



Skyward Specialty Announces Pricing of Upsized Initial Public Offering

Note: All dollar amounts in this press release are expressed in U.S. dollars, except as otherwise noted.

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Toronto, Canada – January 12, 2023 – The Westaim Corporation (“**Westaim**” or the “**Company**”) (TSXV: WED) is pleased to announce that Skyward Specialty Insurance Group, Inc.TM (“**Skyward Specialty**”) has priced its upsized initial public offering (the “**IPO**” or the “**offering**”) of 8,952,383 shares of its common stock, with 4,750,000 common shares being offered by Skyward Specialty and 4,202,383 common shares being sold by selling stockholders, at a public offering price of \$15.00 per share. The underwriters have a 30-day option to purchase up to an additional 1,342,857 common shares from the selling shareholders at the public offering price, less underwriting discounts and commissions. The offering is expected to close on or about January 18, 2023, subject to customary closing conditions. The shares are expected to begin trading on January 13, 2023 on the Nasdaq Global Select Market (the “**NASDAQ**”) under the ticker symbol “SKWD.”

Skyward Specialty's principal purposes of the offering are to increase its capitalization and financial flexibility and create a public market for its common shares, thereby enabling access to the public equity markets for Skyward Specialty and its stockholders. In addition, Skyward Specialty intends to use a portion of the net proceeds from this offering to make capital contributions to its insurance company subsidiaries to support the growth of its business, using the remainder for general corporate purposes. Skyward Specialty will not receive any proceeds from any sale of common shares by the selling stockholders.

Barclays Capital Inc. and Keefe, Bruyette & Woods, Inc. are acting as joint lead book-running managers for the proposed offering. Piper Sandler & Co., JMP Securities, A Citizens Company, Truist Securities, Inc., and Raymond James & Associates, Inc., are acting as joint book-running managers for the proposed offering. Academy Securities, Inc. and Siebert Williams Shank & Co., LLC, are acting as co-managers for the proposed offering.

A registration statement relating to these securities has been filed with and declared effective on January 12, 2023, by the Securities and Exchange Commission. Accordingly, the offering will be made only by means of a prospectus. A copy of the final prospectus related to the offering will be filed with the Securities and Exchange Commission, and may be obtained, when available, from the prospectus departments of Barclays Capital Inc., c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 (telephone: (888) 603-5847 or email: Barclaysprospectus@broadridge.com) or Keefe, Bruyette & Woods, Inc., 787 Seventh Avenue, 4th Floor, New York, New York 10019, Attention: Equity Capital Markets (telephone: (800) 966-1559 or email: kbwsyndicatedesk@kbw.com).

Preceding the IPO, a 4-for-1 reverse stock split described in Skyward Specialty's S-1 was affected and all Skyward Specialty preferred shares were mandatorily converted into Skyward Specialty common shares. Accordingly, preferred shares owned by Westaim were converted into 7,285,359 common shares. As a result, post-IPO, Westaim will own 7,281,780 common shares through its look-through interest in the Westaim HIIG Limited Partnership and 7,285,359 common shares directly, totaling 14,567,139 common shares or approximately 39% of the outstanding Skyward Specialty common shares.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state or jurisdiction.

Cautionary Note and Forward-Looking Statements

This news release contains certain forward-looking information within the meaning of applicable Canadian securities laws (“**forward-looking statements**”). All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements include those relating to the expected closing date of the IPO, the date the Skyward Specialty shares are expected to trade on NASDAQ, the intended use by Skyward Specialty of the net proceeds of the IPO and Westaim's indirect interest in Skyward Specialty post-IPO. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “achieve”, “could”, “believe”, “plan”, “intend”, “objective”, “continuous”, “ongoing”, “estimate”, “outlook”, “expect”, “project” and similar words, including negatives

thereof, suggesting future outcomes or that certain events or conditions "may" or "will" occur. These statements are only predictions.

Forward-looking statements are based on the opinions and estimates of management at the date the statements are made based on information then available to the Company and Skyward Specialty. Various factors and assumptions are applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements including past practice of the Company and Skyward Specialty. Forward-looking statements are subject to and involve a number of known and unknown, variables, risks and uncertainties, many of which are beyond the control of the Company and Skyward Specialty, which may cause actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Such factors, among other things, include those related to the business objectives of the Company and Skyward Specialty.

No assurance can be given that the expectations reflected in forward-looking statements will prove to be correct. Although the forward-looking statements contained in this news release are based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements contained in this news release. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to, risks relating to the IPO not being timely completed, if completed at all, in the manner or on the terms anticipated, including due to unfavorable market or other conditions or factors; risks related to the receipt of (or failure to receive) approvals required in connection with the IPO and the timing of receipt of such approvals; as well as the risks and uncertainties contained under the heading "Risk Factors" in the Company's annual information form for its fiscal year ended December 31, 2021 filed on its profile on SEDAR at www.sedar.com. The Company does not assume any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable laws.

About Westaim

Westaim is a Canadian investment company specializing in providing long-term capital to businesses operating primarily within the global financial services industry. The Company invests, directly and indirectly, through acquisitions, joint ventures and other arrangements, with the objective of providing its shareholders with capital appreciation and real wealth preservation. Westaim's strategy is to pursue investment opportunities with a focus towards the financial services industry and grow shareholder value over the long term. Westaim's investments include significant interests in Skyward Specialty, Arena Investors and Arena FINCOs. Arena FINCOs and Arena Investors are defined in the notes to Westaim's audited consolidated financial statements for the year ended December 31, 2021 and 2020 and the MD&A. Westaim's Common Shares are listed on the TSX Venture Exchange under the trading symbol "WED".

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About Skyward Specialty

Skyward Specialty is a rapidly growing specialty insurance company, delivering commercial property and casualty products and solutions on a non-admitted and admitted basis. Skyward Specialty operates through eight underwriting divisions - Accident & Health, Captives, Global Property, Industry Solutions, Professional Lines, Programs, Surety and Transactional E&S.

Skyward Specialty's subsidiary insurance companies consist of Houston Specialty Insurance Company, Imperium Insurance Company, Great Midwest Insurance Company, and Oklahoma Specialty Insurance Company. These insurance companies are rated A- (Excellent) by A.M. Best Company.

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