



Q3 2023 Investor Presentation

November 14, 2023

Disclaimer

Safe Harbour Statement

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This document is not, and under no circumstances is it to be construed as, an advertisement or a solicitation for any investment or any investment product with respect to Westaim or any of the entities described herein. The information set forth herein does not purport to be complete and no obligation to update or otherwise revise such information is being assumed unless required by law. Where any opinion is expressed in this presentation, it is based on the assumptions and limitations mentioned herein and is an expression of present opinion only. No warranties or representations can be made as to the origin, validity, accuracy, completeness, currency or reliability of the information. In addition, certain of the information contained herein is preliminary and is subject to change. Unless otherwise stated, the information contained herein is current as of the date of this presentation. There is no guarantee that any of the goals, targets or objectives described herein will be achieved. This document is not intended to provide specific investment, financial, legal, accounting and/or tax advice.

This document contains certain historical results and performance data including, without limitation, relating to Skyward Specialty, Arena FINCOs and Arena. Such historical results and performance data have been prepared and provided solely by the relevant party and have not been independently verified or audited. The historical results and performance data have been included in this document for illustrative purposes only. The historical results and performance data are in no way indicative of any future results, performance or returns by any of Westaim, Skyward Specialty, Arena FINCOs and Arena.

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, 'Arena operating leverage and AUM (as defined herein) growth, 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; Arena's pipeline, funding campaigns and core strategies; growth of fee paying AUM, Arena's future focus 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, 2022, available on www.sedarplus.ca. 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. For reconciliation purposes, the Company notes that the Annual Information Form dated March 30, 2023: (a) defines "Arena" as the combination of Arena Investors Group Holdings, LLC and the Arena FINCOs; and (b) uses the definition of "Arena Investors" to describe Arena Investors Group Holdings, LLC.

Supplementary financial measures concerning Skyward Specialty contained in this presentation are unaudited and have been derived from the Skyward Specialty Third Quarter 2023 Results and the Skyward Specialty Form 10-K Annual Report for its fiscal year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission at www.sec.gov/edgar. Such statements are the responsibility of the management of Skyward Specialty. The Skyward Specialty Supplementary Financial Measures, including any Skyward Specialty non-GAAP (as defined herein) measures contained therein, have not been reconciled to International Financial Reporting Standards ("IFRS") and so may not be comparable to the financial information of issuers that present their financial information in accordance with IFRS.

The Skyward Specialty Supplementary Financial Measures (the "Skyward Specialty Supplementary Financial Measures") should be read in conjunction with the Company's historical financial statements. For more information about Skyward Specialty, please see Skyward Specialty's unaudited financial statements for the quarter ended September 30, 2023 available at www.sec.gov/edgar.

The Skyward Specialty Supplementary Financial Measures have been provided solely by Skyward Specialty. Although Westaim has no knowledge that would indicate that any of the Skyward Specialty Supplementary Financial Measures contained herein are untrue or otherwise misleading, neither Westaim nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for any failure by Skyward Specialty to disclose to Westaim events or facts which may have occurred or which may affect the significance or accuracy of any such financial information but which are unknown to Westaim.

Westaim disclaims and excludes all liability (to the extent permitted by law), for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the Skyward Specialty Supplementary Financial Measures, their accuracy, completeness or by reason of reliance by any person on any of them.

Disclaimer

Safe Harbour Statement

Supplementary financial measures concerning the Arena FINCOs and Arena (the "Arena Supplementary Financial Measures") contained in this presentation are unaudited and have been derived from the unaudited consolidated financial statements of Arena FINCOs and Arena for the nine months ended September 30, 2023 and 2022, which have been prepared in accordance with either IFRS or US GAAP. Such statements are the responsibility of the management of the Arena FINCOs and Arena. The Arena Supplementary Financial Measures, including any Arena FINCOs and Arena non-GAAP measures contained therein, may not be reconciled to IFRS and so may not be comparable to the financial information of issuers that present their financial information in accordance with IFRS.

The Arena Supplementary Financial Measures should be read in conjunction with the Company's historical financial statements including the notes thereto and the related MD&A as well as the Company's other public filings.

The Arena Supplementary Financial Measures have been primarily provided by the management of the Arena FINCOs and Arena. Although Westaim has no knowledge that would indicate that any of the Arena Supplementary Financial Measures contained herein are untrue or otherwise misleading, neither Westaim nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for any failure by the Arena FINCOs and Arena to disclose to Westaim events or facts which may have occurred or which may affect the significance or accuracy of any such financial information but which are unknown to Westaim.

Westaim disclaims and excludes all liability (to the extent permitted by law), for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the Arena Supplementary Financial Measures, their accuracy, completeness or by reason of reliance by any person on any of them.

The information contained herein is based on publicly available information, internally developed data and other sources. Although Westaim believes such information to be accurate and reliable, it has not independently verified any of the data from third party sources cited or used.

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 period, and certain totals, subtotals and percentages may not reconcile due to rounding.

Important Disclosures

Non-GAAP Measures

Westaim

Westaim reports its consolidated financial statements using Generally Accepted Accounting Principles ("GAAP") and accounting policies consistent with IFRS. Westaim uses both IFRS and non-generally accepted accounting principles ("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 September 30, 2023 for a discussion of non-GAAP measures including a reconciliation to Westaim's financial results determined under IFRS.

Skyward Specialty

Supplementary financial measures concerning Skyward Specialty contained in this presentation are unaudited and have been derived from the Skyward Specialty Third Quarter 2023 Results and the Skyward Specialty Form 10-K Annual Report for its fiscal year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission at www.sec.gov/edgar.

Skyward Specialty uses US GAAP and non-GAAP measures to assess performance. Please refer to Appendix - Skyward Specialty Supplementary Financial Measures for Skyward Specialty's non-GAAP measures.

Arena FINCOs and Arena

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

Net Return (a non-GAAP measure) 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 (a non-GAAP measure) 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 Internal Rate of Return ("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.

Gross Underwritten IRR (a non-GAAP measure): 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.

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, 2023. 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 Investors' 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.

Fee Paying Assets Under Management ("FP AUM") refers to the AUM on which Arena earns management fees and/or incentive income.

Important Disclosures

Arena

With respect to the section on Arena the information therein is being provided solely in relation to the management company and the investment manager, including their 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 other than as may be required by applicable law. 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 Investments, Real Estate Investments and Structured Finance and Assets). In addition, Arena makes investments in Corporate Securities, including liquid investments such as convertible structured investments, as well as other public and private investments within Arena's stable income strategies which are not fully discussed herein. Further information is available upon request.

In addition, performance of market indices is being provided for the purpose of making general market data available as a point of reference only. Arena believes 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.

The statements contained herein contain certain forward-looking statements that are based on Arena's beliefs as well as assumptions made by and information currently available to Arena. When used herein, the words "anticipate," "believe," "could," "estimate," "expect," "going forward," "intend," "may," "modeled," "ought to," "plan," "project," "seek," "should," "will," "would," and similar expressions, as they relate to Arena or Arena's management are intended to identify forward-looking statements. These forward-looking statements include, without limitation, statements relating to investments, business prospects, future developments, trends and conditions in the industry and geographical markets in which Arena operate, Arena strategies, plans, objectives and goals, as well as Arena ability to control costs, statements relating to prices, volumes, operations, margins, overall market trends, risk management and exchange rates. These forward-looking statements reflect Arena's views at the time such statement were made with respect to future events and are not a guarantee of future performance or developments. You are strongly cautioned that reliance on any forward- looking statements involves known and unknown risks and uncertainties.

Net annualized returns inceptions to date are net of fees as disclosed and net of deal and operating expenses (including asset servicing expenses of 0.5% for drawdown, open-ended, FINCOs, SI-REC and 0.75% for NZ REC). All returns are based on the reinvestment of principal, interest, and dividends received. Fee schedules for returns shown include management fees with a range of 0.35%-2%, incentive fees with a range of 7.5% incentive to 20% and preferred returns or hurdles applicable on specific vehicles.

The Westaim Corporation

The Westaim Corporation

Westaim is a publicly listed (TSXV:WED) Canadian 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

26.8% ownership⁽¹⁾

Skyward Specialty (NASDAQ: SKWD) is a rapidly growing and innovative US 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 & Agriculture, Industry Solutions, Professional Lines, Programs, Surety and Transactional E&S. SKWD stock is traded on the Nasdaq Global Select Market, which represents the top fourth of all Nasdaq listed companies.

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.

Arena

Alternative Investment Manager

51% ownership⁽²⁾

Arena is a global institutional asset manager that provides creative solutions for those seeking capital in special situations. Arena has more than 100 people across six global offices, operating in 20 countries.

Arena operates as two businesses, Arena Investors and AIS.⁽³⁾

Arena's committed AUM of approximately \$3.3 billion includes Westaim's proprietary capital of approximately \$151 million plus third party institutional and high net worth clients.⁽⁴⁾

Arena FINCOs

Westaim's Proprietary Capital Invested with Arena

100% ownership

The **Arena FINCOs** are specialty finance companies that primarily purchase diversified asset-backed credit and other 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 and the Arena FINCOs have participated as lead investor in several new product offerings.

(1) In Q3 2023, the Westaim HIIG Limited Partnership dissolved pursuant to the terms of its limited partnership agreement and consequently Westaim now holds all of its 26.8% interest in Skyward Specialty directly.

(2) The remaining 49.0% is Bernard Partners, LLC ("BP LLC") equity and profit sharing percentage, and under the associate agreements, BP 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. Effective April 1, 2022, BP LLC achieved the threshold to increase its equity ownership of Arena from 0% to 49% and Westaim's equity ownership decreased from 100% to 51% to equal the share of profits that the Company has been entitled to in all prior periods.

(3) Arena Investors operates as an investment manager offering third-party clients access to fundamentals-based, asset-oriented credit and other investments that aim to deliver attractive yields with low volatility. Arena Investors provides investment services to third-party clients consisting of but not limited to institutional clients, insurance companies, private investment funds and other pooled investment vehicles. AIS provides non-investment advisory services for Arena and third parties.

(4) As at September 30, 2023.

Westaim Q3 2023 Quarterly Operating Highlights

Westaim's Q3 2023 earnings continue to be driven by gains on its Skyward Specialty ownership

Arena	<ul style="list-style-type: none"> Q3 2023 Net Income attributable to AIGH (100%) was \$4.1 million compared to Q3 2022 Net Loss attributable to AIGH of \$8.2 million; YTD 2023 Net Income attributable to AIGH (100%) was \$7.6 million compared to YTD 2022 Net Income attributable to AIGH of \$1.2 million⁽¹⁾ <ul style="list-style-type: none"> Committed AUM was \$3.3 billion at September 30, 2023 as compared to \$3.5 billion at December 31, 2022 and \$3.5 billion at September 30, 2022 Fee-Paying AUM at September 30, 2023 was \$2.5 billion, as compared to \$2.6 billion at December 31, 2022 and \$2.6 billion at September 30, 2022 Total Recurring Revenue was \$10.7 million in Q3 2023 vs. \$10.8 million in Q3 2022; Total Recurring Revenue was \$32.1 million in YTD 2023 vs. \$31.8 million in YTD 2022 Since inception, Arena has deployed ~\$5.2 billion into 370+ privately negotiated transactions; 211 privately negotiated transactions have been exited with 191 multi-strategy investments having a realized IRR of 15.3% gross Arena's AUM pipeline remains strong with several product offerings marketing to a well diversified base of sophisticated investors (insurance companies, pension funds, endowment funds, foundations and other investors) AIGH EBITDA (100%) is \$4.6 million in Q3 2023 compared to a loss of \$7.8 million in Q3 2022; YTD 2023 AIGH EBITDA (100%) is \$9.1 million compared to a YTD 2022 AIGH EBITDA of \$2.5 million
Arena FINCOs	<ul style="list-style-type: none"> Arena FINCOs' Q3 2023 Net Income was \$0.9 million (+0.6% net investment return) compared to Q3 2022 Net Loss of \$2.6 million (-1.5% net investment return); Arena FINCOs' YTD 2023 Net Loss was \$5.1 million (-3.2% net investment return) compared to YTD 2022 Net Income of \$3.7 million (+2.2% net investment return)⁽¹⁾ <ul style="list-style-type: none"> At September 30, 2023, the fair value of Arena FINCOs was \$148.1 million compared to \$160.1 million at December 31, 2022 Westaim received a cash distribution of \$6.9 million from Arena FINCOs in YTD 2023, which had the effect of decreasing the carrying value of the investment
Skyward Specialty Insurance Group	<ul style="list-style-type: none"> Skyward Specialty's Net Income (100%) was \$21.7 million in Q3 2023 compared to Net Loss of \$2.4 million in Q3 2022; Skyward Specialty's Net Income (100%) was \$56.7 million in YTD 2023 compared to Net Income of \$19.0 million in YTD 2022; adjusted operating income⁽¹⁾ was \$25.0 million in Q3 2023 compared to \$10.7 million in Q3 2022; adjusted operating income was \$56.5 million in YTD 2023 compared to \$46.9 million in YTD 2022 <ul style="list-style-type: none"> Underwriting performance remains strong with a combined ratio of 90.2% in Q3 2023 vs. 99.8% in Q3 2022; 90.8% in YTD 2023 vs. 94.7% in YTD 2022 Net investment income was \$13.1 million in Q3 2023 vs. \$6.0 million in Q3 2022; net investment income was \$26.3 million in YTD 2023 vs. \$31.7 million in YTD 2022; the increase in income from the core fixed income portfolio for Q3 2023 and YTD 2023 was due to (i) a larger asset base as Skyward Specialty continued to increase its allocation to this part of its investment portfolio and (ii) a higher book yield of 4.2% at September 30, 2023 compared to 3.3% at September 30, 2022 Total stockholders' equity at September 30, 2023 increased to \$535.4 million from \$421.7 million at December 31, 2022 primarily due to its initial public offering ("IPO") listing net proceeds and YTD 2023 net income Q3 2023 Annualized Return-on-equity ("ROE") of 16.4% vs. (2.3%) in Q3 2022; YTD 2023 Annualized Return-on-equity ("ROE") of 15.8% vs. 6.1% in YTD 2022; Q3 2023 Annualized Adjusted ROE of 18.9% vs. 10.4% in Q3 2022; YTD 2023 Annualized Adjusted ROE of 15.8% vs. 15.2% in YTD 2022
Westaim	<ul style="list-style-type: none"> Westaim's Q3 2023 Net Profit was \$23.0 million compared to Q3 2022 Net Loss of \$16.7 million; YTD 2023 Net Profit was \$148.8 million compared to YTD 2022 Net Loss of \$14.8 million <ul style="list-style-type: none"> Diluted earnings per share in Q3 2023 of \$0.16 compared to Q3 2022 diluted loss per share of \$0.12; Diluted earnings per share in YTD 2023 of \$1.05 compared to YTD 2022 diluted loss per share of \$0.10 At September 30, 2023, Westaim's book value was \$495.7 million which was \$3.56 (C\$4.82) per fully diluted share compared to December 31, 2022 book value of \$363.2 million or \$2.56 (C\$3.46) per fully diluted share⁽¹⁾

(1) For further details, please refer slide 4 for Non-GAAP measures.

Westaim Summary Quarterly Operating Results

(Amounts in millions of US\$ except per share data)	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Income (loss) from investments in Arena FINCOs and ASOF ⁽¹⁾	\$0.9	(\$2.8)	(\$5.2)	\$3.7
Income (loss) from investment in Skyward Specialty	20.7	(8.6)	158.4	(13.7)
Income (loss) from investment in Arena	2.1	(4.2)	3.9	0.6
Income (loss) from investments	\$23.7	(\$15.6)	\$157.1	(\$9.4)
Holding company operating expenses	(1.9)	(1.6)	(5.5)	(5.6)
Preferred securities interest expense	(0.1)	(0.4)	(1.0)	(1.4)
Interest and fee income	1.1	0.5	2.4	1.7
Net holding company operating and interest expenses	(\$0.9)	(\$1.5)	(\$4.1)	(\$5.3)
Share-based compensation expense	(0.1)	(0.7)	(3.8)	(0.7)
Foreign exchange gain (loss)	0.3	0.2	(0.3)	0.3
Derivative warrants - change in fair value gain	-	-	0.1	0.1
Total net holding company expenses	(\$0.7)	(\$2.0)	(\$8.1)	(\$5.6)
Income taxes recovery (expense)	-	0.9	(0.2)	0.2
Profit (loss) and comprehensive income (loss)	\$23.0	(\$16.7)	\$148.8	(\$14.8)
Earnings (loss) per fully diluted share	\$0.16	(\$0.12)	\$1.05	(\$0.10)

- Profit and comprehensive income for Q3 2023 was \$23.0 million (\$0.16 diluted earnings per share) compared to a loss and comprehensive loss of \$16.7 million (\$0.12 diluted loss per share) in Q3 2022
- Profit and comprehensive income in YTD 2023 was \$148.8 million (\$1.05 diluted earnings per share) compared to a loss and comprehensive loss of \$14.8 million (\$0.10 diluted loss per share) in YTD 2022
- Westaim's income from its investment in Skyward Specialty in Q3 2023 was \$20.7 million compared to a loss of \$8.6 million in Q3 2022; Westaim's income from its investment in Skyward Specialty in YTD 2023 was \$158.4 million compared to a loss of \$13.7 million in YTD 2022. The valuation of its investment in Skyward Specialty at September 30, 2023 was \$289.5 million, consistent with the Skyward Specialty trading price at September 30, 2023 of \$27.36 per common share as compared to the December 31, 2022 valuation at \$15.00 per common share
- Arena FINCOs' and ASOF's portfolios produced net income of \$0.9 million in Q3 2023 with an 0.6% net investment return compared to net loss of \$2.6 million and net investment return of -1.5% in Q3 2022
- Arena fee-paying AUM was \$2.5 billion at September 30, 2023 vs. \$2.6 billion at September 30, 2022

(1) Arena Special Opportunities Fund, LP ("ASOF").

Westaim Summary Statement of Financial Position

As at	September 30, 2023	June 30, 2023	December 31, 2022
(Amounts in millions of US\$ except per share data)			
Assets			
Cash	\$39.3	\$86.8	\$3.4
Other assets	2.1	1.0	0.8
Investment in Skyward Specialty	289.5	269.2	218.9
Investment in Arena FINCOs	148.1	147.2	160.1
Investment in Arena	28.8	26.7	26.9
Investment in ASOF	3.1	3.1	3.2
Total Assets	\$510.9	\$534.0	\$413.3
Liabilities			
Accounts payable, income taxes payable and accrued liabilities	\$15.2	\$22.8	\$13.1
Preferred securities	-	37.7	36.9
Derivative warrant liability	-	-	0.1
Total Liabilities	\$15.2	\$60.5	\$50.1
Shareholders' equity	495.7	473.5	363.2
Total Liabilities and Shareholders' Equity	\$510.9	\$534.0	\$413.3
Number of common shares outstanding	135,491,943	138,992,118	141,386,718
Fully diluted book value per share - in US\$	\$3.56	\$3.37	\$2.56
Fully diluted book value per share - in C\$¹	C\$4.82	C\$4.46	C\$3.46

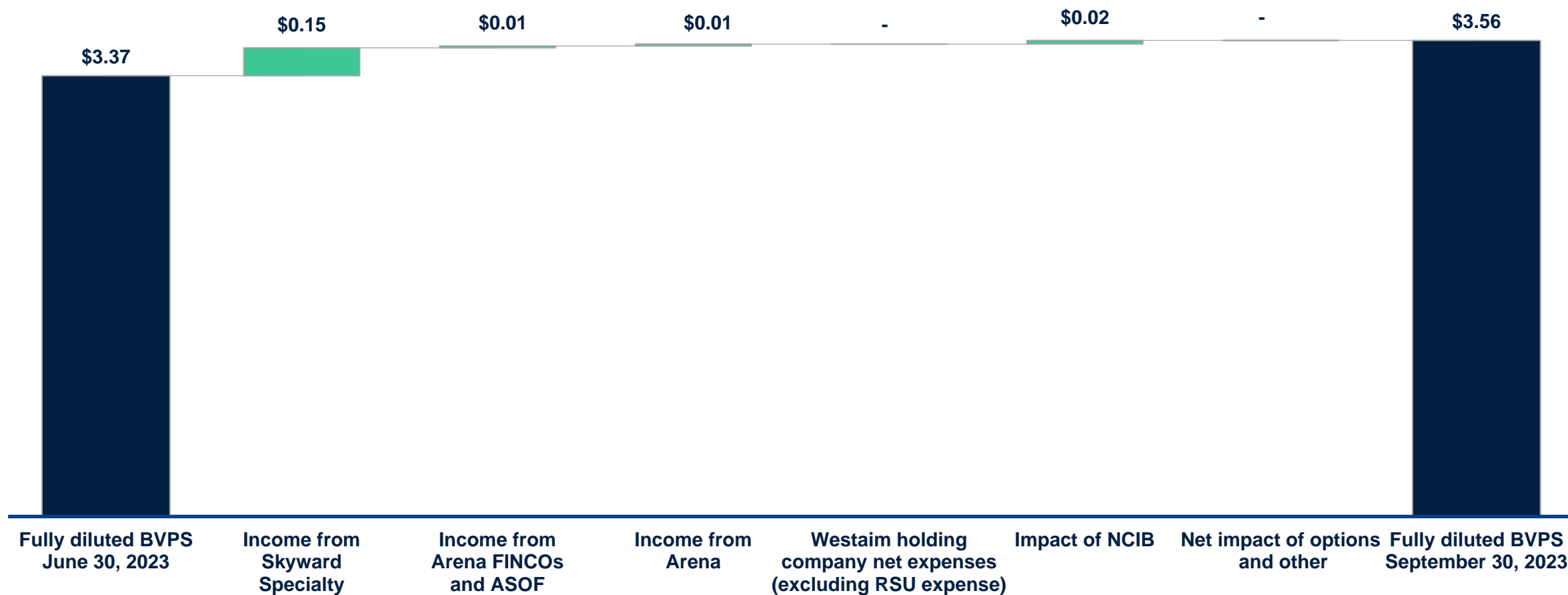
- Book value per fully diluted share increased \$1.00 (39.1%) to \$3.56 at September 30, 2023 from \$2.56 at December 31, 2022. Book value per fully diluted share increased C\$1.36 (39.3%) to C\$4.82 at September 30, 2023 from C\$3.46 at December 31, 2022
- In January 2023, Skyward Specialty listed on the Nasdaq Global Select Market under the ticker symbol "SKWD"
- In June 2023, Skyward Specialty completed a Secondary Offering
- Westaim sold 3,987,500 Skyward Specialty common shares in the Secondary Offering and received net cash proceeds of \$87.4 million in Q2 2023; as at September 30, 2023, Westaim owns 10,579,639 Skyward Specialty common shares
- Westaim's strong cash position at the start of the quarter (June 30, 2023) enabled the cash to be deployed to redeem its preferred securities liability subsequent to the quarter-end and put the Company in a position to be able to fund further share buy backs; on July 17, 2023, Westaim redeemed and delisted all of the 5,000,000 preferred securities for C\$50 million, equivalent to \$37.9 million at that time, and cancelled 14.3 million warrants
- In Q3 2023, Westaim acquired and canceled 3,740,478 common shares at a cost of \$9.8 million and in YTD 2023, Westaim acquired and canceled 6,135,078 common shares at a cost of \$16.3 million, through its normal course issuer bid ("NCIB")

* Period end exchange rates of USD to CDN: \$1.35535 at September 30, 2023; \$1.32395 at June 30, 2023 and \$1.35360 at December 31, 2022.

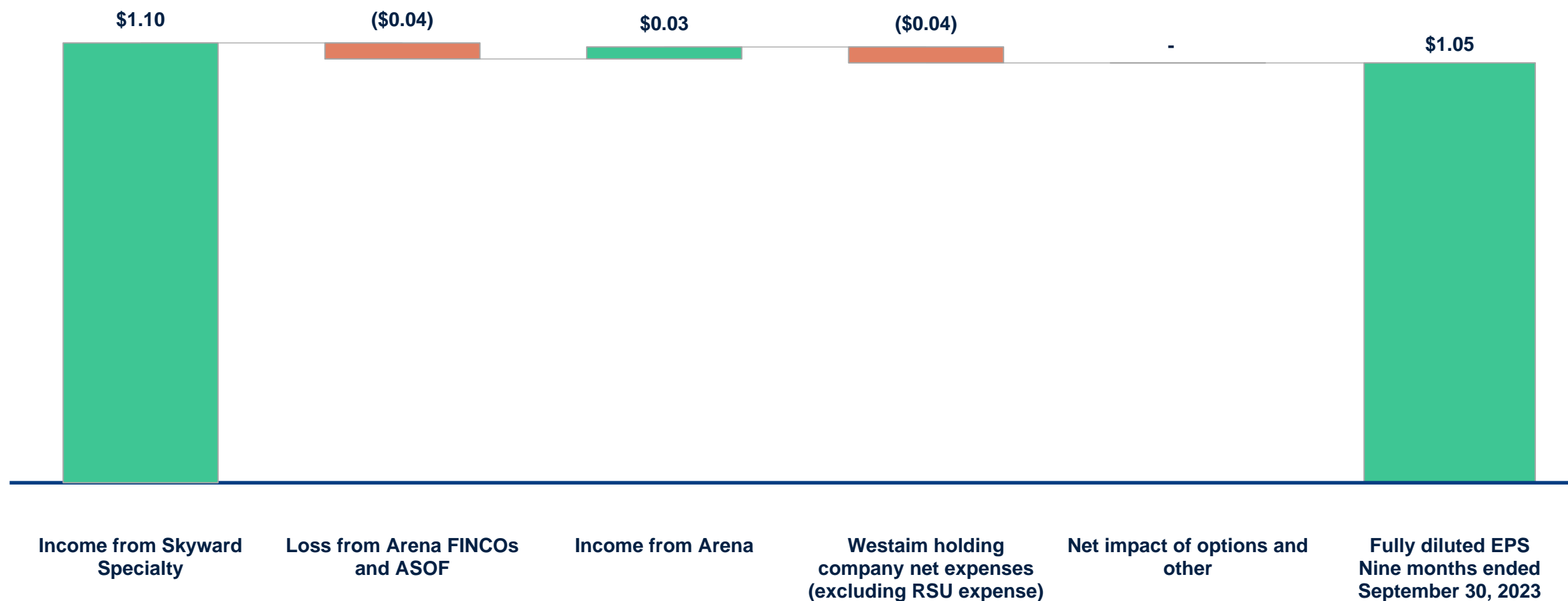
Westaim Diluted Earnings per Share (US\$): Three months ended September 30, 2023



Westaim Book Value per Share (US\$): Three months ended September 30, 2023



Westaim Diluted Earnings per Share (US\$): Nine months ended September 30, 2023



Westaim Book Value per Share (US\$): Nine months ended September 30, 2023





ARENA
INVESTORS
GROUP HOLDINGS

Seeing What's Possible

Arena Investors Global Holdings, including its joint ventures and affiliates, is a global financial institution with over 150 people across 8 global offices and operating in over 20 countries

All data is as of **September 30, 2023**
unless otherwise specified



ABOUT ARENA INVESTORS ⁽¹⁾

\$3.3B

Assets Under Management

~\$170M

of AUM is employee and
related capital

Vast Global Origination and
Servicing Network

Offices in New York, Jacksonville,
Purchase, Dublin, London,
Singapore and Bengaluru ⁽²⁾

~\$5.2B

deployed into 370+ privately
negotiated transactions
since launch in 2015

- Credit-oriented, asset backed-orientated investments, but not “traditional private credit”.
- Broad Platform – capabilities across Corporate, Real Estate, Structured Finance, and Corporate Securities allow the firm to find the most compelling opportunities across cycles and market environments.
- Global firm with a deep sourcing and servicing infrastructure, which also means:
 - Arena Investors has aimed to avoid the overheated areas that have and could potentially suffer in today’s market environment.
 - Servicing infrastructure has allowed Arena to manage any situations that have not materialized as expected, and make more than initially expected, on average, in those situations.
 - End-to-end IT systems govern and manage investments, giving Arena robust governance, transparency and a demonstrable edge.
- While Arena maintains this depth, breadth, global focus and infrastructure – Arena average transaction sizes are <\$50 million such that Arena largely avoids competition from similarly situated “mega-firms”.
- “Private Credit” investors are migrating to Arena’s world-view, given the post-crisis bull market is likely turning.

(1) The AUM of Arena includes employee capital, co-invest, and capital committed but not yet deployed of \$752 million as of September 30, 2023.

(2) The Jacksonville, Dublin and Bengaluru offices are used by Arena affiliates: Quaestor Advisors, LLC, an Arena Investors EF Designated Activity Company. Singapore office used by Arena Investment Management (Singapore) Pte. Ltd. and Quaestor Advisors, LLC.



ARENA
INVESTORS
GROUP HOLDINGS

Differentiated Approach

- Arena is a growing global financial institution
 - Mandate flexibility and diversification contribute to consistency across cycles
 - Proprietary sourcing and global infrastructure with a focus on small size
 - Servicing and systems that govern process, protect invested capital and add considerable value
 - Intellectual property that can be leveraged for its investors as well as third parties through AIS

Proven Performance

- ~\$5.2 billion deployed into 370+ privately negotiated transactions
- 211 exited privately negotiated transactions with 191 multi-strategy investments having a realized IRR of 15.3% gross⁽¹⁾
- The portfolio has had positive results in 84 of the 96 months since inception⁽²⁾
- Consistent and uncorrelated performance; stable results through COVID-19

Driving Third-Party Assets Under Management

- Arena Investors' AUM⁽³⁾ has grown at a compound annual growth rate of ~42% from December 31, 2015 to September 30, 2023
- \$3.3 billion in assets under management⁽³⁾

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) Number of total private investments inclusive of Arena's multi-strategy investment vehicles as well as Stable Income – Real Estate Credit strategy investments. In addition to exited investments in Arena's multi-strategy, 149 active positions have an underwritten IRR of 17.9% and a current IRR of 8.4%. 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 09/30/2023. 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, 2023 and based on composite gross performance, see net performance and relevant disclosures on slide 5. Past performance is not indicative of future performance. Actual results may vary.

(3) AUM as of September 30, 2023 and includes undrawn commitments totaling \$752 million for closed-end, SMA, and Excess Capacity Funds (New Zealand Real Estate Credit).



Arena – Q3 2023 Quarterly Result Highlights

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(dollars in millions)	Q3 2023	Q3 2022	YTD Q3 2023	YTD Q3 2022
Arena Investors				
Management Fees	\$ 7.7	\$ 8.1	\$ 23.2	\$ 23.6
Servicing Fees	2.9	3.0	8.3	8.3
Other Income	0.1	(0.3)	0.6	(0.1)
Revenue	\$ 10.7	\$ 10.8	\$ 32.1	\$ 31.8
Operating Expenses	(10.5)	(8.9)	(30.4)	(24.7)
Fee Related Earnings	\$ 0.2	\$ 1.9	\$ 1.7	\$ 7.1
Incentive Fees	\$ 1.5	\$ (8.9)	\$ 5.7	\$ 4.9
Incentive Fee Compensation ¹	(1.1)	(0.4)	(3.9)	(7.3)
Net Incentive Fees	\$ 0.4	\$ (9.3)	\$ 1.8	\$ (2.4)
AI EBITDA	\$ 0.6	\$ (7.4)	\$ 3.5	\$ 4.7
Arena Institutional Services				
Revenue	\$ 8.1	\$ -	\$ 13.1	\$ -
Operating Expenses	(0.9)	(0.1)	(1.4)	(0.4)
Gross EBITDA	\$ 7.2	\$ (0.1)	\$ 11.7	\$ (0.4)
Employee Profit Share	(2.9)	-	(4.7)	-
AIS EBITDA	\$ 4.3	\$ (0.1)	\$ 7.0	\$ (0.4)
Arena Investors Group Holdings				
Gross EBITDA	\$ 4.9	\$ (7.5)	\$ 10.5	\$ 4.3
General & Administrative Costs	(0.1)	(0.2)	(0.5)	(0.6)
Other Income & Expense	(0.2)	(0.1)	(0.9)	(1.2)
EBITDA	\$ 4.6	\$ (7.8)	\$ 9.1	\$ 2.5
Depreciation	(0.1)	-	(0.3)	(0.1)
Interest Expense	(0.4)	(0.3)	(1.2)	(1.0)
Taxes (Foreign)	-	(0.1)	-	(0.2)
Net Income	\$ 4.1	\$ (8.2)	\$ 7.6	\$ 1.2

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

Q3 2023 Results:

- Net income for Q3 2023 was \$4.1 million (Q3 2022: net loss of \$8.2 million)
- Management fee revenue for Q3 2023 was \$7.7 million (Q3 2022: \$8.1 million)
- Service fee revenue for Q3 2023 was \$2.9 million (Q3 2022: \$3.0 million)
- Net incentive fees income was \$0.4 million for Q3 2023 (Q3 2022: net incentive fee expense of \$9.3 million)
- Arena Institutional Service performs non-advisory services for Arena Investors and third party clients
- Fee related earnings reached a break even point during FY 2021 growing to \$8.3 million for FY 2022. We believe Arena Investors' is positioned for future growth given the overall platform has largely been built-out ahead of further AUM growth



ARENA
INVESTORS
GROUP HOLDINGS

\$3.3B AUM⁽²⁾

ARENA FULLY DIVERSIFIED
STRATEGY \$2.1B

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
 - Arena Special Opportunities Partners (Cayman) II, LP

Separately Managed Accounts

EXCESS CAPACITY OPPORTUNITIES \$0.9B

New Zealand
Real Estate Credit

Separately Managed Accounts

STABLE INCOME STRATEGIES \$0.3B

Real Estate Credit

Structured Finance/ABS

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

(2) The assets under management includes employee capital, co-invest, and capital committed but not yet deployed totaling \$752 million (except where noted) as of September 30, 2023.



Arena – Investing: Performance & Deployment

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- The following table presents the performance data for the significant drawdown funds:

As of September 30, 2023

(\$ in millions)	Year of inception	AUM	Original Capital Commitments	Capital Invested to Date ¹	Realized Value	Unrealized Value	Total Value	MoIC ²		IRR ^{3,4}		Primary Investment Strategy
								Gross	Net	Gross	Net	
Multi-Strategy												
Fund Harvesting Investment												
Arena Special Opportunities Partners I ^{4,8}	2020	545	519	519	150	525	675	1.4x	1.3x	13.7%	11.4%	Multi-Strategy
Ratio to Capital Invested					DPI: 0.29x	RVPI: 1.01x	TVPI: 1.30x					
Funds Deploying Capital												
Arena Special Opportunities Partners II ^{4,9}	2021	742	631	631	0	729	729	1.2x	1.2x	14.8%	12.0%	Multi-Strategy
Ratio to Capital Invested					DPI: 0.00x	RVPI: 1.16x	TVPI: 1.16x					
Excess Capacity												
Fund Harvesting Investment												
New Zealand Real Estate Credit I ⁵	2019	104	109	109	22	104	126	1.2x	1.2x	4.8%	4.3%	NZ Real Estate Credit
Ratio to Capital Invested					DPI: 0.20x	RVPI: 0.96x	TVPI: 1.16x					
New Zealand Real Estate Credit II ⁶	2020	33	203	96	68	33	102	1.1x	1.1x	5.9%	4.4%	NZ Real Estate Credit
Ratio to Capital Invested					DPI: 0.71x	RVPI: 0.34x	TVPI: 1.06x					
Funds Deploying Capital												
New Zealand Real Estate Credit III ⁷	2022	101	100	23	0	23	23	1.0x	1.0x	3.1%	1.7%	NZ Real Estate Credit
Ratio to Capital Invested					DPI: 0.00x	RVPI: 1.02x	TVPI: 1.02x					

(1) Capital Invested = Lesser of capital calls or total commitment. Capital reinvestments during investment period are netted with distributions.

(2) Multiple of Invested Capital ("MOIC") = Total Value / Capital Invested.

(3) IRR = Internal Rate of Return.

(4) Fees are blended and range from 1.5-2% annual management fees and 10-20% carry over a 4% preferred return with GP Catchup. The returns are inclusive of a 0.5% asset servicing expense. All returns are based on the reinvestment of principal, interest and dividends received by the Fund.

(5) Fees are blended and include a 0.5% annual management fees and 10% carry over a 10% preferred return with GP Catchup along with fixed upfront management fees and carry. The returns are inclusive of a 0.75% asset servicing expense. All returns are based on the reinvestment of principal, interest and dividends received by the Fund.

(6) Fees are blended and include a 0.5% annual management fees and 10-18% carry over an 8% preferred return with GP Catchup. The returns are inclusive of a rate card asset servicing expense (0.75% or 1.50% by asset). All returns are based on the reinvestment of principal, interest and dividends received by the Fund.

(7) Fees include a 1.5% annual management fee and 20% carry over an 8% preferred return with GP Catchup. The returns are inclusive of a 0.5% asset servicing expense. All returns are based on the reinvestment of principal, interest and dividends received by the Fund.

(8) Excludes \$150MM of co-investment capital aligned to this product offering.

(9) Excludes \$300MM of co-investment capital aligned to this product offering.

DPI = Distribution to Paid-In Capital (DPI) ratio measures the cumulative proceeds returned to its investors by a fund relative to its paid-in capital.

RVPI = Residual Value to Paid In (RVPI) ratio measures the current value of all remaining investments within a fund relative to its paid-in capital.

TVPI = Total Value to Paid-In Capital (TVPI) ratio compares the distributions returned to investors by a fund and the residual value not yet realized relative to the contributed paid-in capital.



ARENA
INVESTORS
GROUP HOLDINGS

- The following table presents the performance data for the significant open-ended funds:

As of September 30, 2023

(\$ in millions)	Year of inception	AUM	Returns (%) ⁴						Primary Investment Strategy
			Quarter-to-date		Year-to-date		Since Inception (Annualized)		
			Gross	Net	Gross	Net	Gross	Net	
Multi-Strategy									
Arena Special Opportunities Fund ^{1,2,3}	2015	220	2.1%	1.5%	0.2%	(1.3)%	9.1%	5.5%	Multi-Strategy
Stable Income									
Stable Income ABS ^{1,2,5}	2021	51	3.4%	3.1%	6.9%	6.5%	2.5%	2.0%	IG Asset-Backed Securities
SI-REC (Skyward) ^{1,2,6}	2017	187	2.3%	1.9%	8.2%	6.6%	7.1%	5.6%	US Real Estate Credit – First Mortgages

- Gross returns are net of deal and operating expenses (including asset servicing expenses of 0.5% for open-ended, FINCOs, SI-REC from January 1, 2019 onward) but gross of management fee and incentive fees. All returns are based on the reinvestment of principal, interest, and dividends received.
- Net returns are shown net of fees and net of deal and operating expenses (including asset servicing expenses of 0.5% for open-ended, FINCOs, SI-REC from January 1, 2019 onward). All returns are based on the reinvestment of principal, interest, and dividends received.
- Returns are calculated net of annual management fees of 2% and an incentive fee of 20%, which represent the highest standard fees charged to the Fund investors. The returns are inclusive of a 0.5% asset servicing expense charged to the investors beginning January 1, 2019. All returns are based on the reinvestment of principal, interest and dividends received by the Fund.
- Returns are calculated net of annual management fees of 2% and an incentive fee of 10% from January 1, 2019 (MSA prior to that). The returns are inclusive of a 0.5% asset servicing expense charged to the investors beginning January 1, 2019. All returns are based on the reinvestment of principal, interest and dividends received by the Fund.
- Returns are calculated net of annual management fees of 0.35% and an incentive fee of 7.5% over a 1.5% hurdle with GP catchup, which represent the standard fees charged to the Fund investors. All returns are based on the reinvestment of principal, interest and dividends received by the Fund.
- Returns are calculated net of annual management fees of 1.0% and an incentive fee of 10% over a 3% hurdle with GP Catchup, which represent the standard fees charged to the Fund investors. The returns are inclusive of a 0.5% asset servicing expense charged to the investors beginning January 1, 2019. All returns are based on the reinvestment of principal, interest and dividends received by the Fund.



Arena Investors – Assets Under Management Through September 30, 2023

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- Arena Investors' assets under management (including undrawn commitments) were \$3.3B at September 30, 2023. From December 31, 2015, to September 30, 2023, AUM has grown at a CAGR of ~42%. In 2023, Arena is launching/has launched additional multi-strategy drawdown funds, additional access points to Arena's open-ended funds, and additional stable income and excess capacity offerings.

Arena Investors – Assets Under Management Through September 30, 2023¹



(1) AUM as of September 30, 2023 and includes undrawn commitments totaling \$752 million for closed-end, SMA, and Excess Capacity Funds (New Zealand Real Estate Credit).



ARENA
INVESTORS
GROUP HOLDINGS

Arena – Deal Structure Aligns Arena Management and Westaim

- Arena was founded by Dan Zwirn and Westaim in August 2015 under an arrangement designed to align Arena’s 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 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 was largely completed, with an outstanding loan payable from Arena to Westaim at Q3 2023 of \$24 million. This loan is to be repaid before the distribution of earnings of Arena to its members (i.e. Westaim and BP LLC, a holding company owned by members of Arena’s senior management team).
 - Ownership and Profit Participation:** A structure was developed by which BP LLC would effectively “Earn-In” to its ownership of Arena over time as the business reached thresholds of: (i) AUM; and (ii) trailing twelve month EBITDA margin. A profit participation would entitle the party to participate in cash distributions from Arena, 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:

As at September 30, 2023

	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, 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.
- Effective April 1, 2022, BP LLC achieved the threshold to increase its equity ownership of Arena from 0% to 49%. As a result, Westaim’s equity ownership decreased from 100% to 51% to equal the share of profits.
- Once a TTM EBITDA Margin threshold is breached it is not reduced regardless of subsequent performance.



ARENA
Arena FINCOs

Arena FINCOs: Summary of Operating Results

(Currency amounts in millions of US\$)	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Investment income (loss)	\$0.9	(\$0.8)	\$0.6	\$3.3
Net gain on investments	2.3	0.3	1.6	7.9
Interest expense	(1.3)	(1.0)	(3.5)	(3.0)
Net investment income (loss)	\$1.9	(\$1.5)	(\$1.3)	\$8.2
Operating expenses:				
Management and asset servicing fees	(1.0)	(1.2)	(2.9)	(3.3)
Incentive fees recovery (expense)	0.1	0.2	(0.1)	(0.5)
Other operating expenses	(0.1)	(0.1)	(0.7)	(0.6)
Net performance of Arena FINCOs	\$0.9	(\$2.6)	(\$5.0)	\$3.8
Advisory fees paid to the Company	-	-	(0.1)	(0.1)
Net operating results of the Arena FINCOs	\$0.9	(\$2.6)	(\$5.1)	\$3.7
Gross investment return	1.3%	(1.0%)	(0.8%)	4.8%
Net investment return*	0.6%	(1.5%)	(3.2%)	2.2%

- Q3 2023 Net Income was \$0.9 million (+0.6% net investment return) compared to Q3 2022 Net Loss of \$2.6 million (-1.5% net investment return)
- YTD 2023 Net Loss was \$5.1 million (-3.2% net investment return) compared to YTD 2022 Net Income of \$3.7 million (+2.2% net investment return)
- Westaim has and will withdraw Arena FINCOs capital when compelling alternative opportunities arise to optimize returns
- Due to this additional mandate, the portfolio profile of Arena FINCOs does not reflect Arena's diversified multi-strategy funds, and will experience more concentration and volatility as a result

* Net investment return does not include certain corporate level advisory fees and other corporate level expenses.

Arena FINCOs: Summary of Net Assets

(Currency amounts in millions of US\$)

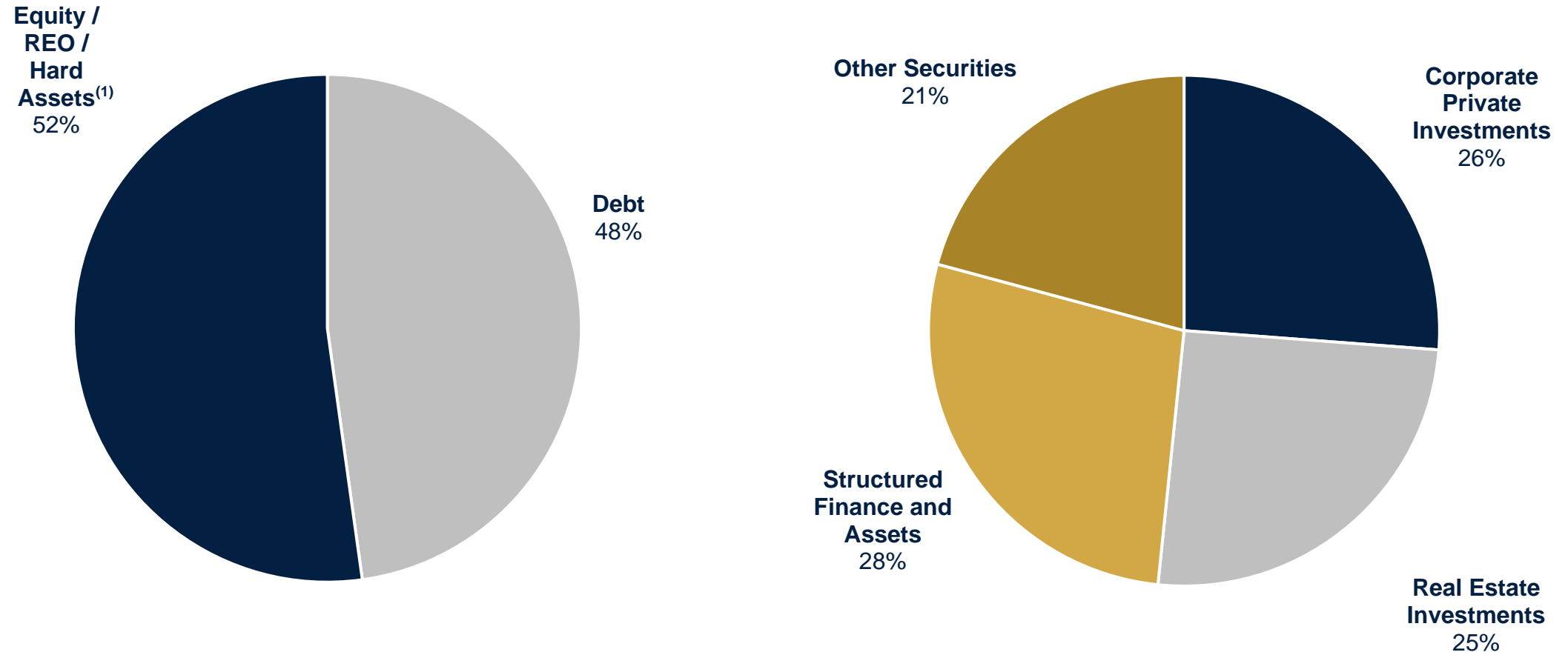
Fair Value

	September 30, 2023	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$12.6	\$15.4	\$16.7
Investments:			
Corporate Private Investments	52.8	54.8	60.2
Real Estate Investments	51.2	52.1	45.8
Structured Finance and Assets	55.5	61.6	55.2
Other Securities	42.0	43.2	37.8
Total Investments	\$201.5	\$211.7	\$199.0
Other net assets	\$4.6	\$1.7	\$7.9
Due to brokers, net	(4.8)	(18.8)	(17.0)
Senior secured notes payable	(44.3)	(44.2)	(43.9)
Revolving credit facility payable	(21.5)	(18.6)	(2.6)
Net assets of the Arena FINCOs	\$148.1	\$147.2	\$160.1
Changes in Investment in Arena FINCOs	Q3 2023	YTD Q3 2023	
Opening balance	\$147.2		\$160.1
Return of capital to Westaim	-		(2.5)
Unrealized gain (loss) before dividends	0.9		(5.1)
Dividends paid to Westaim	-		(4.4)
Ending balance	\$148.1		\$148.1

- The combination of the secured notes and revolving credit facility are being utilized for efficient treasury management and limiting cash drag
- The composition of the portfolio, with 52% in equity/REO/hard assets⁽¹⁾, contributes to fair market value volatility of these invested assets through unrealized net gains (losses)
- Arena FINCOs represents Westaim's proprietary capital, and invested in Arena Investors' core multi-strategy and, at times, provides for the strategic development of Arena as the lead or seed investor in Arena product offerings to help grow and build the business
- The reduction in net assets YTD 2023 included a distribution of \$6.9 million to Westaim, and the YTD 2023 distribution was \$10.3 million

(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.

Arena FINCOs: Portfolio breakdown as at September 30, 2023



Arena FINCOs held 225 positions at September 30, 2023 compared to 297 positions at December 31, 2022

(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.



COMPANY UPDATE

SKYWARD SPECIALTY AT A GLANCE



Business Overview

- A rapidly growing and innovative specialty insurance company, delivering commercial property and casualty products and solutions on a non-admitted and admitted basis
- Strategy focuses on building defensible positions in high profit niche segments to deliver consistent top quartile returns
- Top talent that drives disciplined and insightful underwriting, claims excellence, and efficient capital management is at the core of Skyward Specialty's strategy execution
- In January 2023, Skyward Specialty listed on the NASDAQ under the ticker symbol "SKWD"
- Operates in all 50 states and select international markets
- Rated A- by AM Best
- 490 employees as of September 30, 2023 across 9 offices

Select Financial Metrics

(US\$ millions)	YTD 2023 ⁽¹⁾	FY 2022 ⁽¹⁾
Select Income Statement Metrics		
Gross written premium (GWP)	\$1,138	\$1,144
Net written premium (NWP)	697	676
Pre-tax income	73	50
Adjusted combined ratio	91.0%	92.6%
Cash and invested assets	\$1,499	\$1,207
Total assets	2,851	2,363
Total liabilities	2,315	1,942
Total stockholders' equity	535	422

For more information about Skyward Specialty including its 'Rule your Niche' strategy described by Andrew Robinson, CEO of Skyward Specialty, visit <https://www.skywardinsurance.com/> or <https://www.sec.gov/edgar>.

(1) Skyward Specialty uses US GAAP and non-GAAP measures to assess performance. Please refer Appendix for Skyward Specialty Supplementary Financial Measures.

SKYWARD SPECIALTY TRADING PRICE AND VOLUME



- At December 31, 2022, Westaim's estimated fair value of Skyward Specialty's fully diluted common shares, using multiple valuation techniques, was determined to be \$15.00 per share
- At September 30, 2023, the Westaim's estimated fair value of the Skyward Specialty common shares held by Westaim was supported by the "SKWD" closing trading price on the Nasdaq Global Select Market of \$27.36 on September 30, 2023

SKYWARD SPECIALTY - SUMMARY STATEMENTS OF OPERATIONS⁽¹⁾



(Currency amounts in millions of US\$)	Three months ended September 30		Nine months ended September 30	
As at	2023	2022	2023	2022
Revenues				
Net earned premiums	\$227.0	\$158.0	\$604.2	\$445.9
Commission and fee income	2.1	1.4	5.8	3.7
Net investment income	13.1	6.0	26.3	31.7
Net investment gains (losses)	(3.0)	(7.3)	3.4	(26.2)
Total revenues	\$239.2	\$158.1	\$639.7	\$455.1
Expenses				
Losses and loss adjustment expense ("LAE")	\$138.5	\$111.7	\$377.8	\$293.5
Underwriting, acquisition and insurance expenses	68.3	47.3	176.7	132.3
Interest expense	2.6	1.7	7.3	4.3
Amortization expense	0.5	0.5	1.3	1.1
Other expenses	1.5	-	4.0	-
Total expenses	\$211.4	\$161.2	\$567.1	\$431.2
Income before income taxes	\$27.8	(\$3.1)	\$72.5	\$23.8
Income tax expense	6.1	(0.7)	15.8	4.8
Net Income	\$21.7	(\$2.4)	\$56.7	\$19.0
Net income attributable to participating securities	-	-	1.5	9.1
Net income attributable to common stockholders	\$21.7	(\$2.4)	\$55.2	\$9.9
Comprehensive income (loss):				
Net income	21.7	(2.4)	56.7	19.0
Net change in unrealized gains (losses) on investments, net of tax	(8.7)	(17.8)	(5.3)	(49.3)
Reclassification adjustment for (losses) gains on securities no longer held, net of tax	(3.7)	0.0	(4.9)	0.3
Total other comprehensive (loss) income	(\$12.4)	(\$17.8)	(\$10.2)	(\$49.0)
Comprehensive income (loss)	\$9.3	(\$20.2)	\$46.5	(\$30.0)
Basic earnings (loss) per share	\$0.59	(\$0.15)	\$1.56	\$0.60
Diluted earnings (loss) per share	\$0.57	(\$0.15)	\$1.50	\$0.58
Basic adjusted earnings per share	\$0.68	\$0.34	\$1.55	\$1.48
Diluted adjusted earnings per share	\$0.65	\$0.33	\$1.49	\$1.44
Annualized Return-on-Equity ("ROE")¹	16.4%	(2.3%)	15.8%	6.1%
Annualized adjusted ROE²	18.9%	10.4%	15.8%	15.2%
Annualized ROTE²	19.7%	(3.0%)	19.4%	7.9%
Annualized adjusted ROTE²	22.8%	13.4%	19.4%	19.4%

	September 30, 2023	December 31, 2022
Book value per share	\$14.36	\$25.82
Fully diluted book value per share	\$13.71	\$12.87
Fully diluted tangible book value per share	\$11.46	\$10.17

Written Premium Growth and Revenue

- GWP increased 31.6% to \$355.7 million in Q3 2023 vs. \$270.3 million in Q3 2022; GWP increased 29.5% to \$1,138.2 million in YTD 2023 vs. \$879.1 million in YTD 2022. The Q3 2023 and Q1 2023 increases in GWP, when compared to the same 2022 periods, were primarily driven by double-digit premium growth from nearly all eight of underwriting divisions
- NWP increased 63.7% to \$280.7 million in Q3 2023 vs. \$171.5 million in Q3 2022; NWP increased 40.6% to \$696.6 million in YTD 2023 vs. \$495.6 million in YTD 2022
- Total Revenue was \$239.2 million in Q3 2023 vs. \$158.1 million in Q3 2022; \$639.7 million in YTD 2023 vs. \$455.1 million in YTD 2022

Underwriting Profitability

- Underwriting income⁽²⁾ was \$22.3 million in Q3 2023 vs. underwriting income of \$0.3 million in Q3 2022; \$55.5 million in YTD 2023 vs. underwriting income of \$23.7 million in YTD 2022
- The combined ratio⁽²⁾ of 90.2% in Q3 2023 vs. 99.8% in Q3 2022; 90.8% in YTD 2023 vs. 94.7% in YTD 2022. The loss ratio for Q3 2023 improved 9.7 points to 61.0% vs. Q3 2022
- Q3 2023 non-cat loss and LAE ratio improved 1.3 points when compared to the Q3 2022, primarily driven by the shift in the mix of business and continued run-off of exited business; catastrophe losses only added 0.4 points to Q3 2023 loss ratio compared to the Q3 2022, which was impacted by 2.8 points of catastrophe losses from Hurricane Ian

Investment Performance

- Net investment income was \$13.1 million in Q3 2023 vs. \$6.0 million in Q3 2022; net investment income was \$26.3 million in YTD 2023 vs. \$31.7 million in YTD 2022
- The increase in income from core fixed income portfolio for Q3 2023 and YTD 2023 was due to (i) a larger asset base as Skyward Specialty continued to increase allocation to this part of its investment portfolio and (ii) a higher book yield of 4.2% at September 30, 2023 compared to 3.3% at September 30, 2022

Operating Profitability

- Adjusted operating income⁽²⁾ was \$25.0 million in Q3 2023 vs. \$10.7 million in Q3 2022; adjusted operating income⁽²⁾ was \$56.5 million in YTD 2023 vs. \$46.9 million in YTD 2022
- Net Income was \$21.7 million in Q3 2023 vs. (\$2.4) million in Q3 2022; Net Income was \$56.7 million in YTD 2023 vs. \$19.0 million in YTD 2022

(1) Annualized ROE is net income expressed on an annualized basis as a percentage of average beginning and ending stockholders' equity during the period.

(2) Skyward Specialty uses US GAAP and non-GAAP measures to assess performance. Please refer Appendix for Skyward Specialty Supplementary Financial Measures.

SKYWARD SPECIALTY - SUMMARY BALANCE SHEETS



(Currency amounts in millions of US\$)		
As at	September 30, 2023	December 31, 2022
Assets		
Investments	\$1,395.9	\$1,082.4
Cash and cash equivalents	53.7	45.4
Restricted cash	49.5	79.6
Premiums receivable, net of allowance	211.9	139.2
Reinsurance recoverables	615.7	581.4
Ceded unearned premium	218.8	157.6
Deferred policy acquisition costs	99.3	68.9
Deferred income taxes	35.0	36.2
Goodwill and intangible assets, net	88.8	89.9
Other assets	82.1	82.8
Total assets	\$2,850.7	\$2,363.4
Liabilities		
Reserves for losses and loss adjustment expenses	1,268.7	\$1,141.8
Unearned premiums	596.0	442.5
Deferred ceding commission	41.7	29.8
Reinsurance and premium payables	161.8	113.7
Funds held for others	54.0	36.8
Accounts payable and accrued liabilities	64.4	48.5
Notes payable	50.0	50.0
Subordinated debt, net of debt issuance costs	78.7	78.6
Total liabilities	\$2,315.3	\$1,941.7
Stockholders' equity		
Stock and additional paid-in capital	\$645.7	\$577.5
Stock notes receivable	(5.6)	(6.9)
Accumulated other comprehensive (loss) income	(53.7)	(43.5)
Accumulated deficit	(51.0)	(105.4)
Total stockholders' equity	\$535.4	\$421.7
Total liabilities and stockholders' equity	\$2,850.7	\$2,363.4
Tangible stockholders' equity⁽¹⁾	\$446.6	\$331.8

- Total Skyward Specialty stockholders' equity increased to \$535.4 million or 27.0% from Q4 2022; increase in stockholders' equity was primarily due to net IPO proceeds of \$62.4 million and YTD 2023 net income
- Skyward Specialty's financial position remains strong, with a debt to capitalization of 19.4% as at September 30, 2023

(1) Please refer Appendix for Skyward Specialty Supplementary Financial Measures.



APPENDIX

APPENDIX – SKYWARD SPECIALTY SUPPLEMENTARY FINANCIAL MEASURES⁽¹⁾



- **Adjusted operating income (loss)** – Skyward Specialty defines adjusted operating income (loss) as net income (loss) excluding the impact of certain items that may not be indicative of underlying business trends, operating results, or future outlook, net of tax impact. Skyward Specialty use adjusted operating income as an internal performance measure in the management of operations because Skyward Specialty believes it gives management and other users of financial information useful insight into results of operations and underlying business performance. Adjusted operating income (loss) should not be viewed as a substitute for net income (loss) calculated in accordance with GAAP, and other companies may define adjusted operating income differently.

(Currency amounts in thousands of US\$) (unaudited)	Three months ended September 30,				Nine months ended September 30,			
	2023		2022		2023		2022	
	Pre-tax	After-tax	Pre-tax	After-tax	Pre-tax	After-tax	Pre-tax	After-tax
Income (loss) as reported	\$27,795	\$21,711	(\$3,118)	(\$2,399)	\$72,533	\$56,719	\$23,819	\$18,977
Add:								
Other expenses	1,482	1,171	–	–	4,061	3,208	–	–
Less:								
Net impact of loss portfolio transfer	266	210	(9,271)	(7,324)	970	766	(9,271)	(7,324)
Net investment gains (losses)	(2,984)	(2,357)	(7,305)	(5,771)	3,328	2,629	(26,117)	(20,633)
Adjusted operating income	\$31,995	\$25,029	\$13,458	\$10,696	\$72,296	\$56,532	\$59,207	\$46,934

- **Underwriting income (loss)** – Skyward Specialty defines underwriting income (loss) as net income (loss) before income taxes excluding net investment income, net investment gains (losses), impairment charges, interest expense, amortization expense and other income and expenses. Underwriting income (loss) represents the pre-tax profitability of underwriting operations and allows Skyward Specialty to evaluate underwriting performance without regard to investment income. Skyward Specialty uses this metric as Skyward Specialty believes it gives management and other users of financial information useful insight into underlying business performance. Underwriting income (loss) should not be viewed as a substitute for pre-tax income (loss) calculated in accordance with GAAP, and other companies may define underwriting income (loss) differently.

(Currency amounts in thousands of US\$) (unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Income (loss) before federal income tax	\$27,795	(\$3,118)	\$72,533	\$23,819
Add:				
Interest expense	2,632	1,738	7,250	4,280
Amortization expense	463	387	1,336	1,160
Other expenses	1,482	–	4,061	–
Less:				
Net investment income	13,089	5,988	26,318	31,667
Net investment (losses) gains	(2,984)	(7,305)	3,328	(26,117)
Underwriting income	\$22,267	\$324	\$55,534	\$23,709

(1) Reconciliation from US GAAP financial measures to US non-GAAP financial measures.

APPENDIX – SKYWARD SPECIALTY SUPPLEMENTARY FINANCIAL MEASURES⁽¹⁾



- Adjusted Loss Ratio / Adjusted Combined Ratio** – Skyward Specialty defines adjusted loss ratio and adjusted combined ratio as the corresponding ratio (calculated in accordance with GAAP), excluding losses and LAE related to the LPT and all development on reserves fully or partially covered by the LPT and amortization of deferred gains associated with recoveries of prior LPT reserve strengthening. Skyward Specialty use these adjusted ratios as internal performance measures in the management of operations because Skyward Specialty believes they give management and other users of financial information useful insight into results of operations and underlying business performance. Skyward Specialty adjusted loss ratio and adjusted combined ratio should not be viewed as substitutes for loss ratio and combined ratio, respectively.

(Currency amounts in thousands of US\$) (unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net earned premiums	\$227,033	\$158,048	\$604,211	\$445,851
Losses and LAE	138,536	111,746	377,841	293,536
Less: Pre-tax net impact of loss portfolio transfer	(266)	9,271	(970)	9,271
Adjusted losses and LAE	\$138,802	\$102,475	\$378,811	\$284,265
Loss ratio	61.0%	70.7%	62.5%	65.9%
Less: Net impact of LPT	(0.1%)	5.9%	(0.2%)	2.1%
Adjusted Loss Ratio	61.1%	64.8%	62.7%	63.8%
Combined ratio	90.2%	99.8%	90.8%	94.7%
Less: Net impact of LPT	(0.1%)	5.9%	(0.2%)	2.1%
Adjusted Combined Ratio	90.3%	93.9%	91.0%	92.6%

- Tangible Stockholders' Equity** – Skyward Specialty defines tangible stockholders' equity as stockholders' equity less goodwill and intangible assets. Skyward Specialty definition of tangible stockholders' equity may not be comparable to that of other companies and should not be viewed as a substitute for stockholders' equity calculated in accordance with GAAP. Skyward Specialty use tangible stockholders' equity internally to evaluate the strength of balance sheet and to compare returns relative to this measure.

(Currency amounts in thousands of US\$) (unaudited)	September 30		December 31
	2023	2022	2022
Stockholders' equity	\$535,397	\$399,817	\$421,662
Less: Goodwill and intangible assets	88,808	90,237	89,870
Tangible stockholders' equity	\$446,589	\$309,580	\$331,792

(1) Reconciliation from US GAAP financial measures to US non-GAAP financial measures.



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