



## **Westaim Announces Intended Redemption of Preferred Securities**

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

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Toronto, Canada – June 12, 2023 – Further to its press release of June 12, 2023 announcing the closing of the underwritten secondary public offering (the “**Offering**”) of shares of common stock of Skyward Specialty Insurance Group, Inc.<sup>TM</sup> (NASDAQ: SKWD), The Westaim Corporation (“**Westaim**” or the “**Company**”) (TSXV: WED; WED.PR.A) today provides an update on its intended use of a portion of Westaim’s proceeds from the Offering. Westaim intends to use approximately CDN\$50,000,000 of the proceeds from the Offering to redeem (the “**Redemption**”) all of the 5,000,000 5% subordinate preferred securities of Westaim (the “**Preferred Securities**”) held by certain affiliates of Fairfax Financial Holdings Limited (collectively, “**Fairfax**”) pursuant to the terms of an indenture dated June 2, 2017 among, *inter alia*, Westaim and Computershare Trust Company of Canada.

Concurrently with the Redemption, Westaim and Fairfax will also complete the following transactions (collectively with the Redemption, the “**Proposed Transaction**”):

- Westaim and Fairfax (together, the “**Parties**”) will enter into a termination agreement to terminate the governance agreement dated June 2, 2017 between the Parties;
- Fairfax will surrender and dispose of, without any further consideration, all of the warrants to purchase common shares of Westaim held by Fairfax; and
- Westaim will pay to Fairfax a work fee.

The Proposed Transaction is expected to close on or about July 17, 2023, subject to the receipt of all requisite approvals.

### 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. Skyward Specialty, the HIIG Partnership, Arena FINCOs and Arena Investors are defined in the notes to Westaim’s unaudited interim consolidated financial statements for the three months ended March 31, 2023 and 2022 and the MD&A. Westaim’s common shares are listed on the TSX Venture Exchange under the trading symbol “WED”.

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### 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**”), including with respect to the Corporation’s use of proceeds from the Offering and the completion of the Proposed Transaction. All statements other than statements of present or historical fact are forward-looking statements. 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 of Westaim at the date the statements are made based on information then available to Westaim. 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 that the Proposed Transaction will be carried out pursuant to the terms of the transaction

agreement relating thereto. 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 Westaim, which may cause Westaim's 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: foreign exchange risk, regulatory rules and required approvals; market volatility and market disruption.

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 of the Company 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 and information contained in this news release. Additional information regarding risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in its annual information form for its fiscal year ended December 31, 2022 filed on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

*Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.*