4% net investment return vs. 0.2% in Q3 2020
- Arena Investors increased fee-paying AUM to \$2.0 billion at September 30, 2021 vs. \$1.2 billion at September 30, 2020 resulting in higher management and service fee revenue
- Arena Investors also produced solid investment returns in Q3 2021, which combined with invested AUM resulted in a significant increase in incentive fee income in the quarter over the prior year

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

Westaim Summary Statement of Financial Position

| As at (Currency amounts in millions of US\$ except per share data) | September 30, 2021 | June 30, 2021 | December 31, 2020 |
|---|--------------------|--------------------|--------------------|
| Assets | | | |
| Cash | \$8.7 | \$9.7 | \$8.7 |
| Other assets | 0.7 | 1.5 | 1.7 |
| Investment in Skyward Specialty | 192.3 | 189.3 | 180.8 |
| Investment in Arena FINCOs | 172.3 | 173.1 | 163.0 |
| Investment in Arena Investors | 20.4 | 19.4 | 20.2 |
| Investment in ASOF | 3.1 | 3.1 | 2.9 |
| Total Assets | \$397.5 | \$396.1 | \$377.3 |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$12.7 | \$11.7 | \$11.3 |
| Preferred securities | 39.5 | 40.3 | 39.2 |
| Derivative warrant liability | 0.6 | 0.9 | 1.0 |
| Site restoration provision | 2.2 | 2.3 | 4.9 |
| Deferred tax liability | 0.4 | 0.4 | 0.4 |
| Total Liabilities | \$55.4 | \$55.6 | \$56.8 |
| Shareholders' equity | 342.1 | 340.5 | 320.5 |
| Total liabilities and shareholders' equity | \$397.5 | \$396.1 | \$377.3 |
| Number of common shares outstanding | 143,186,718 | 143,186,718 | 143,186,718 |
| Book value per share - in US\$¹ | \$2.39 | \$2.38 | \$2.24 |
| Book value per share - in C\$¹ | C\$3.02 | C\$2.95 | C\$2.85 |

- Book value per share increased US\$0.01 (+0.4%) in Q3 2021 and US\$0.15 (+6.7%) YTD Q3 2021
- In Q3 2021, the fair value of investments increased \$3.2 million to \$388.1 million over Q2 2021
- Skyward Specialty's valuation increased due to strong net income recorded in the Q3 2021 from underwriting and investment income (valuation multiple of 1.0x adjusted book value remained unchanged in Q3 2021 from Q4 2020)
- Arena FINCOs' valuation has increased from Q4 2020 with a net investment return of 5.8%

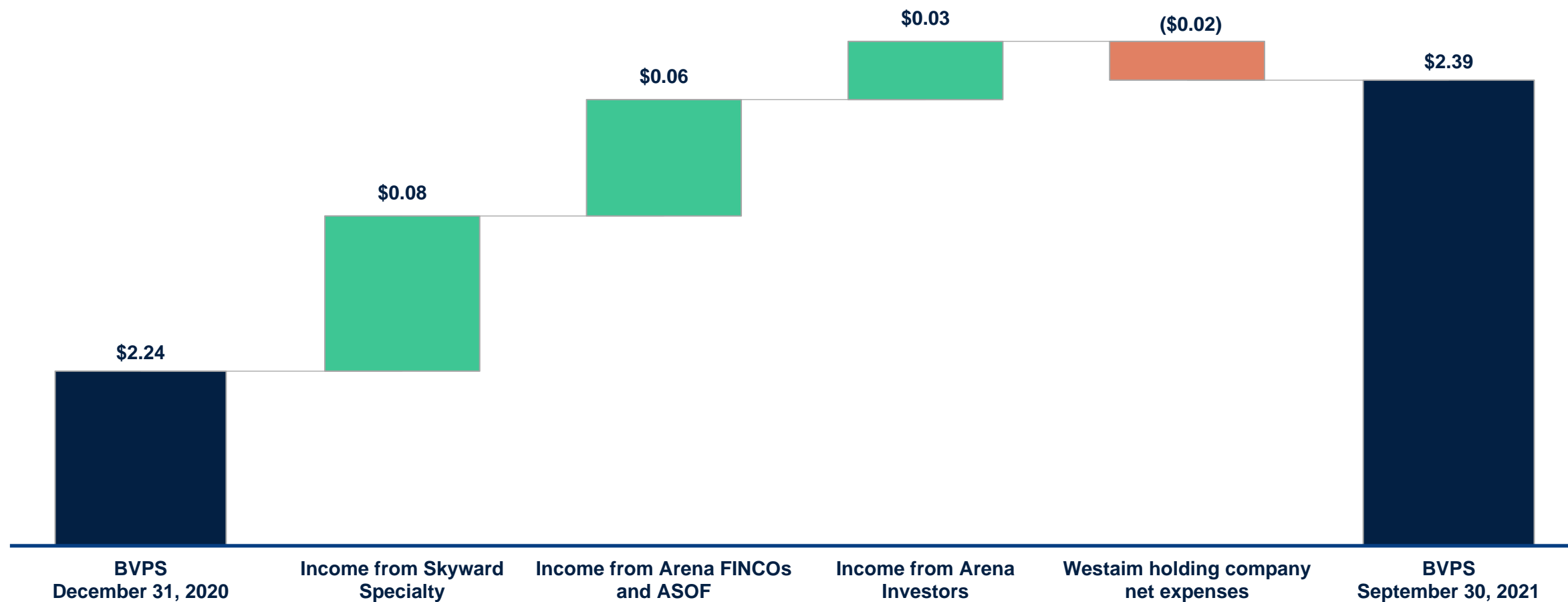
(1) Period end exchange rates: \$1.26585 at September 30, 2021, 1.24095 at June 30, 2021 and \$1.27395 at December 31, 2020.

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



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

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



Any terms not defined in this document are defined in Westaim's September 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
- 389 employees as of September 30, 2021 across 12 offices

Select Financial Metrics

| (US\$ millions) | YTD Q3 2021 ⁽¹⁾ | FY 2020 ⁽¹⁾ |
|--|-------------------------------|---------------------------|
| Select Income Statement Metrics | | |
| Gross written premium | \$716 | \$874 |
| Net written premium | 370 | 413 |
| Pre-tax income | 46 | 23 |
| Net income | 36 | 18 |
| Combined ratio | 94.7% | 96.2% |
| Select Balance Sheet Metrics | | |
| Cash and invested assets | \$1,017 | \$879 |
| Total assets | 2,124 | 1,953 |
| Total liabilities | 1,698 | 1,559 |
| Adjusted stockholders' equity ⁽²⁾ | 436 | 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 Q3 2020, development subject to the LPT or other unusual items. Adjusted to conform to the presentation of the current year. Refer to Westaim's MD&A at September 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 September 30, 2021 and December 31, 2020 for further details.

SUMMARY STATEMENTS OF OPERATIONS



| | Three months ended September 30 | | Nine months ended September 30 | |
|--|------------------------------------|----------------|-----------------------------------|-----------------|
| (Currency amounts in millions of US\$) | 2021 | 2020 | 2021 | 2020 |
| Gross written premium (GWP) | \$215.1 | \$191.4 | \$715.7 | \$677.3 |
| Net written premium (NWP) | \$123.8 | \$99.8 | \$369.9 | \$310.7 |
| Net earned premium | \$123.4 | \$101.8 | \$339.3 | \$294.7 |
| Commission and fee income | 1.1 | 2.8 | 2.9 | 5.2 |
| Less: Losses and LAE excluding LPT ⁽¹⁾ | (83.6) | (73.7) | (229.0) | (208.8) |
| Less: Policy acquisition costs | (12.4) | (6.8) | (25.4) | (18.3) |
| Less: Other operating expenses ⁽¹⁾ | (24.0) | (20.0) | (69.7) | (62.6) |
| Underwriting result excluding LPT⁽¹⁾ | \$4.5 | \$4.1 | \$18.1 | \$10.2 |
| Net investment income | \$8.0 | \$4.1 | \$23.0 | \$10.5 |
| Net realized and unrealized gains (losses) | (1.2) | 1.7 | 9.4 | (9.0) |
| Investment income | \$6.8 | \$5.8 | \$32.4 | \$1.5 |
| Interest expense | (\$1.2) | (\$1.2) | (\$3.6) | (\$4.4) |
| Amortization expense | (0.4) | (0.3) | (1.2) | (1.2) |
| Income before taxes excluding unusual items | \$9.7 | \$8.4 | \$45.7 | \$6.1 |
| Income tax expense | (2.0) | (1.7) | (9.5) | (1.1) |
| Net income excluding unusual items | \$7.7 | \$6.7 | \$36.2 | \$5.0 |
| Impact of LPT, net of tax | - | - | - | (43.7) |
| Other net expenses, net of tax | - | (0.3) | - | (2.2) |
| Goodwill impairment, net of tax | - | - | (1.5) | - |
| Net income (loss) | \$7.7 | \$6.4 | \$34.7 | (\$40.9) |
| Total other comprehensive (loss) income | (1.4) | 0.2 | (5.4) | 6.6 |
| Comprehensive income (loss) | \$6.3 | \$6.6 | \$29.3 | (\$34.3) |
| Other Select Financial Information | | | | |
| Loss ratio excluding LPT ⁽¹⁾ | 67.8% | 72.4% | 67.5% | 70.8% |
| Expense ratio | 28.6% | 23.5% | 27.2% | 25.7% |
| Combined ratio⁽¹⁾ | 96.4% | 95.9% | 94.7% | 96.5% |
| Combined ratio excluding CAT ⁽¹⁾ | 91.6% | 92.6% | 92.0% | 95.3% |

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 12.4% in Q3 2021 vs. Q3 2020 and NWP increased 24.1% in Q3 2021 vs. Q3 2020
- NWP increase for the continuing business, which excludes businesses exited by the company as its portfolio was repositioned over the past year, was 43.4% in Q3 vs Q3 2020 and 38.2% in YTD 2021 vs YTD 2020
- We believe the growth of the continuing business, which is now 94% of the Q3 NWP, are leading indicators of future margin expansion given the earnings profile of continuing business compared to those discontinued over the past year

Underwriting Profitability

- Underwriting result was \$4.5 million in Q3 2021 vs. \$4.1 million in Q3 2020
- The combined ratio of 96.4% in Q3 2021 compared to 95.9% in Q3 2020 was impacted by catastrophe losses
- Strategic actions taken over the past year are reflected in the combined ratio excluding catastrophes of 91.6% in Q3 2021 compared to 92.6% in Q3 2020

Investment Performance

- For Q3 2021 the investment portfolio performed solidly, generating \$6.8 million of Investment Income as the investment portfolio strategy has been enhanced

Other Items

- Other comprehensive loss of \$1.4 million (\$5.4 million YTD) relates to the after-tax change in the carrying value of the fixed income portfolio

(1) Does not include charges related to the Loss Portfolio Transfer ("LPT") transaction completed in Q3 2020, development subject to LPT or other unusual items. See Westaim's Q3 2021 MD&A for details.

SUMMARY BALANCE SHEETS



| As at (Currency amounts in millions of US\$) | September 30, 2021 | June 30, 2021 ⁽¹⁾ | December 31, 2020 ⁽¹⁾ |
|---|--------------------|------------------------------|----------------------------------|
| Investments | \$925.0 | \$858.4 | \$766.6 |
| Cash and restricted cash | 91.5 | 94.0 | 112.0 |
| Insurance related assets | 981.0 | 1,013.8 | 947.3 |
| Deferred tax asset | 33.3 | 35.1 | 41.1 |
| Goodwill and intangible assets | 93.1 | 93.5 | 86.2 |
| Total assets | \$2,123.9 | \$2,094.8 | \$1,953.2 |
| Insurance related liabilities | \$1,567.4 | \$1,547.2 | \$1,430.0 |
| Payable for securities purchased | 1.9 | - | 0.1 |
| Notes payable | 50.0 | 50.0 | 50.0 |
| Trust preferred securities | 78.5 | 78.5 | 78.4 |
| Total liabilities | \$1,697.8 | \$1,675.7 | \$1,558.5 |
| Stockholders' equity | \$435.7 | \$429.1 | \$405.5 |
| Stock notes receivable | (9.6) | (10.0) | (10.8) |
| Total stockholders' equity | \$426.1 | \$419.1 | \$394.7 |
| Total liabilities and stockholders' equity | \$2,123.9 | \$2,094.8 | \$1,953.2 |

(1) Adjusted to conform to the presentation of the current period.

- Adjusted stockholders' equity increased to \$435.7 million or 7.4% from Q4 2020 primarily reflecting income of \$34.7 million partially offset by \$5.4 million of unrealized losses on the fixed income portfolio
- 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 backing up near the end of the quarter, the core fixed income portfolio experienced \$1.6 million of unrealized losses before tax in Q3 2021 (\$1.4 million after tax) that were recorded in AOCI, bringing the unrealized losses on fixed income for the nine months ending September 30, 2021 to \$6.6 million (\$5.4 million after tax)
- Skyward Specialty's financial position remains strong, with a debt to capitalization of 23.2% as at September 30, 2021 positioning the company for growth

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

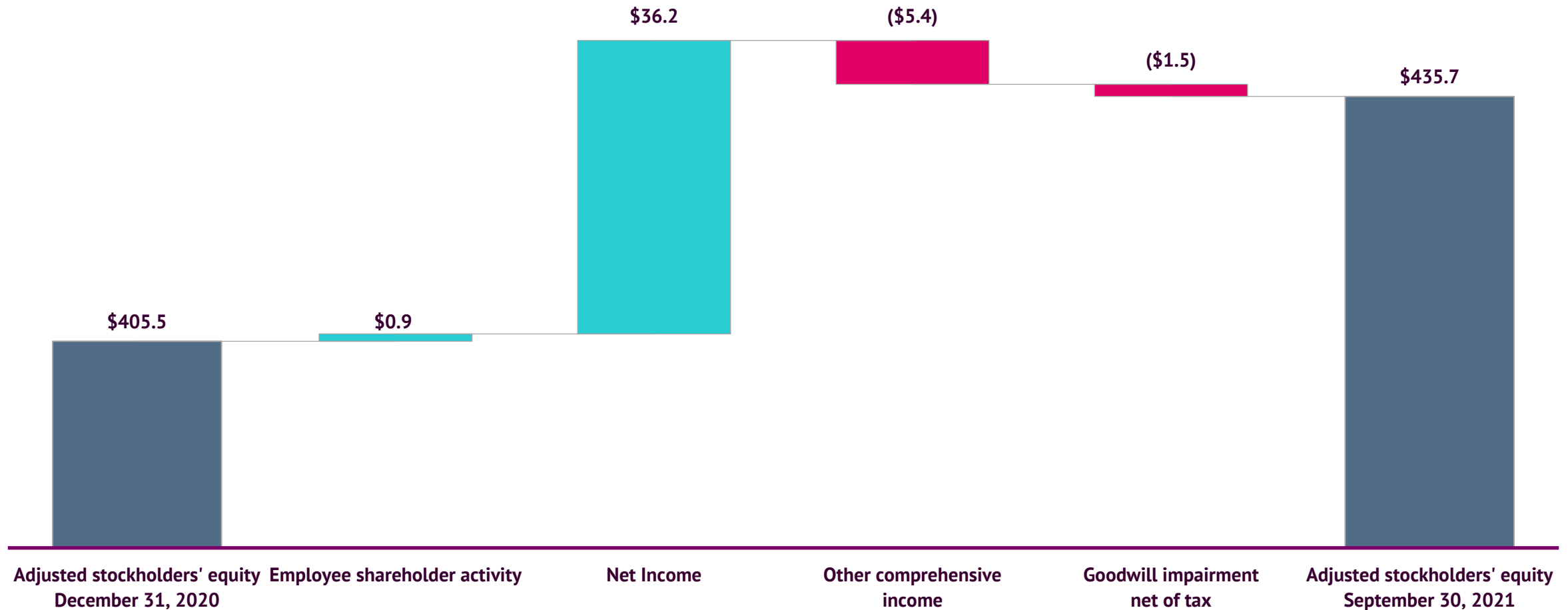


Currency amounts in millions of US\$

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

(1) The adjusted stockholders' equity of Skyward Specialty as at September 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 September 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 NINE MONTHS ENDED SEPTEMBER 30, 2021⁽¹⁾

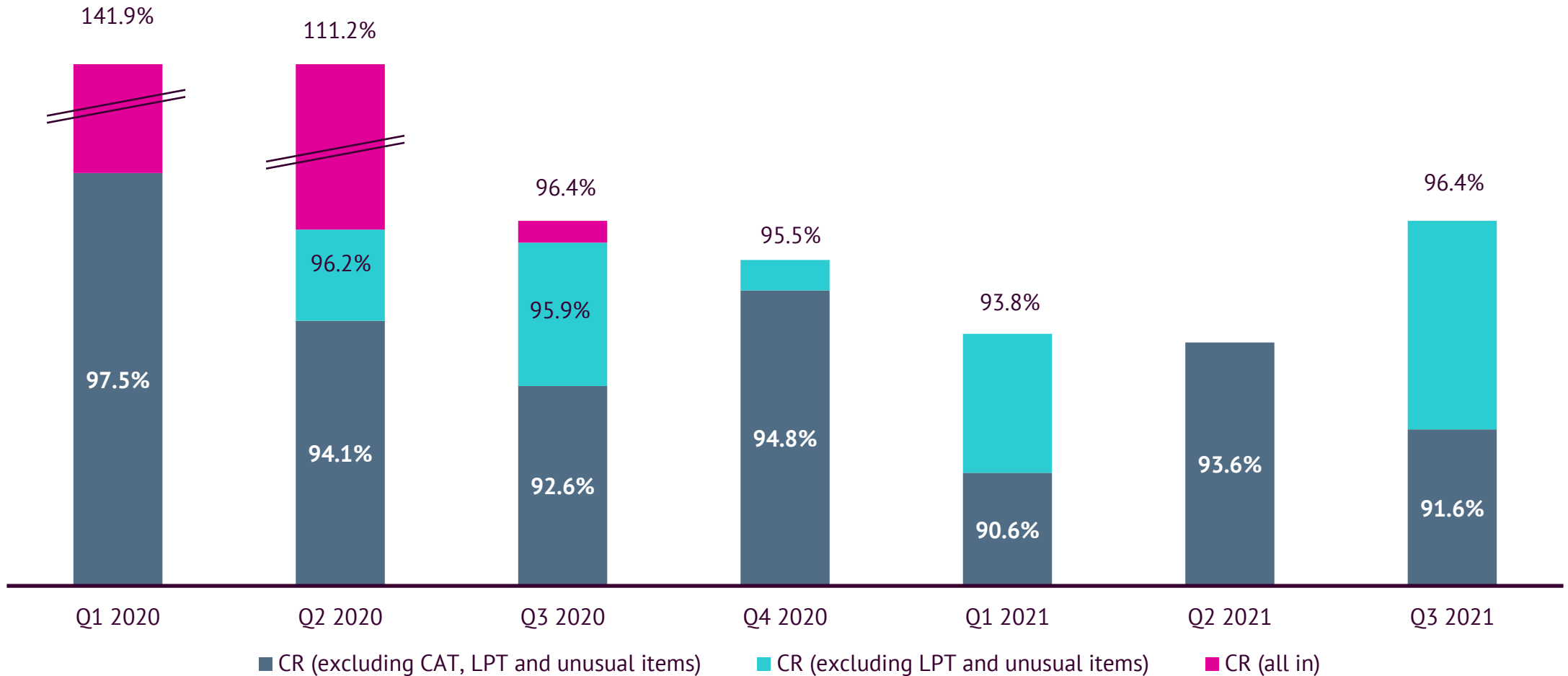


Currency amounts in millions of US\$

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

(1) The adjusted stockholders' equity of Skyward Specialty as at September 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 September 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.

COMBINED RATIO PROGRESSION⁽¹⁾

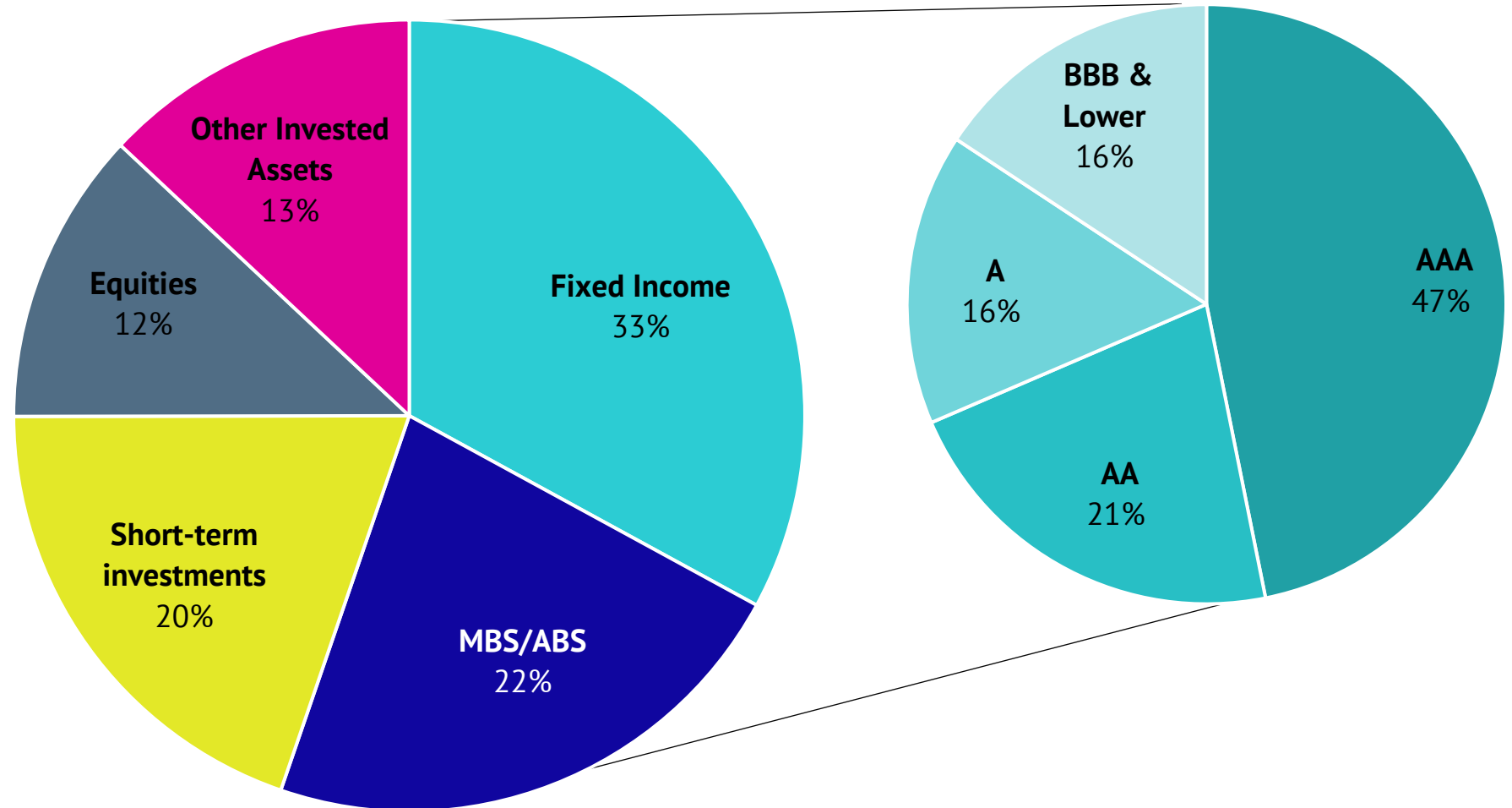


(1) Does not include charges related to the Loss Portfolio Transfer ("LPT") transaction completed in Q3 2020, development subject to LPT or other unusual items. See Westaim's Q3 2021 MD&A for details.

CONSERVATIVE INVESTMENT PORTFOLIO



- The total investment portfolio⁽¹⁾ of approximately \$923 million
- Duration of ~2.8 years
- The tax equivalent annualized yield ~2.7%
- Equity portfolio is primarily large-cap value common equities and domestic preferred securities
- Other invested assets are comprised of collateralized loans, limited partnerships and equity interests



(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

September 30, 2021

Seeing What's Possible



ABOUT ARENA INVESTORS

\$2.65B

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, Melbourne,
Singapore and London⁽²⁾

~\$3.1B

deployed into 282 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 employee capital, co-invest, and capital committed but not yet deployed as of October 1, 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

- ~\$3.1B deployed into 282 privately negotiated transactions
- 143 exited privately negotiated investments with a realized IRR of 17.50%⁽¹⁾
- The portfolio has had positive results in 66 of the 72 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 ~55% from Dec 31, 2015 to October 1, 2021
- \$2.65 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. 140 active positions have an underwritten IRR of 17.24% and a current IRR of 14.57%. 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 9/30/2021. The current IRR may not be representative of the realized IRR upon exit of each investment, which may increase or decrease.

2. Through September 30, 2021 and based on composite performance, see disclosures on slide 24. Past performance is not indicative of future performance. Actual results may vary.

3. AUM as of October 1, 2021 and includes undrawn commitments for closed-end, SMA, and Excess Capacity Funds (New Zealand Real Estate Credit Partners I and II).



| (US dollars in millions) | Q3 2021 | Q3 2020 | YTD Q3 2021 | YTD Q3 2020 |
|--------------------------|---------|---------|----------------|----------------|
|--------------------------|---------|---------|----------------|----------------|

Recurring Income

| | | | | |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Management Fees | \$ 6.4 | \$ 3.9 | \$ 16.8 | \$ 11.5 |
| Servicing Fees | 1.9 | 1.1 | 4.9 | 3.3 |
| Other Income | 0.1 | 0.1 | 0.3 | 0.2 |
| Recurring Income | \$ 8.4 | \$ 5.1 | \$ 22.0 | \$ 15.0 |
| Operating Expenses | (8.8) | (6.6) | (24.6) | (18.1) |
| Fee Related Earnings (Loss) | \$ (0.4) | \$ (1.5) | \$ (2.6) | \$ (3.1) |

Incentive Income

| | | | | |
|---|---------------|---------------|----------------|---------------|
| Incentive Fees | \$ 5.7 | \$ 2.9 | \$ 19.0 | \$ 3.6 |
| Incentive Fee Compensation ¹ | (3.0) | (1.8) | (6.9) | (2.6) |
| Net Incentive Fees | \$ 2.7 | \$ 1.1 | \$ 12.1 | \$ 1.0 |

Net Income

| | | | | |
|--------------------------|---------------|-----------------|---------------|-----------------|
| EBITDA | \$ 2.3 | \$ (0.4) | \$ 9.5 | \$ (2.1) |
| Depreciation | (0.0) | (0.0) | (0.1) | (0.1) |
| Interest Expense | (0.3) | (0.3) | (1.1) | (0.8) |
| Net Income (Loss) | \$ 2.0 | \$ (0.7) | \$ 8.3 | \$ (3.0) |

1. Arena is under no contractual obligation (past or future) to pay Incentive Fees earned to employees.

Q3 2021 Results:

- Net profit was \$2.0 million for Q3 2021 and \$8.3 million for YTD Q3 2021, compared to a (\$0.7) million loss in Q3 2020 and a (\$3.0) million loss for YTD Q3 2020.
- Management Fee revenue was \$6.4 million for Q3 2021 and \$16.8 million for YTD Q3 2021, compared to \$3.9 million for Q3 2020 and \$11.5 million for YTD Q3 2020.
- Service Fee revenue was \$1.9 million for Q3 2021 and \$4.9 million for YTD Q3 2021, compared to \$1.1 million for Q3 2020 and \$3.3 million for YTD Q3 2020.
- Net incentive income was \$2.7 million for Q3 2021 and \$12.1 million for YTD Q3 2021, compared to \$1.1 million for Q3 2020 and \$1.0 million for YTD Q3 2020.
- Recurring revenue is growing. With recurring revenue approximately covering operating expenses, Arena Investors 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.



\$2.65B UNDER MANAGEMENT, \$1.96B DEPLOYED*

ARENA FULLY DIVERSIFIED
STRATEGY \$1.96B, \$1.64B
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
\$0.41B, \$0.24B DEPLOYED

New Zealand
Real Estate Credit

Separately Managed Accounts

STABLE INCOME STRATEGIES
\$0.28B, \$0.08B 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.

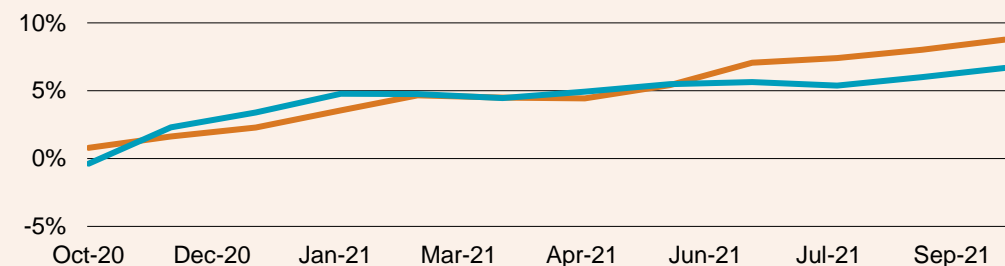
* The assets under management includes employee capital, co-invest, and capital committed but not yet deployed (except where noted) as of October 1, 2021.



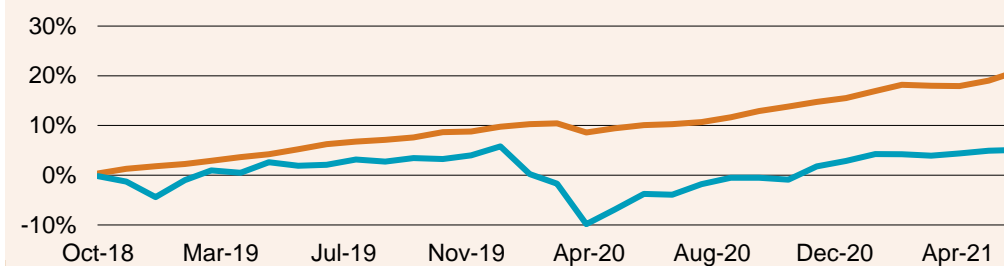
ARENA
INVESTORS LP

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.

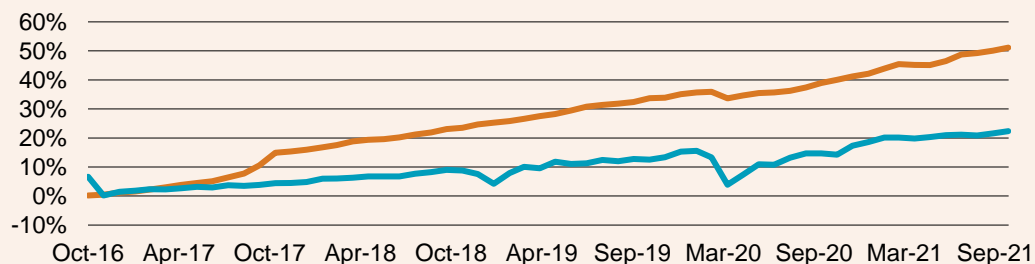
OCTOBER 2020 – SEPTEMBER 2021



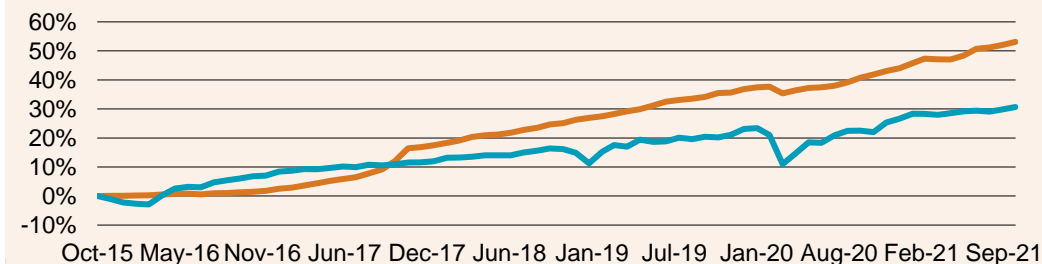
3 YEARS



5 YEARS



SINCE INCEPTION



— Arena Composite — LSTA Leveraged Loan 100 Index

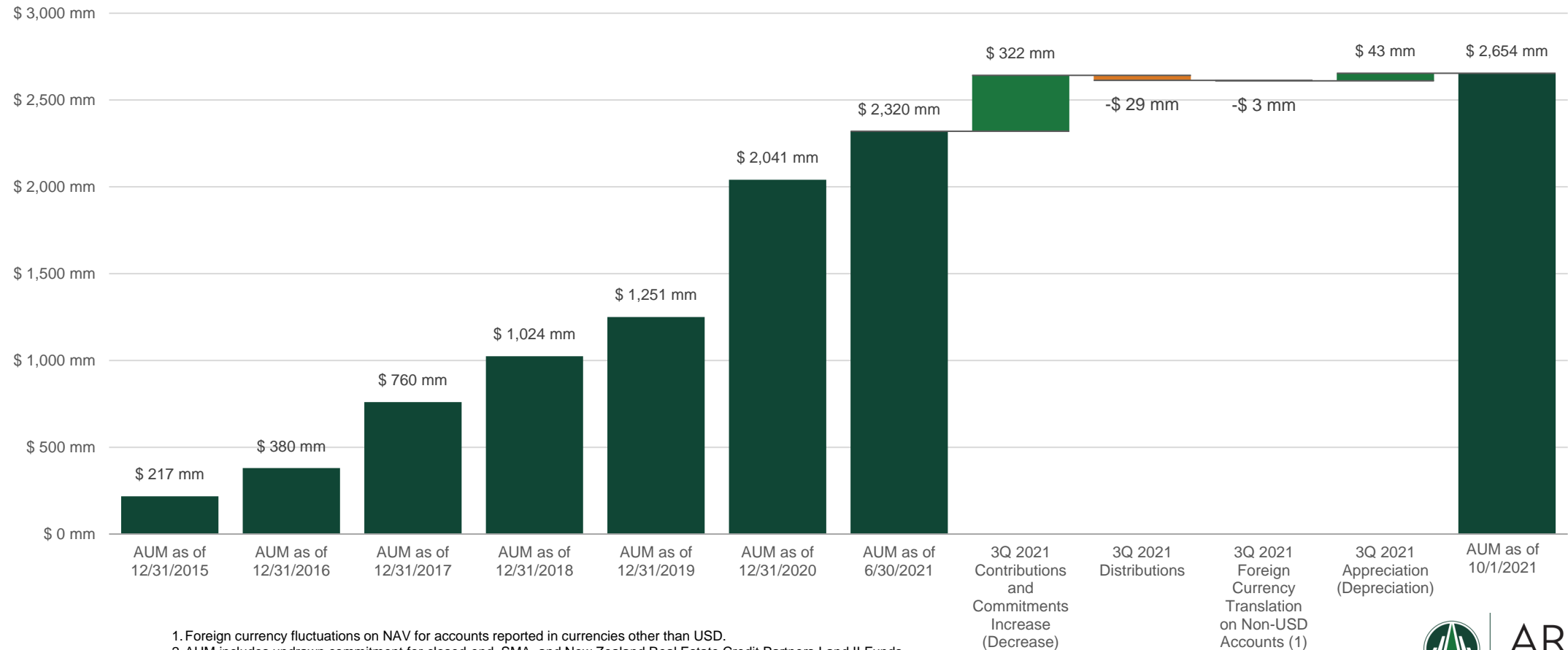
1. This composite is comprised of one onshore open-ended fund and one offshore open-ended fund, which commenced operations on October 1, 2015 and March 1, 2016, respectively. For the period from March 1, 2016 until September 30, 2018, the offshore fund received an expense subsidy for monthly expenses 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
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Arena Group's assets under management (including undrawn commitments) grew \$329 million in Q3. From December 31, 2015 to October 1, 2021 AUM has grown at a CAGR of ~55%.

Arena Investors – Assets Under Management Through 10/1/2021²



ARENA
INVESTORS LP

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 Q3 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

| (Currency amounts in millions of US\$) | Three months ended September 30, 2021 | | Nine months ended September 30, 2021 | |
|--|--|--------------|---|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Investment income | \$2.6 | \$1.8 | \$5.6 | \$5.4 |
| Net gain (losses) on investments | (1.1) | (0.1) | 11.1 | (2.9) |
| Interest expense | (0.9) | - | (2.6) | - |
| Net investment income | \$0.6 | \$1.7 | \$14.1 | \$2.5 |
| Operating expenses: | | | | |
| Management and asset servicing fees | (1.1) | (1.0) | (3.2) | (3.2) |
| Incentive fees | 0.1 | - | (0.8) | (0.1) |
| Other operating expenses | (0.4) | (0.2) | (0.7) | (0.6) |
| Net performance of Arena FINCOs* | (\$0.8) | \$0.5 | \$9.4 | (\$1.4) |
| Advisory fees paid to the Company | - | - | (0.1) | (0.1) |
| Holding companies' expenses | - | (0.1) | - | (0.1) |
| Net operating results of the Arena FINCOs | (\$0.8) | \$0.4 | \$9.3 | (\$1.6) |
| Gross investment return | 0.4% | 1.0% | 8.7% | 1.3% |
| Net investment return* | (0.4%) | 0.2% | 5.8% | (0.9%) |

- Q3 2021 Net Loss was \$0.8 million (-0.4% net investment return) compared to Q3 2020 Net Income of \$0.4 million (+0.2% net investment return); Investment income for Q3 2021 was solid, partially offset by unrealized investment losses in the quarter, a small retracement from substantial investment gains in the first half of the year
- YTD Q3 2021 Net Income was \$9.3 million (+5.8% net investment return) compared to YTD Q3 2020 Net Loss of \$1.6 million (-0.9% net investment return); YTD 2021 performance continues to be strong, and with proper financing now in place, we are very comfortable with the positioning of the FINCOs portfolio as we move into Q4 2021 and 2022

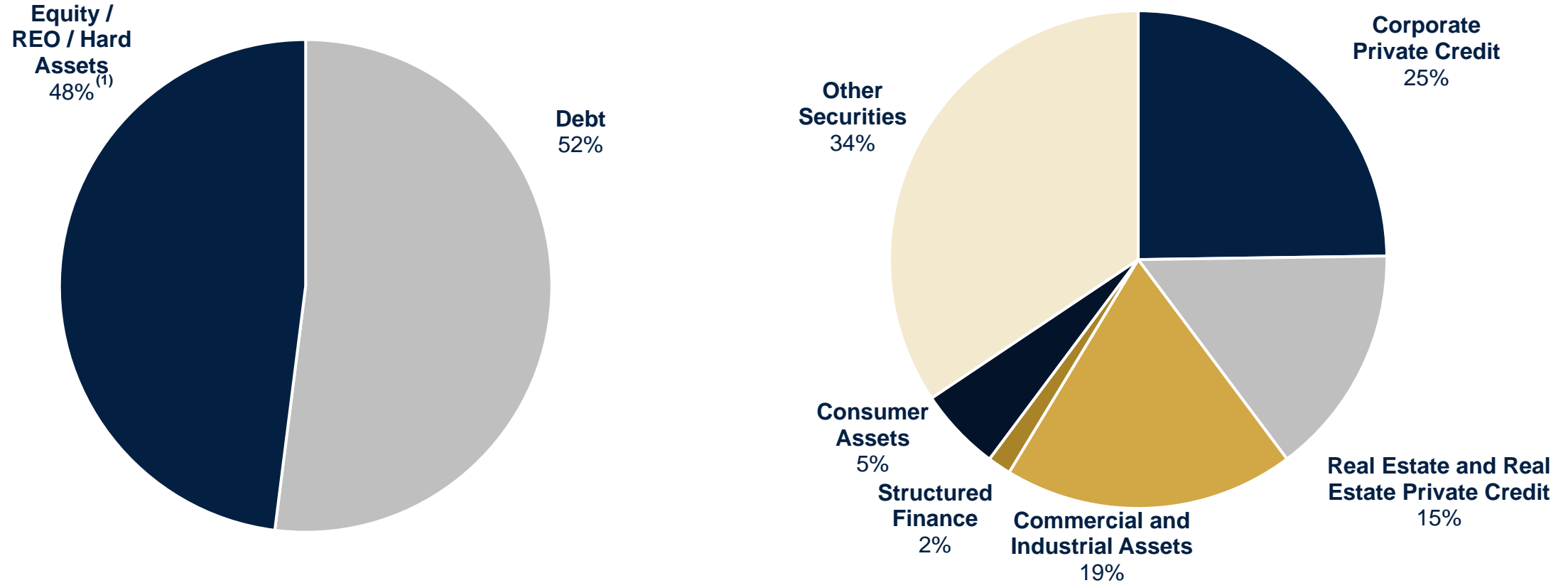
* Net investment return does not include certain corporate level advisory fees and interest paid to Westaim, and other corporate level expenses.

Arena FINCOs: Summary of Net Assets

| Fair Value (Currency amounts in millions of US\$) | September 30, 2021 | June 30, 2021 | December 31, 2020 |
|--|--------------------|----------------|-------------------|
| Cash and cash equivalents | \$9.1 | \$22.3 | \$21.4 |
| Due from brokers, net | (25.6) | (24.3) | (5.5) |
| Investments: | | | |
| Corporate Private Credit | 56.9 | 53.8 | 46.2 |
| Real Estate Private Credit and Real Estate Assets | 34.5 | 37.8 | 49.9 |
| Commercial and Industrial Assets | 43.4 | 41.1 | 30.8 |
| Structured Finance | 3.5 | 4.5 | 5.2 |
| Consumer Assets | 12.4 | 13.7 | 13.8 |
| Other Securities | 79.0 | 61.7 | 34.4 |
| Total Investments | \$229.7 | \$212.6 | \$180.3 |
| Senior secured notes payable | (\$43.6) | (\$43.5) | (\$43.4) |
| Other net assets | 2.7 | 6.0 | 10.2 |
| Net assets of the Arena FINCOs | \$172.3 | \$173.1 | \$163.0 |
| Changes in Investment in Arena FINCOs | Q3 2021 | Q2 2021 | FY 2020 |
| Opening balance | \$173.1 | \$170.4 | \$205.8 |
| Return of capital to Westaim | - | - | (20.0) |
| Dividends paid to Westaim | - | - | (22.7) |
| Net operating results of the Arena FINCOs | (0.8) | 2.7 | (0.1) |
| Ending balance | \$172.3 | \$173.1 | \$163.0 |

- Proceeds from the bond offering continue to be invested, with Arena FINCOs total investments increasing 27.4% in YTD Q3 2021 from \$180.3 million at Q4 2020 to \$229.7 million at Q3 2021
- The lower cash balance at September 30, 2021 is partially the result of the effective use of the new revolving credit facility
- The composition of the portfolio, with 48% in equity/REO/hard assets, contributes to fair market value volatility of the valuation of these invested assets through unrealized net gains (losses) of investments on the operating result

Arena FINCOs: Portfolio breakdown as at September 30, 2021



Arena FINCOs held 226 positions at September 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.

Future Events:

Q4 2021 Investor Presentation Expected Release: March 24, 2022



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