



# Q2 2024 Investor Presentation

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August 13, 2024

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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.

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Supplementary financial measures concerning Skyward Specialty contained in this presentation are unaudited and have been derived from the Skyward Specialty Second Quarter 2024 Results filed with the U.S. Securities and Exchange Commission at [www.sec.gov/edgar/search-and-access](http://www.sec.gov/edgar/search-and-access). 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 period ended June 30, 2024 available at [www.sec.gov/edgar/search-and-access](http://www.sec.gov/edgar/search-and-access).

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.

## 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 three and six months ended June 30, 2024 and 2023, 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.

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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.**

## Non-GAAP Measures

### Westaim

Westaim reports its interim 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 14 of Westaim's MD&A for the three and six months ended June 30, 2024 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's Second Quarter 2024 Press Release filed with the U.S. Securities and Exchange Commission at [www.sec.gov/edgar/search-and-access](http://www.sec.gov/edgar/search-and-access).

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 use 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.

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 June 30, 2024. 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.

Assets under management ("AUM"): AUM refers to the assets for which Arena Investors provides investment management. AUM is generally based on the net asset value of the funds managed by Arena Investors plus any unfunded commitments. Arena Investors' calculation of AUM may differ from the calculations of other asset managers, and as a result, may not be comparable to similar measures presented by other asset managers. Arena Investors' calculations of AUM are not based on any definition set forth in the governing documents of the investment funds and are not calculated pursuant to any regulatory definitions.

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

## 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. In addition, Arena makes investments in Corporate Securities, including liquid investments such as convertible structured investments, which are not fully discussed herein. Further information is available upon request.

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). All returns are based on the reinvestment of principal, interest, and dividends received. As applicable, 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.



Westaim is a Canadian investment holding company specializing in providing long-term capital to businesses operating primarily within the global financial services industry





Q2 2024 **net income attributable to Arena** (100%) was \$6.0 million compared to \$1.5 million for Q2 2023<sup>(1)</sup>

**AUM** was \$3.5 billion at June 30, 2024, as compared to \$3.4 billion at March 31, 2024 and \$3.2 billion at December 31, 2023 and \$3.3 billion at June 30, 2023

**Fee-paying AUM** was \$2.6 billion at June 30, 2024, as compared to \$2.5 billion at March 31, 2024 and \$2.5 billion at December 31, 2023 and \$2.5 billion at June 30, 2023

- **Arena AUM pipeline remains strong** with several product offerings being marketed to a diversified base of institutional investors
- **Arena Institutional Services (“AIS”)** now contributing meaningfully to the platform with \$5.4 million of revenue in Q2 2024 and high profit margins



Q2 2024 **net profit** was \$4.9 million (3.4% net investment return) compared to Q2 2023 net loss of \$3.3 million (-2.1% net investment return)

**Net assets of the Arena FINCOs** at June 30, 2024 was \$153.4 million compared to \$148.5 million at March 31, 2024 and \$147.2 million at December 31, 2023

- Westaim received **cash distributions** of \$6.9 million from Arena FINCOs in FY 2023; no distributions were made YTD 2024



**Net income** (100%) was \$31.0 million in Q2 2024 compared to net income (100%) of \$19.5 million in Q2 2023

**Adjusted operating income<sup>(1)</sup>** was \$33.1 million in Q2 2024 compared to \$16.0 million in Q2 2023

**Combined ratio** of 90.7% in Q2 2024 compared to 92.0% in Q2 2023

**Shareholders’ equity** was \$723.6 million at June 30, 2024; \$692.3 million at March 31, 2024 and \$661.0 million at December 31, 2023<sup>(1)</sup>

- Primarily due to a decrease in the Skyward Specialty trading price on June 30, 2024 compared to March 31, 2024, Westaim recorded a **decrease in the value of its investment in Skyward Specialty** of \$14.3 million in Q2 2024 compared to an increase of \$37.6 million in Q2 2023
- Westaim received proceeds of \$177.3 million for the **sale of 5,060,000 Skyward Specialty common shares** in Q2 2024; Westaim now holds 4.8% of the outstanding Skyward Specialty common shares



Q2 2024 **net loss** was \$17.1 million compared to Q2 2023 **net profit** of \$31.3 million

**Diluted loss per share** in Q2 2024 of \$0.13 compared to Q2 2023 **diluted earnings per share** of \$0.22

**Shareholders’ equity** was \$507.3 million at Q2 2024 compared to \$531.9 million at Q1 2024 at \$518.3 million at Q4 2023

- Westaim ended Q2 2024 with a **strong cash position** of \$288.6 million

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

(2) As at June 30, 2024, Westaim held 4.8% or 1,919,639 Skyward Specialty common shares.

# Westaim Summary Q2 2024 Operating Results

	Three months ended June 30		Six months ended June 30	
(Amounts in millions of US\$ except per share data)	2024	2023	2024	2023
(Loss) income from investment in Skyward Specialty	(\$14.3)	\$37.6	\$10.3	\$137.7
Income from investment in Arena	3.1	0.8	3.7	1.8
Income (loss) from investments in Arena FINCOs and ASOF <sup>(1)</sup>	5.0	(3.3)	6.3	(6.1)
<b>(Loss) income from investments</b>	<b>(\$6.2)</b>	<b>\$35.1</b>	<b>\$20.3</b>	<b>\$133.4</b>
Holding company operating expenses	(15.2)	(1.8)	(17.4)	(3.6)
Preferred securities interest expense	-	(0.4)	-	(0.9)
Interest and fee income	3.5	0.8	5.8	1.3
<b>Net holding company operating expense</b>	<b>(\$11.7)</b>	<b>(\$1.4)</b>	<b>(\$11.6)</b>	<b>(\$3.2)</b>
Share-based compensation expense	(3.1)	(2.4)	(3.0)	(3.7)
Foreign exchange gain (loss)	0.1	(0.2)	0.4	(0.6)
Derivative warrants - change in fair value loss	-	0.1	-	0.1
<b>Total net holding company expense</b>	<b>(\$14.7)</b>	<b>(\$3.9)</b>	<b>(\$14.2)</b>	<b>(\$7.4)</b>
Income taxes recovery (expense)	3.8	0.1	0.1	(0.2)
<b>(Loss) profit and comprehensive (loss) income</b>	<b>(\$17.1)</b>	<b>\$31.3</b>	<b>\$6.2</b>	<b>\$125.8</b>
(Loss) earnings per fully diluted share	(\$0.13)	\$0.22	\$0.05	\$0.89

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

(2) EBITDA is a non-GAAP measure.



Westaim's **loss and comprehensive loss** for Q2 2024 was \$17.1 million (\$0.13 diluted loss per share) compared to a profit and comprehensive income of \$31.3 million (\$0.22 diluted earnings per share) in Q2 2023

Westaim's **profit and comprehensive income** for YTD Q2 2024 was \$6.2 million (\$0.05 diluted earnings per share) compared to a profit and comprehensive income of \$125.8 million (\$0.89 diluted earnings per share) in Q2 2023



Arena produced \$6.6 million of **EBITDA** for Q2 2024 vs. \$2.1 million in Q2 2023, with AIS making a meaningful contribution<sup>(2)</sup>



**Net performance** of Arena FINCOs was a profit of \$4.9 million in Q2 2024 (Q2 2023: loss of \$3.3 million), for an investment return of 3.4% in Q2 2024 (Q2 2023: -2.1%)



# Westaim Summary Q2 2024 Statement of Financial Position

As at	June 30, 2024	March 31, 2024	December 31, 2023
(Amounts in millions of US\$ except per share data)			
<b>Assets</b>			
Cash	\$288.6	\$115.5	\$135.0
Other assets	2.2	1.4	1.5
Investment in Skyward Specialty	69.5	261.1	236.5
Investment in Arena	30.3	27.2	27.6
Investment in Arena FINCOs	153.4	148.5	147.2
Investment in ASOF LP	3.1	3.0	3.0
Deferred tax asset	4.5	1.1	1.0
<b>Total assets</b>	<b>\$551.6</b>	<b>\$557.8</b>	<b>\$551.8</b>
<b>Liabilities</b>			
Accounts payable, income taxes payable and accrued liabilities	\$44.3	\$21.5	\$32.3
Deferred tax liability	-	4.4	1.2
<b>Total liabilities</b>	<b>\$44.3</b>	<b>\$25.9</b>	<b>\$33.5</b>
Shareholders' equity	507.3	531.9	518.3
<b>Total liabilities and shareholders' equity</b>	<b>\$551.6</b>	<b>\$557.8</b>	<b>\$551.8</b>
<b>Number of common shares outstanding</b>	<b>128,172,385</b>	<b>129,181,585</b>	<b>131,757,285</b>
<b>Fully diluted book value per share - in US\$</b>	<b>\$3.91</b>	<b>\$4.02</b>	<b>\$3.83</b>
<b>Fully diluted book value per share - in C\$<sup>(1)</sup></b>	<b>C\$5.36</b>	<b>C\$5.44</b>	<b>C\$5.08</b>



**Book value per fully diluted share** increased \$0.08 (2.1%) to \$3.91 at June 30, 2024 from \$3.83 at December 31, 2023

**Book value per fully diluted share** increased C\$0.28 (5.5%) to C\$5.36 at June 30, 2024 from C\$5.08 at December 31, 2023



**Cash** was \$288.6 million at June 30, 2024



In Q2 2024, Westaim acquired and canceled 1.0 million Common Shares at a cost of \$2.7 million through its **NCIB**<sup>(2)</sup>

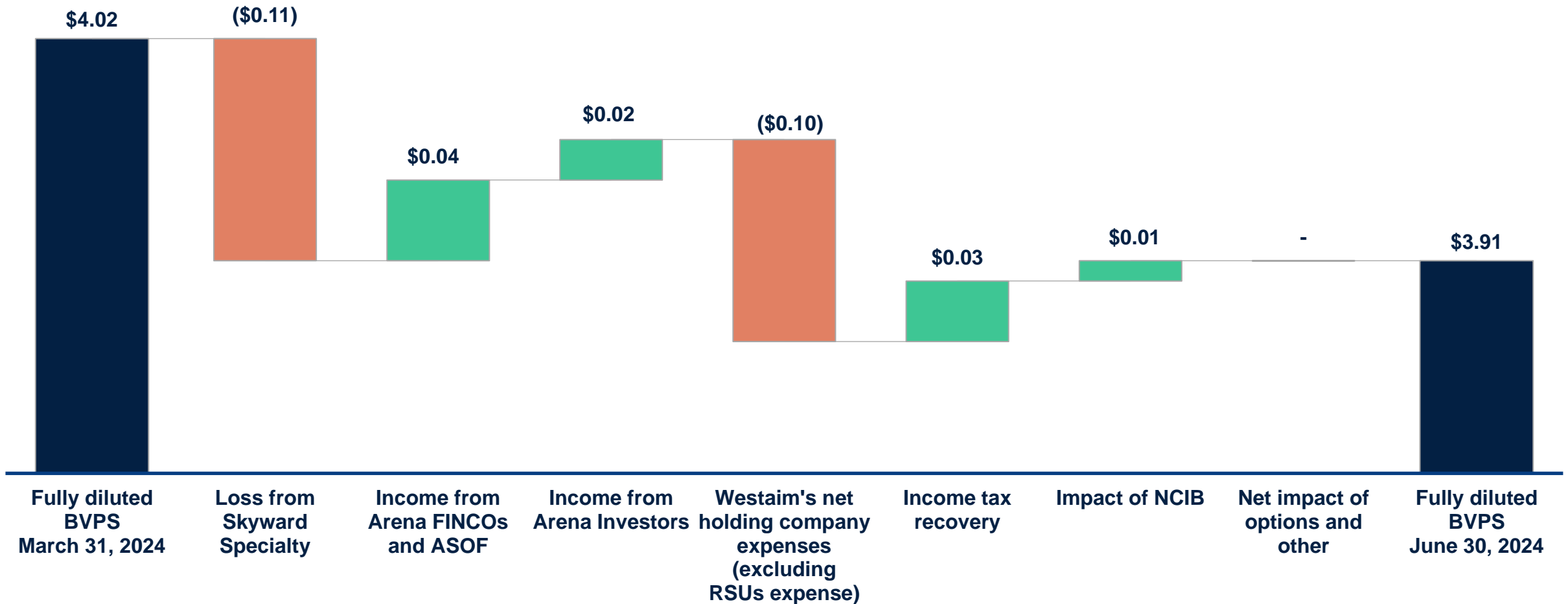
(1) Period end exchange rates of USD to CDN: \$1.36875 at June 30, 2024; \$1.35400 at March 31, 2024; \$1.32405 at December 31, 2023.

(2) Normal Course Issuer Bid ("NCIB")

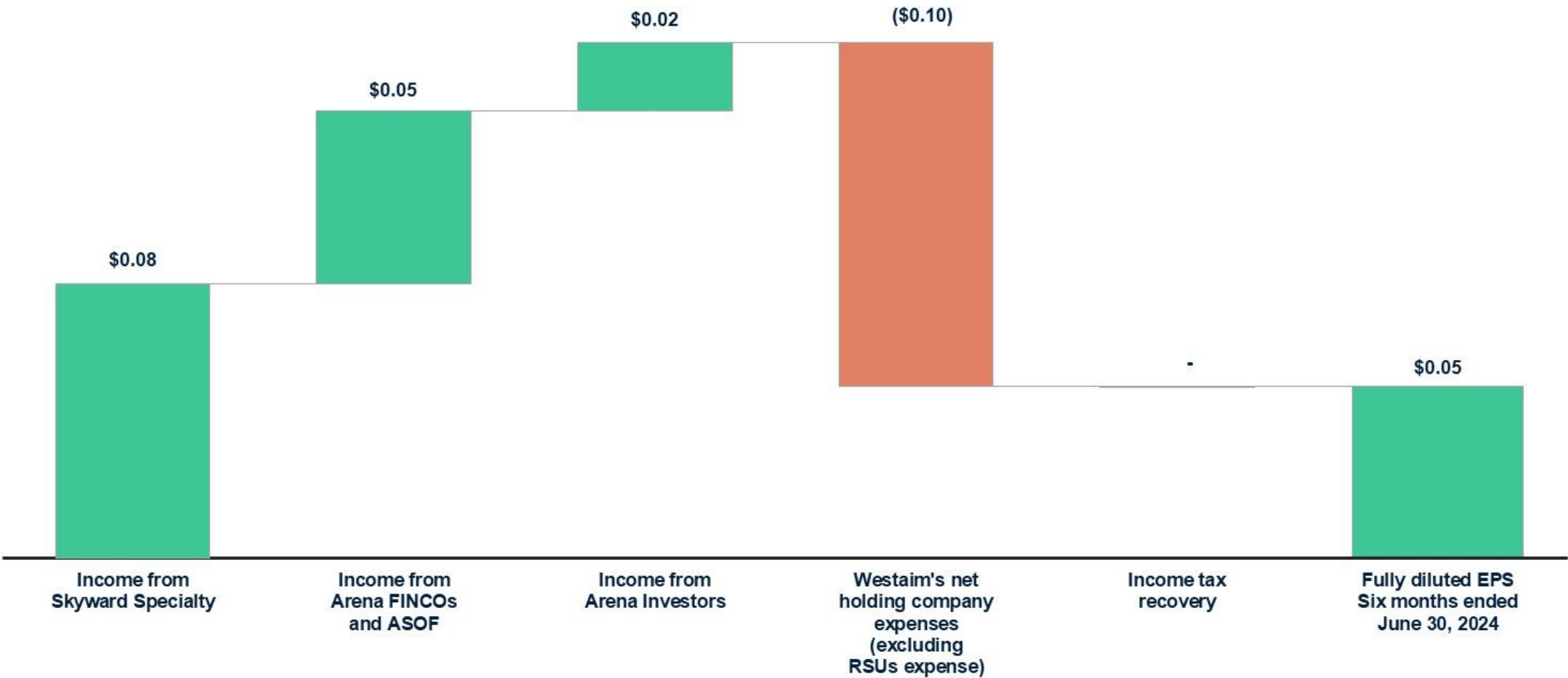
Westaim Diluted (Loss) Earnings per Share (US\$): Three months ended June 30, 2024



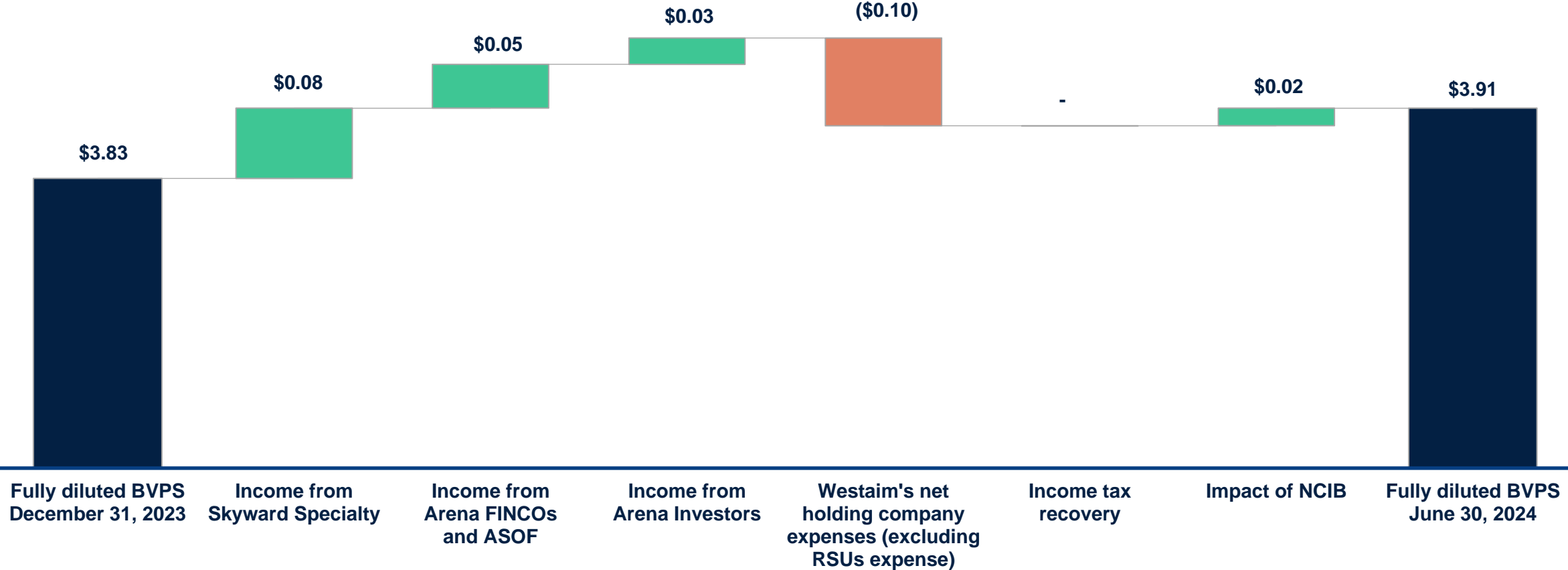
# Westaim Book Value per Share (US\$): Three months ended June 30, 2024



# Westaim Diluted Earnings per Share (US\$): Six months ended June 30, 2024



Westaim Book Value per Share (US\$): Six months ended June 30, 2024







ARENA  
I N V E S T O R S  
G R O U P   H O L D I N G S

# Seeing What's Possible

AIGH, including its joint ventures and affiliates, is a global financial institution with over 180 people across 8 global offices and operating in over 20 countries

All data is as of **June 30, 2024**  
unless otherwise specified



## ABOUT ARENA<sup>(1)</sup>

**\$3.5B**

AUM

**~\$180M**

of AUM is employee and related capital

Vast Global Origination and Servicing Network

Offices in New York, Jacksonville, Purchase, Dublin, London, Singapore, Bengaluru and Auckland<sup>(2)</sup>

**~\$5.6B**

deployed into 390+ privately negotiated transactions since launch in 2015<sup>(3)</sup>

- Credit-oriented, asset backed investments, but not “traditional private credit”.
- Broad Platform – capabilities across Corporate, Real Estate, Structured Finance, and Corporate Securities allow the firm to pivot to the most compelling opportunities across cycles and market environments.
- Global firm with a deep sourcing and servicing infrastructure, which also means:
  - Arena has aimed to avoid the overheated areas that continue to suffer in today’s market environment.
  - Servicing infrastructure has allowed Arena to manage any situations that do not materialize as expected, where average results are higher than initially expected in those situations.
  - End-to-end IT systems to manage investment process, giving Arena robust governance, transparency and a demonstrable edge.
- While Arena maintains this depth, breadth, global focus and infrastructure – the average transaction size is <\$50 million, avoiding competition with similarly situated “mega-firms”.
- “Private Credit” investors are migrating to Arena’s approach.

(1) The assets under management of Arena includes employee capital, co-invest, and capital committed but not yet deployed of approximately \$900 million as of June 30, 2024.

(2) Offices are also used by Arena affiliates.

(3) Excludes structured private convertibles.



## 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 smaller-sized transactions
  - Servicing and systems that govern process, protect invested capital and add considerable value
  - Intellectual property that can be leveraged for investors as well as third parties through AIS

## Proven Performance

- Over \$5 billion deployed into over 400 privately negotiated and structured private convertible transactions
- Over 200 exited privately negotiated transactions with a realized IRR of 16.3% gross<sup>(1)</sup>
- The portfolio has had positive results in over 85% of months since inception<sup>(2)</sup>
- Consistent and uncorrelated performance; stable results through market turbulence

## Driving Third-Party Assets Under Management

- Arena's AUM<sup>(3)</sup> has grown at a compound annual growth rate of about 40% from December 31, 2015 to June 30, 2024
- \$3.5 billion in AUM<sup>(3)</sup>

## Well Positioned To Drive Operating Leverage

- Future growth is expected to 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, 151 active positions have an underwritten IRR of 17.6% and a current IRR of 11.6%. 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 the reporting date. The current IRR may not be representative of the realized IRR upon exit of each investment, which may increase or decrease.

(2) Through June 30, 2024 and based on composite gross performance, see net performance and relevant disclosures on slide 19. Past performance is not indicative of future performance. Actual results may vary.

(3) AUM as of June 30, 2024, and includes undrawn commitments totaling \$900 million for closed-end, SMA, and Excess Capacity Funds (New Zealand Real Estate Credit, Secondaries & Liquidity Solutions).





## Arena – Q2 2024 Quarterly Results Highlights

(dollars in millions)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
<b>Arena Investors</b>				
Management fees	\$ 7.1	\$ 7.7	\$ 14.4	\$ 15.5
Servicing fees	3.0	2.7	5.9	5.4
Other income	0.8	0.3	2.0	0.6
<b>Total recurring revenue</b>	<b>10.9</b>	<b>10.7</b>	<b>22.3</b>	<b>21.5</b>
Other operating expenses allocated to recurring revenue	(10.6)	(10.6)	(21.2)	(20.0)
<b>Fee related earnings</b>	<b>\$ 0.3</b>	<b>\$ 0.1</b>	<b>\$ 1.1</b>	<b>\$ 1.5</b>
Incentive fees	6.8	1.4	8.5	4.2
Incentive fee compensation <sup>1</sup>	(3.0)	(1.5)	(4.5)	(2.8)
<b>Net incentive fees</b>	<b>\$ 3.8</b>	<b>\$ (0.1)</b>	<b>\$ 4.1</b>	<b>\$ 1.4</b>
<b>Arena Investors EBITDA</b>	<b>\$ 4.1</b>	<b>\$ 0.0</b>	<b>\$ 5.2</b>	<b>\$ 2.9</b>
<b>Arena Institutional Services</b>				
AIS revenue	5.4	5.0	8.6	5.0
AIS operating expenses	(0.4)	(0.4)	(1.1)	(0.5)
AIS Employee profit share	(2.0)	(1.8)	(3.1)	(1.8)
<b>AIS EBITDA</b>	<b>\$ 3.0</b>	<b>\$ 2.8</b>	<b>\$ 4.4</b>	<b>\$ 2.7</b>
<b>Arena Investors Group Holdings</b>				
AIGH general & administrative costs	(0.3)	(0.2)	(0.5)	(0.4)
AIGH other income & expense	(0.2)	(0.5)	(0.7)	(0.7)
<b>Total Arena EBITDA</b>	<b>\$ 6.6</b>	<b>\$ 2.1</b>	<b>\$ 8.4</b>	<b>\$ 4.5</b>
Depreciation	(0.1)	(0.1)	(0.2)	(0.2)
Revolving loan interest expense paid to Westaim	(0.5)	(0.5)	(0.9)	(0.8)
Taxes	(0.0)	-	(0.1)	-
<b>Net Income attributable to Arena</b>	<b>\$ 6.0</b>	<b>\$ 1.5</b>	<b>\$ 7.2</b>	<b>\$ 3.5</b>
<b>Westaim share of Arena's comprehensive income (51%)</b>	<b>\$ 3.1</b>	<b>\$ 0.8</b>	<b>\$ 3.7</b>	<b>\$ 1.8</b>

### Q2 2024 Results:

- Net income for Q2 2024 was \$6.0 million (Q2 2023: \$1.5 million)
- Management fee for Q2 2024 was \$7.1 million (Q2 2023: \$7.7 million)
- Service fee for Q2 2024 was \$3.0 million (Q2 2023: \$2.7 million)
- Net incentive fees was \$3.8 million for Q2 2024 (Q2 2023: net expense \$0.1 million)
- AIS leverages certain intellectual property to offer third-party services to other entities to assist in the management of their investments and/or liquidity needs
- Significant investment in the back and middle office functions over the last few years means that Arena now has the requisite infrastructure for future growth of Fee Related Earnings

(1) Arena is under no contractual obligation (past or future) to pay Incentive Fees earned to employees. Amounts may reflect rounding adjustments and consequently totals may not appear to sum.



\$3.5B AUM<sup>(2)</sup>

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
- Arena Special Opportunities Partners III, LP including Rated Feeder Fund for Insurance Company Investors

Separately Managed Accounts

EXCESS CAPACITY OPPORTUNITIES \$1.1B

New Zealand Real Estate Credit

Secondaries & Liquidity Solutions

Individual Co-investments

STABLE INCOME STRATEGIES \$0.3B

Real Estate Credit

Structured Finance/ABS

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

(2) AUM as of June 30, 2024, and includes undrawn commitments totaling approximately \$900 million for closed-end, SMA, and Excess Capacity offerings (New Zealand Real Estate Credit, Secondaries & Liquidity Solutions and Co-investment accounts).



## Arena – Investing: Performance & Deployment

- The following table presents the performance data for Arena’s significant drawdown funds and accounts:

As of June 30, 2024

(\$ in millions)	Year of inception	AUM	Original Capital Commitments	Capital Invested to Date <sup>1</sup>	Realized Value	Unrealized Value	Total Value	MoIC <sup>2</sup> Gross	Net	IRR Gross	Net	Primary Investment Strategy
<b>Multi-Strategy</b>												
<b>Fund Harvesting Investment</b>												
Arena Special Opportunities Partners I <sup>3,9</sup> <i>Ratio to Capital Invested</i>	2020	475	519	519	227 <i>DPI: 0.44x</i>	463 <i>RVPI: 0.89x</i>	689 <i>TVPI: 1.33x</i>	1.4x	1.3x	11.1%	9.1%	Multi-Strategy
<b>Funds Deploying Capital</b>												
Arena Special Opportunities Partners II <sup>3,10</sup> <i>Ratio to Capital Invested</i>	2021-22	809	631	596	N/A <i>DPI: N/A</i>	756 <i>RVPI: 1.27x</i>	756 <i>TVPI: 1.27x</i>	1.3x	1.3x	13.8%	11.0%	Multi-Strategy
Arena Special Opportunities Partners III <sup>4</sup> <i>Ratio to Capital Invested</i>	Currently raising	68	66	62	N/A <i>DPI: N/A</i>	64 <i>RVPI: 1.03x</i>	64 <i>TVPI: 1.03x</i>	N/A	N/A	12.9%	8.9%	Multi-Strategy
<b>Excess Capacity</b>												
<b>Fund Harvesting Investment</b>												
New Zealand Real Estate Credit I <sup>6,11</sup> <i>Ratio to Capital Invested</i>	2019-21	11	19	19	18 <i>DPI: 0.96x</i>	11 <i>RVPI: 0.55x</i>	29 <i>TVPI: 1.51x</i>	1.5x	1.5x	17.1%	16.7%	NZ Real Estate Credit
New Zealand Real Estate Credit II <sup>7</sup> <i>Ratio to Capital Invested</i>	2021-22	34	206	110	93 <i>DPI: 0.85x</i>	27 <i>RVPI: 0.25x</i>	121 <i>TVPI: 1.10x</i>	1.1x	1.1x	8.4%	7.1%	NZ Real Estate Credit
<b>Funds Deploying Capital</b>												
New Zealand Real Estate Credit III <sup>8</sup> <i>Ratio to Capital Invested</i>	2022-23	101	100	6	N/A <i>DPI: N/A</i>	7 <i>RVPI: 1.10x</i>	7 <i>TVPI: 1.10x</i>	1.2x	1.1x	3.0%	1.7%	NZ Real Estate Credit
Backbook Co-investments SMA <sup>5</sup> <i>Ratio to Capital Invested</i>	2021	472	450	93	105 <i>DPI: 1.13x</i>	11 <i>RVPI: 0.11x</i>	115 <i>TVPI: 1.24x</i>	1.2x	1.2x	13.9%	13.9%	Multi-Strategy
SLS ECF 1-A <sup>12</sup> <i>Ratio to Capital Invested</i>	2024	162	175	140	N/A <i>DPI: N/A</i>	140 <i>RVPI: N/A</i>	140 <i>TVPI: N/A</i>	N/A	N/A	N/M	N/M	Secondaries & Liquidity Solutions
SLS ECF 1-B <sup>12</sup> <i>Ratio to Capital Invested</i>	2024	54	54	51	N/A <i>DPI: N/A</i>	51 <i>RVPI: N/A</i>	51 <i>TVPI: N/A</i>	N/A	N/A	N/M	N/M	Secondaries & Liquidity Solutions

(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. MOICs are based on peak capital deployed versus average capital outstanding, the latter of which would result in higher values.

(3) 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.

(4) Fees are blended and range from 1.5-1.75% annual management fees and 17.5-20% carry over a 6% preferred return with GP Catchup. The returns are inclusive of an asset servicing expense based on a rate card by investment-type. All returns are based on the reinvestment of principal, interest and dividends received by the Fund.

(5) No management or incentive fees. The returns are inclusive of an asset servicing expense based on a rate card by investment-type. Gross return does not reflect asset servicing expense recapture. All returns are based on the reinvestment of principal, interest and dividends received by the Fund.

(6) Fees include upfront management fees and carry (capped at NZ\$300k). 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.

(7) 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.

(8) 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 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. Excludes 2 investor commitments of \$183M which have not yet been called.

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

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

(11) Arena managed a second discretionary vehicle for NZ REC I investments where one investment represents approximately 60% of the vehicle, based on that investor's sizing determination. Accordingly, we show the returns for the diversified SMA that held the Fund I positions, though which excluded that single investment, also on that investor's determination. The returns for the aforementioned SMA through June 30, 2024 was a net IRR and MOIC of 0.7% and 1.0x respectively.

(12) No management fees or servicing expenses. 0-15% carry.

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.



- The following table presents the performance data for Arena’s significant open-ended funds and Stable Income strategies:

As of June 30, 2024

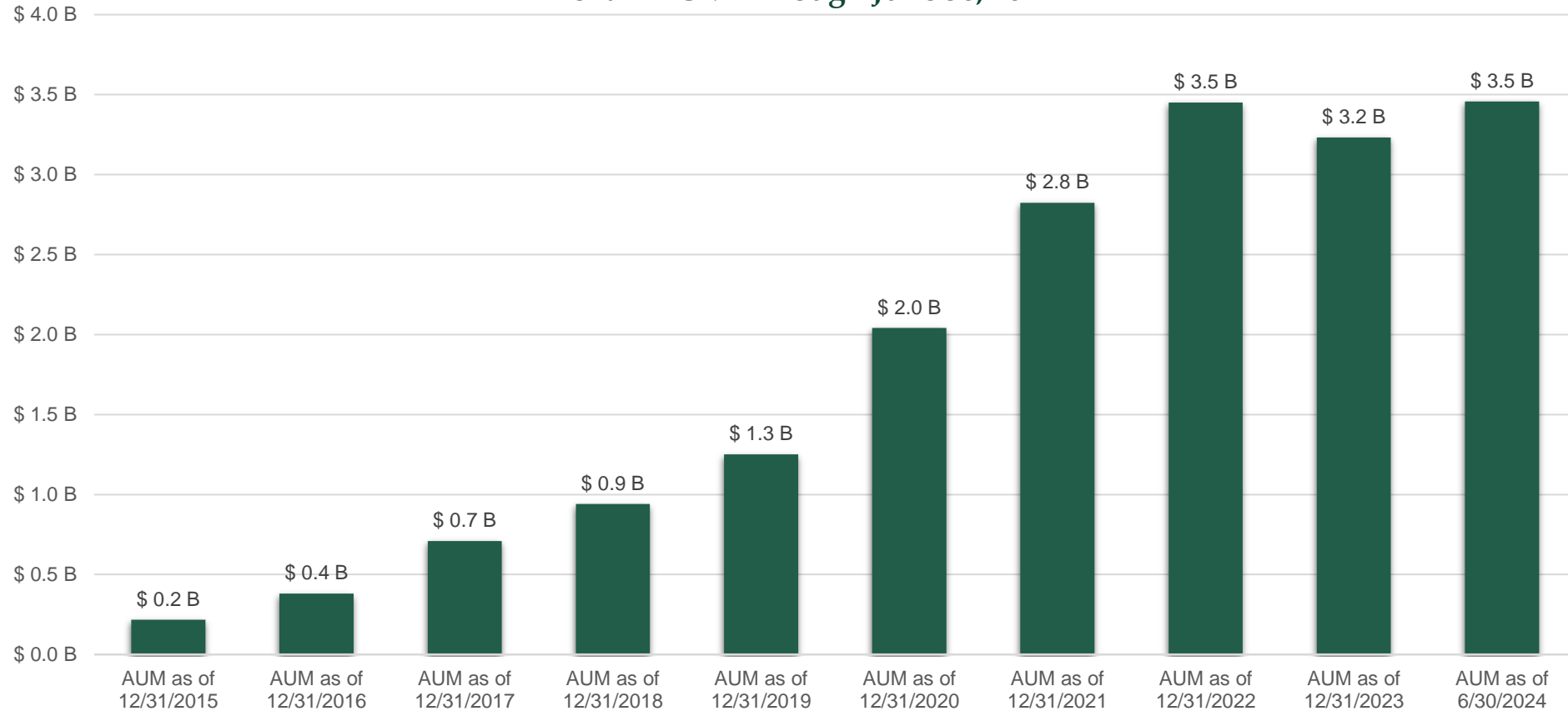
(\$ in millions)	Year of inception	AUM	Returns (%)						Primary Investment Strategy
			Quarter-to-date		Year-to-date		Since Inception (Annualized)		
			Gross	Net	Gross	Net	Gross	Net	
<b>Multi-Strategy</b>									
Arena Special Opportunities Fund <sup>1,2</sup>	2015	107	3.9%	3.1%	4.9%	3.6%	8.8%	5.2%	Multi-Strategy
<b>Stable Income</b>									
Stable Income ABS <sup>1,3</sup>	2021	53	4.5%	4.0%	4.8%	4.2%	3.3%	2.7%	Asset-Backed Securities and Structured Finance Assets
SI-REC <sup>1,4</sup>	2017	177	2.7%	2.2%	4.9%	3.9%	7.3%	5.8%	US Commercial Real Estate Bridge Loans

- 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.
- 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. This is a composite of US and Cayman funds.
- Returns are calculated net of annual management fees of 0.35% and an incentive fee of 7.5% over a 1.5% hurdle. 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. 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’s AUM (including undrawn commitments) were \$3.5B at June 30, 2024. From December 31, 2015, to June 30, 2024, AUM has grown at a compound annual growth rate of about 40%. AUM temporarily decreased due to the return of capital from vehicles that are in their redemption periods relative to new money being invested into new launches.

Arena – AUM Through June 30, 2024<sup>1</sup>



(1) AUM as of June 30, 2024, and includes undrawn commitments totaling approximately \$900 million for closed-end, SMA, and Excess Capacity offerings (New Zealand Real Estate Credit, Secondaries & Liquidity Solutions and Co-investment accounts).



## 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 Q2 2024 of \$24 million. This loan is to be repaid before the distribution of earnings of Arena to its members (i.e. Westaim and Bernard Partners, LLC (“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 June 30, 2024

	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

	Three months ended June 30		Six months ended June 30	
(Amounts in millions of US\$ except per share data)	2024	2023	2024	2023
Investment income (loss)	\$1.5	\$0.7	\$3.5	\$(0.3)
Net gains (losses) on investments	6.0	(1.4)	7.7	(0.7)
Interest expense	(1.2)	(1.2)	(2.4)	(2.2)
<b>Net investment income (loss)</b>	<b>\$6.3</b>	<b>(\$1.9)</b>	<b>\$8.8</b>	<b>(\$3.2)</b>
Operating expenses:				
Management and asset servicing fees	(1.0)	(0.9)	(1.9)	(1.9)
Incentive fees expense	-	(0.1)	(0.1)	(0.2)
Other operating expenses	(0.3)	(0.3)	(0.5)	(0.6)
<b>Net performance of Arena FINCOs</b>	<b>\$5.0</b>	<b>(\$3.2)</b>	<b>6.3</b>	<b>(\$5.9)</b>
Advisory fees paid to the Company	(0.1)	(0.1)	(0.1)	(0.1)
<b>Net operating results of the Arena FINCOs</b>	<b>\$4.9</b>	<b>(\$3.3)</b>	<b>\$6.2</b>	<b>(\$6.0)</b>
<b>Gross investment return</b>	<b>4.3%</b>	<b>(1.2%)</b>	<b>6.1%</b>	<b>(2.1%)</b>
<b>Net investment return*</b>	<b>3.4%</b>	<b>(2.1%)</b>	<b>4.3%</b>	<b>(3.8%)</b>

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



Q2 2024 net profit was \$4.9 million (3.4% net investment return) compared to Q2 2023 net loss of \$3.3 million (-2.1% net investment return)

YTD Q2 2024 net profit was \$6.2 million (4.3% net investment return) compared to Q2 2023 net loss of \$6.0 million (-3.8% net investment return)



Having served as overflow capacity for Arena's other vehicles, 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



As announced at Westaim's 2024 Investor Day, the Arena FINCOs are expected to be liquidated with proceeds to be redeployed for other strategic uses



## Arena FINCOs: Summary of Net Assets

As at	June 30, 2024	March 31, 2024	December 31, 2023
(Amounts in millions of US\$ except per share data)			
Cash and cash equivalents	\$15.4	\$6.8	\$27.3
<b>Investments:</b>			
Corporate Private Investments	47.9	52.1	52.9
Real Estate Investments	56.9	55.0	53.3
Structured Finance and Assets	54.3	56.1	56.1
Other Securities	42.1	36.1	29.7
<b>Total investments</b>	<b>\$201.2</b>	<b>\$199.3</b>	<b>\$192.0</b>
Other net assets	2.1	3.7	3.9
Due from (to) brokers, net	(4.2)	2.7	(12.1)
Senior secured notes payable	(44.6)	(44.5)	(44.4)
Revolving credit facility payable	(16.5)	(19.5)	(19.5)
<b>Net assets of the Arena FINCOs</b>	<b>\$153.4</b>	<b>\$148.5</b>	<b>\$147.2</b>
<b>Changes in Investment in Arena FINCOs</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>FY 2023</b>
Opening balance	\$148.5	\$147.2	\$160.1
Return of capital to Westaim	-	-	(2.5)
Unrealized income (loss) before dividends	4.9	1.3	(6.0)
Dividends paid to Westaim	-	-	(4.4)
<b>Ending balance</b>	<b>\$153.4</b>	<b>\$148.5</b>	<b>\$147.2</b>



The combination of the secured notes and revolving credit facility are being utilized for efficient treasury management and limiting cash drag

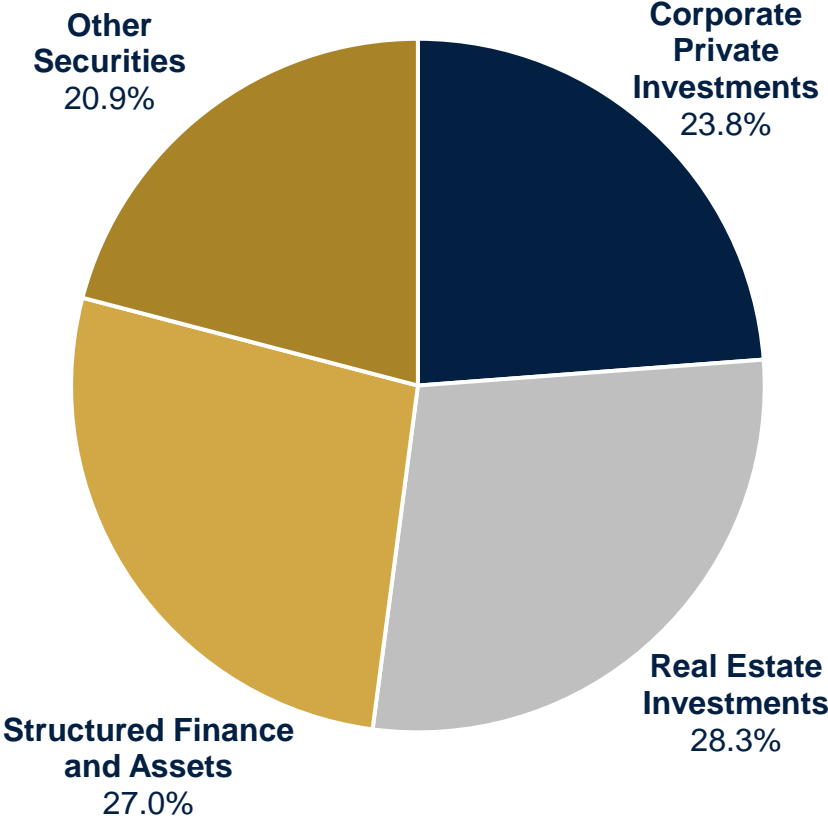
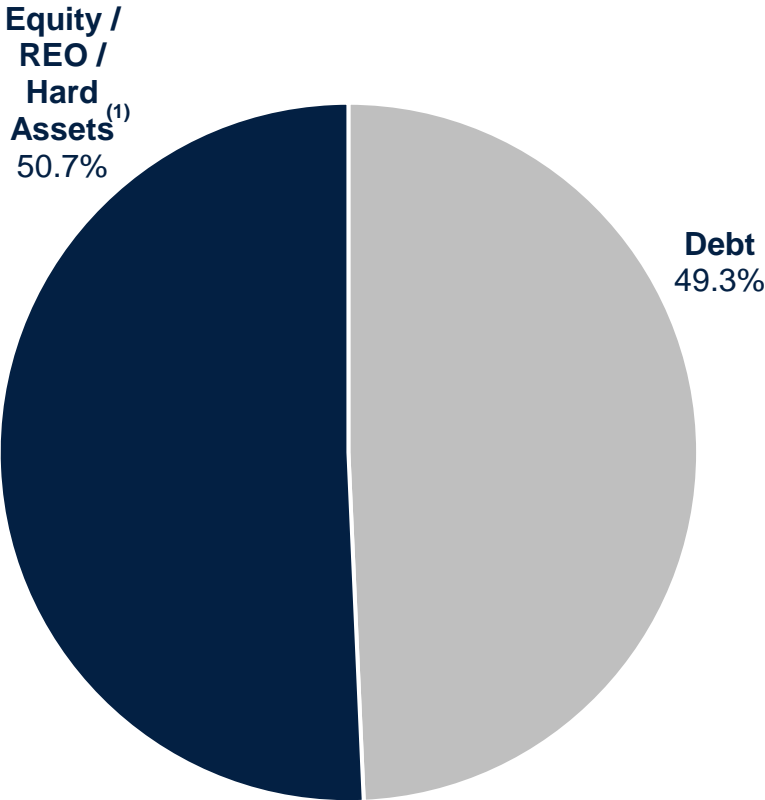


The composition of the portfolio, with 50.7% in equity/REO/hard assets<sup>(1)</sup>, contributes to fair market value volatility of these invested assets through unrealized net gains (losses)



Arena FINCOs represents Westaim's proprietary capital, 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

(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 held 222 positions at June 30, 2024 compared to 221 positions at December 31, 2023

(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.

