

CC Capital and Westaim to Create Integrated Insurance and Asset Management Platform

CC Capital to Invest USD \$250 Million in Westaim at CAD \$4.75 Per Share Bringing Total Investable Capital Base to Approximately USD \$700 Million

Westaim to Invest in Cloud-Native, Highly Scalable Annuities Provider Ceres Life Insurance Company, and Remaining Interests in Arena Investors

Platform Expected to Drive Meaningful, Long-Term Value for Shareholders

Chinh Chu to Serve as Executive Chair of Westaim

Industry Veteran Deanna Mulligan to Lead Ceres Life Insurance Company

Westaim to Host Conference Call Today, October 9, 2024, at 10:00 a.m. ET

NEW YORK and TORONTO, October 9, 2024 – CC Capital, a private investment firm focused on investing in and operating high-quality businesses for the long term, and The Westaim Corporation (“Westaim”) (TSXV: WED) today announced the creation of an integrated insurance and asset management platform through the strategic combination of:

- Westaim, an investment company specializing in providing long-term capital to financial services businesses;
- Arena Investors, LP (“Arena”), a global institutional asset manager with approximately USD \$3.5 billion of invested and committed assets under management; and
- Ceres Life Insurance Company (“Ceres Life”), a cloud-native, highly scalable annuity platform. Ceres Life has been incubated by CC Capital and will be led by Deanna Mulligan, former CEO and Chair of Guardian Life Insurance, a Fortune 300 company and one of the largest life and annuities insurance companies in the U.S.

The strategic combination, fueled by CC Capital’s investment and expertise, will transform Westaim into an integrated insurance and asset management platform, with a growing and diversified credit manager and an advantaged, tech-enabled insurance carrier that is expected to provide competitively priced fixed income and multi-year guarantee annuity products to policyholders and drive strong and sustainable value creation for Westaim shareholders. The transaction is expected to provide Arena with long-dated insurance assets and better position Arena to increase its third-party assets under management (AUM), creating a path to a potential USD \$10 billion of AUM with just the existing equity capital base. Ceres Life will continue to develop its advanced technology platform and invest in enhanced distribution and service offerings to bring compelling annuities products to customers. As part of a combined platform, these businesses are expected to generate a powerful value creation flywheel, driving continued growth and stability of both the insurance and asset management businesses.

Ceres Life will launch with access to considerable organic distribution flow through a unique distribution partnership, which is expected to significantly accelerate Ceres Life’s growth, delivering more assets to Arena and in turn enabling the Ceres Life business to scale and serve a broader range of potential policyholders. With these additional capabilities, Ceres Life is expected to be positioned to leverage the long-standing insurance relationships across CC Capital’s and Ceres Life’s management teams’ networks to opportunistically pursue reinsurance transactions to further accelerate the platform’s growth.

Executive Commentary

“This is a unique opportunity to create an integrated insurance and asset management platform,” said Chinh Chu, Founder and Senior Managing Director of CC Capital. “Ceres Life will be competitively advantaged by Deanna Mulligan’s leadership and experience, its advanced tech platform and a sizeable, committed capital base. With this foundation, Ceres Life is positioned to scale rapidly and improve how the industry serves policyholders, generating stable insurance assets that will support Arena’s strong growth. We are confident that this transaction will create significant long-term value for Ceres Life policyholders and Westaim shareholders.”

“We are proud to provide our shareholders with the chance to participate in this unique strategic combination and join us on our significant value creation journey,” said Cameron MacDonald, CEO of Westaim. “We are transforming Westaim into a competitively advantaged, integrated insurance and asset management platform, with the potential to rapidly increase our AUM, and the network and talent to further accelerate our growth and success. Our focus at Westaim is to partner with businesses to compound wealth and provide above average returns over the long-term for our shareholders – and we believe this transaction massively delivers on that objective. We are thrilled to partner with Chinh and his team and with Deanna, who collectively bring demonstrated expertise in guiding the growth of world-class insurance and asset management businesses, and who will help enable us to unlock the tremendous potential of this unique platform.”

“I could not be more excited to develop and lead an insurer with the capabilities and resources we are building into Ceres Life from day one, including exceptional distribution capabilities for a de novo annuities provider and an experienced asset management partner – creating a company positioned to deliver stable and attractive income for policyholders and superior returns for investors,” said Deanna Mulligan, incoming CEO of Ceres Life. “We are inspired by the belief that technology can reinvent the way insurance providers meet the needs of retirees, improving service, communication, and clarity of offerings, and we look forward to expanding our partnerships to reach more customers over time. With the support and backing of CC Capital, we are building a nimble, highly efficient, and risk-conscious insurance company that provides simple-to-understand and easily accessible annuity products to create better outcomes for policyholders. With a large and growing aging population and strong demand for annuity products, we believe that Ceres Life is poised for robust and consistent growth.”

Dan Zwiirn, CEO and Chief Investment Officer of Arena, said, “We believe this transaction will enable Arena to leverage its existing capabilities to thoughtfully scale our platform through access to stable insurance assets from Ceres Life and the additional long-term support and resources of the CC Capital team. We have been working with partners in the insurance industry for years and look forward to capitalizing on our expertise to source high-quality, long-duration assets to generate stable returns for Ceres Life’s policyholders.”

Boards of Directors and Management

Westaim

Westaim and Wembley Group Partners LP (the “Investor”), an affiliate of CC Capital, will enter into an investor rights agreement upon closing of the transaction pursuant to which the Investor will be entitled to, among other things, certain board nomination rights at Westaim. Pursuant to the investor rights agreement, following the closing of the transaction, Mr. Chu will serve as Executive Chair of the Westaim Board of Directors and Ian Delaney, the current Executive Chair, will transition to Vice Chair. Immediately following closing of the transaction, the Westaim Board of Directors will consist of 11 directors, five of whom will be nominated by the Investor and five of whom will be nominated by Westaim (one of whom will be the CEO of Westaim), along with an independent director nominated in coordination between the Investor and Westaim. Mr. MacDonald will continue to lead Westaim as CEO.

In the event the volume weighted average price of Westaim’s shares on the TSX Venture Exchange (the “TSXV”) or other stock exchange on which its shares are listed for trading equals or exceeds CAD \$8.00 (subject to certain adjustments described in the investor rights agreement) for any 30 consecutive trading day period prior to the five-year anniversary of closing of the transaction (the “Share Price Target”), the Investor will have the right to nominate a sixth nominee to the 11-member Westaim Board of Directors.

Mr. Chu is the Founder and Senior Managing Director of CC Capital, a private investment firm based in New York, which he founded in 2015. Prior to founding CC Capital, Mr. Chu was a Senior Managing Director, the Co-Head of Private Equity, and a member of the Executive Committee at Blackstone, where he spent 25 years.

The Investor's five nominees and the mutually selected independent nominee to the Westaim Board of Directors described above will be identified following signing and details of such nominees will be included in the management information circular to be mailed to Westaim shareholders in connection with the special meeting of shareholders to approve the transaction.

Pursuant to a consulting agreement between Westaim and an affiliate of CC Capital, Westaim will also appoint Richard DiBlasi, Managing Director at CC Capital, as its Chief Strategy Officer, effective immediately. After joining CC Capital in 2016, Mr. DiBlasi was involved in the acquisition of Fidelity & Guarantee Life in 2017 and helped support CC Capital's stewardship of the business following the transaction. He also supported CC Capital's take-private of Dun & Bradstreet in 2019 and subsequent public listing in 2020. Prior to CC Capital, he spent six years at Blackstone focused on investments in the financial services, technology, and business services sectors. In addition to his new role at Westaim, Mr. DiBlasi will continue to serve as Managing Director at CC Capital.

Arena

Arena will continue to be led by Mr. Zwirn. The size of the Arena Board of Managers will be fixed at nine. Westaim will have the right to appoint five members of the Arena Board of Managers, all of whom will be nominated by the Investor, and Mr. Zwirn will have the right to appoint the remaining four members of the Arena Board of Managers, two of which include Mr. Zwirn and Lawrence Cutler, Arena's existing Chief Operating Officer. The Investor's consent will be required for the removal of any of the Investor's nominees from the Arena Board of Managers and each nominee to the Arena Board of Managers will require approval by a majority of the independent directors of the Westaim Board of Directors.

Transaction Details

In connection with the transaction, CC Capital has committed to making a USD \$250 million strategic investment in Westaim to acquire common shares and warrants that will represent an approximately 41% interest in Westaim (assuming the vesting and exercise of all warrants), bringing Westaim's total investable capital base to approximately USD \$700 million. CC Capital is currently an arm's length party to Westaim. Following completion of the transaction, CC Capital will be a "Control Person" of Westaim (as such term is defined under the policies of the TSXV).

Westaim has committed to use the proceeds from CC Capital's investment, additional capital from its balance sheet, and capital from the monetization of the Arena FINCOs to invest an aggregate of approximately USD \$600 million in exchange for 100% of the limited partnership interests of a new vehicle managed by CC Capital ("Salem Partners"). An affiliate of CC Capital will serve as the general partner of Salem Partners and will control Salem Partners and its investments. The limited partnership agreement of Salem Partners will provide Westaim with the ability to remove the CC Capital affiliate as general partner at any time, subject to obtaining approval of a majority of the Westaim Board of Directors (including all of CC Capital's nominees to the Westaim Board of Directors).

Salem Partners will acquire an affiliate of CC Capital that has entered an agreement to acquire ManhattanLife of America Insurance Company (the "Insurance Company"), a regulated insurance company with minimal assets other than insurance licences in all US states other than California, Idaho, Maine, Minnesota, New Jersey, and New York, in exchange for the reimbursement of arm's length third party expenses incurred by CC Capital and its affiliates related to the buildout of the insurance vehicle and the acquisition of the Insurance Company, which are expected to amount to approximately USD \$10 million. Closing of the acquisition is subject to regulatory approvals and the other transactions described in this press release are not conditional on closing of the acquisition. Assuming the acquisition is completed, once acquired, Salem Partners intends to rebrand the Insurance Company as Ceres Life. In anticipation of completing the acquisition of the Insurance Company, CC Capital has taken steps that are expected to poise Ceres Life for growth following closing, including identifying Ms. Mulligan to lead Ceres Life, identifying and negotiating the acquisition of the Insurance Company from an arm's length third party, and assisting with developing Ceres Life's technology platform. The remainder of the funds to be invested in Salem Partners are expected to be used to pursue investments in insurance or insurance-related, annuities, reinsurance, corporate liabilities, distribution, asset and wealth management companies and/or related investments.

In addition, in connection with the transaction Westaim will restructure the ownership of Arena to acquire the remaining 49% of the equity of Arena that it does not already own from BP LLC in exchange for the issuance of profit interests entitling the members of BP LLC and certain other front office investment team members of Arena to receive distributions of 45% of the net profits of Arena on an ongoing basis. CC Capital will be entitled to receive distributions of 6% of the net profits of Arena on an ongoing basis and Westaim will be entitled to receive the remainder of the net profits of Arena. In connection with this restructuring, BP LLC's existing earn-in mechanism in respect of Arena will be eliminated. The existing members of BP LLC are Dan Zwirn and Lawrence Cutler, each of whom are members of senior management of Arena and who collectively own 0.84% of the outstanding common shares of Westaim as of the date hereof.

Ceres Life and Arena will enter into an investment management agreement pursuant to which Arena is expected to manage up to 90% of Ceres Life's total investible assets.

Following the completion of the transaction, subject to the approval of a committee of the Westaim Board of Directors, Westaim intends to implement a share buyback to repurchase up to USD \$100 million of Westaim common stock at CAD \$5.00 to \$5.25 per common share, returning capital to shareholders at accretive values.

The Investor and Westaim have entered into an investment agreement pursuant to which, among other things, CC Capital will acquire approximately 71.9 million shares of Westaim, representing a 36% ownership interest in the Company, for CAD \$4.75 per share in cash, an approximately 18.2% premium to the closing price of Westaim's shares on October 8, 2024, the last trading day prior to the announcement of the transaction and an approximately 25% premium to the 180-day volume weighted average price prior to announcement. Pursuant to the investment agreement, the Investor will also receive (i) warrants entitling it to acquire up to an additional approximately 7.8 million shares of Westaim, which is expected to represent approximately 3% of FDSO following closing of the transaction, exercisable for a period of five years following closing at an exercise price of CAD \$4.02 per share (subject to customary adjustments), which warrants will vest in the event that the Share Price Target is met; and (ii) warrants entitling it to acquire up to an additional approximately 23.5 million shares of Westaim, which is expected to represent approximately 9% of FDSO following closing of the transaction, exercisable for a period of five years following closing at an exercise price of CAD \$4.75 per share (subject to customary adjustments). The number of shares issuable pursuant to the warrants are subject to customary adjustments and adjustments to maintain the percentage of issued and outstanding shares issuable pursuant to the warrants following completion of the share buyback. Mr. Chu has ultimate beneficial ownership and control of the Investor.

Pursuant to the investment agreement, Westaim intends to implement a plan of arrangement under the *Business Corporations Act* (Alberta) pursuant to which, among other things, Westaim will change its jurisdiction of incorporation from Alberta to Delaware and implement a consolidation of Westaim's shares on the basis of one post-consolidation share for every six pre-consolidation shares. As of the date hereof there are 128.2 million common shares of Westaim outstanding and following the share consolidation there are expected to be 200.1 million common shares of Westaim outstanding on a *pro forma* basis including CC Capital's investment in Westaim, supporting Westaim's efforts to enhance its attractiveness to new investors. All numbers provided elsewhere in this press release have not been adjusted for the consolidation.

Pursuant to the investment agreement, Westaim has agreed to a plan to monetize its interest in the Arena FINCOs to provide equity capital for the insurance business.

In connection with the transactions, management of Westaim and Arena are expected to receive stock options equal to an aggregate of 8% of issued and outstanding Westaim shares as of closing of the transaction. Such stock options will be issued pursuant to a new equity incentive plan to be adopted by Westaim effective on closing of the transaction (subject to receipt of required TSXV and shareholder approvals). As of the date hereof, management of Westaim and Arena, on a collective basis, owns approximately 13.92% of the issued and outstanding shares of Westaim.

In connection with the transaction, Westaim and an affiliate of CC Capital (the “Consultant”) have entered into a consulting agreement in respect to the implementation of Westaim’s asset management strategy. Pursuant to the consulting agreement, Westaim will appoint Richard DiBlasi, Managing Director at CC Capital, as its Chief Strategy Officer.

The Consultant will provide certain consulting services to Westaim and in exchange, the Consultant will receive a customary expense reimbursement and performance-based restricted stock units of Westaim to be issued on closing of the transaction pursuant to the new equity incentive plan to be adopted by Westaim on closing of the transaction (subject to receipt of required TSXV and shareholder approvals) representing 2% of the issued and outstanding Westaim shares following closing of the transaction. In addition, pursuant to the consulting agreement, for so long as the Investor is entitled to nominate at least two director nominees, the Consultant will be entitled to receive ongoing future grants of performance-based restricted stock units representing 25% of the Westaim shares underlying equity compensation grants to directors or officers of Westaim from time to time.

Investor Rights Agreement

The investment agreement contemplates that, contemporaneously with the closing of the transaction, the Investor and Westaim will enter into an investor rights agreement pursuant to which the Investor will be granted the following rights.

Board Representation

As described above, following closing of the transaction, the Investor will be entitled to nominate five out of the 11 nominees to the Westaim Board of Directors, subject to certain stepdowns based on ownership thresholds and value, which vary over time.

In addition, as described above, in the event the Share Price Target is met, the Investor will have the right to nominate a sixth nominee to the 11-member Westaim Board of Directors.

Participation Rights

In connection with certain issuances of securities by Westaim (each, a “Subsequent Offering”), the Investor will have the right to subscribe for and to be issued, on a private placement basis and substantially on the terms and conditions of such Subsequent Offering, securities that will result in the Investor owning the same percentage of Westaim shares, on a partially diluted basis, that it owned immediately prior to the completion of the Subsequent Offering.

Registration Rights

The Investor will have the right, subject to certain limitations and to the extent permitted by applicable law, to require Westaim to file a prospectus and/or a registration statement under applicable securities laws qualifying the Westaim shares held by the Investor for distribution in Canada and/or the United States. In addition, the Investor may, in certain circumstances, require Westaim to include shares held by the Investor in certain proposed distributions of shares in Canada and/or the United States by Westaim for its own account.

Standstill and Transfer Restrictions

For a period of 36 months following closing of the transaction, the Investor will agree not to, and shall cause its affiliates not to, directly or indirectly, acquire or agree to acquire or make any proposal or offer to acquire any voting shares or convertible securities of Westaim that would cause the Investor’s aggregate beneficial ownership to exceed 49% of the issued and outstanding Westaim shares, other than pursuant to the exercise by the Investor or its affiliates of the warrants acquired pursuant to the transaction.

In addition, the Investor has agreed not to effect, seek, offer, or propose any change of control transaction (as defined in the investor rights agreement), pursuant to which the Investor, together with its affiliates or any other persons acting in concert, becomes the beneficial owner of more than 50% of the then-outstanding Westaim shares other than pursuant to the exercise by the Investor or its affiliates of the warrants, subject to certain exceptions.

For a period of 24 months following closing of the transaction, the Investor will be prohibited from knowingly transferring any shares or convertible securities of Westaim to any person that, following such transfer, would, either alone or together with persons acting jointly or in concert, beneficially own 10% or more of the shares of Westaim, subject to certain exceptions.

Voting Support

During the 36 month period following closing, the Investor will agree to vote its shares in favour of the election of each independent director nominated by Westaim for election to the Westaim Board of Directors and to not vote any shares in favour of any shareholder nomination to the Westaim Board of Directors (other than the Investor's nominees) not approved by the Westaim Board of Directors or any proposal or resolution to remove any independent director serving on the Westaim Board of Directors (other than an Investor nominee).

Approval Rights

Pursuant to the investor rights agreement, and subject to certain exceptions and, depending on the matter, fallaways depending on the number of director nominees the Investor is entitled to nominate at a given time, the prior written consent of the Investor will be required for, among other things (i) any material amendments to the constating documents of Westaim or any of its subsidiaries, as well as any amendments that would adversely affect the rights of the Investor; (ii) the removal, termination, or replacement of senior officers of Westaim or Arena and material changes to their compensation and terms of employment; (iii) any reclassification, recapitalization, reorganization, or restructuring that may adversely impact the rights of the Investor of existing shareholders of Westaim; (iv) any repurchase, redemption, or acquisition of shares or convertible securities of Westaim or any of its subsidiaries; (v) the declaration of any dividend on any share or convertible security of Westaim, subject to certain exceptions; (vi) entering into financing arrangement or incurring indebtedness in excess of USD \$15 million or prepaying any indebtedness; (vii) any related-party agreements between Westaim, Arena or any of their respective subsidiaries, on the one hand, and any director, executive officer or other affiliate or related-party of Westaim, Arena or any of their respective subsidiaries, on the other hand, other than compensation and incentive awards in the ordinary course of business and certain other exceptions; (viii) entering into any material new line of business or changing the nature of Westaim's business or the business of any subsidiaries; (ix) investments, acquisitions, dispositions, or divestitures with an aggregate value in excess of USD \$3 million; (x) appointing or removing Westaim's or any of its subsidiaries' auditors or implementing any material change to accounting principles or practices; (xi) any change of control or sale of a majority of the assets of Westaim; (xii) any increase or decrease to the number of directors on the Westaim Board of Directors, the number of managers on the Arena Board of Managers or the number of directors constituting the board of directors or similar governing body of any subsidiary of the Company; and (xiii) the adoption, amendment, or termination of any security based compensation plan of Westaim.

Further, approval of the majority of the Westaim Board of Directors and each of the Investor's nominees on the Westaim Board of Directors at such time will be required to, among other things (i) issue equity securities or securities convertible into equity securities of Arena or any of its subsidiaries; (ii) repurchase, redeem, or acquire any equity securities or securities convertible into equity securities of Arena or any of its subsidiaries; (iii) the sale of all or substantially all of the properties or assets of Arena and its subsidiaries, taken as a whole, or any change in control of Arena; (iv) any increase or decrease to the number of members constituting the Arena Board of Managers; and (v) any amendments to the governing documents of Arena.

Finally, until the Share Price Target is met, approval of the majority of the Westaim Board of Directors (including at least two directors that are not Investor nominees) will be required for, among other things (i) the sale of all or substantially all of the properties or assets of Arena and its subsidiaries, taken as a whole, or any change in control of Arena, subject to certain exceptions; (ii) the liquidation, dissolution, winding-up or petitioning for bankruptcy of Westaim or any material subsidiary; (iii) declaring any dividend or making any other payment or distribution on account of any shares or convertible securities of Westaim that is material to Westaim and its subsidiaries, taken as a whole; (iv) entering into any new line of business or materially changing the nature of Westaim's business; (v) amending the constating documents of Westaim in a manner that would affect the governance rights, obligations, or preferences of the parties to the investor rights agreement; and (vi) increasing the number of directors constituting the Westaim Board of Directors.

Shareholder Approval

The transaction is subject to the receipt of the required shareholder approvals to be obtained at a special meeting of shareholders of Westaim to approve the transaction, including: (i) approval of the redomestication and reverse share split contemplated by the plan of arrangement by (A) two-thirds of the votes cast; and (B) if and to the extent required, a majority of the votes cast excluding any shareholders that are required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, (ii) approval of the CC Capital investment, including the creation of a new Control Person (as such term is defined under the policies of the TSXV) of Westaim, by (A) two-thirds of the votes cast; and (B) a simple majority of votes cast, excluding any shareholders that are required to be excluded in accordance with the policies of the TSXV, and (iii) approval of the new equity incentive plan by a simple majority of the votes cast (excluding votes cast in respect of common shares held by insiders who could receive equity compensation grants under the plan and their respective associates and affiliates, amounting to a total of 12,619,563 common shares, representing 9.85% of Westaim's issued and outstanding common shares). At the special meeting, shareholders will also vote upon the election of directors to reconstitute the Westaim Board of Directors on closing as described above and any other matters required by the TSXV.

Aspects of the restructuring of Arena may be considered to be a "related party transaction" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* as a result of the principals of BP LLC being insiders of Westaim. As a result, the restructuring may require approval of a majority of the votes cast by Westaim shareholders excluding any shareholders that are required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, unless an exemption is available.

Special Committee and Board Recommendation

A Special Committee comprising unconflicted members of the Board of Directors of Westaim was formed to consider the transaction. BMO Nesbitt Burns Inc. ("BMO Capital Markets"), the financial advisor to the Special Committee and the Board of Directors, has delivered an opinion to the Special Committee and the Board of Directors to the effect that, as of the date thereof and based upon and subject to the various assumptions, limitations and qualifications set forth therein, the transactions contemplated by the investment agreement are fair, from a financial point of view, to Westaim.

The Westaim Board of Directors, following receipt of the unanimous recommendation of the Special Committee, determined that the transaction is in the best interests of Westaim and is unanimously recommending that shareholders of Westaim vote in favor of the transaction at the special meeting of shareholders to approve the transaction.

Closing

The parties expect to complete the transaction by the end of the first quarter of 2025, subject to receipt of certain regulatory approvals including, without limitation, approval of the TSXV, approval by Westaim shareholders and satisfaction of other customary closing conditions. Westaim shareholders holding in the aggregate approximately 35% of outstanding common shares of Westaim have agreed to vote their shares in support of the transaction. Salem Partners' acquisition of Ceres Life and Westaim's acquisition of the remaining equity interest in Arena are contingent on the completion of CC Capital's investment in Westaim, but the completion of Salem Partners' acquisition of Ceres Life is not a condition to completion of the other transactions.

Conference Call and Presentation

Chinh Chu, Cameron MacDonald, Deanna Mulligan, and Dan Zwirn will host a conference call today, October 9, 2024, at 10:00 a.m. ET to discuss the strategic combination. A live webcast of the conference call and related replay will be available on the investor relations section of Westaim's website at <https://westaim.com/investors/investor-presentations/>. You may also listen to the conference call by dialing (800) 715-9871 (U.S. / Canada) or +1 (646) 307-1963 (International) and giving the passcode 9876931.

A copy of the investor presentation will be made available on Westaim's investor relations website in advance of the conference call.

Additional Information

Further information regarding the transaction will be included in the management information circular to be mailed to shareholders in connection with the special meeting of shareholders to approve the transaction as well as subsequent press releases regarding the transaction. Copies of the investment agreement and certain exhibits thereto, including the form of warrants and the investor rights agreement, will be filed on Westaim's profile on SEDAR+ at www.sedarplus.ca. The above descriptions of the terms and conditions of the investment agreement and other associated agreements are qualified in their entirety by the terms of such agreements.

Advisors

Lazard is serving as lead financial advisor, with GreensLedge Capital Markets LLC, Macquarie Capital, and Rothschild & Co serving as financial advisors to CC Capital in connection with the transaction. Skadden, Arps, Slate, Meagher & Flom LLP is serving as US legal advisor and Blake, Cassels & Graydon LLP is serving as Canadian legal advisor to CC Capital.

PJT Partners is serving as lead financial advisor and Dentons Canada LLP is serving as Canadian legal advisor to Westaim on this transaction.

BMO Capital Markets is serving as financial advisor, Willkie Farr & Gallagher LLP is serving as US legal advisor and Stikeman Elliott LLP is serving as Canadian legal advisor to the Special Committee on this transaction.

Campbell Lutyens is serving as financial advisor and Ropes & Gray, LLP and Dechert LLP are serving as legal advisors to Arena on this transaction.

About CC Capital

CC Capital Partners is a private investment firm based in New York, NY that was founded in late 2015 by Chinh Chu with a focus on investing in and operating high-quality businesses for the long term. The firm evaluates investments anticipating a hold-period well beyond that of a typical private equity firm and funds its investments through a variety of permanent capital sources. CC Capital frequently partners with highly-seasoned executives, managers and owners seeking to create significant value post-acquisition. More information on CC Capital can be found at www.cc.capital.

About Westaim

Westaim is a Canadian investment company specializing in providing long-term capital to businesses operating primarily within the global financial services industry. The company invests, directly and indirectly, through acquisitions, joint ventures and other arrangements, with the objective of providing its shareholders with capital appreciation and real wealth preservation. Westaim's strategy is to pursue investment opportunities with a focus towards the financial services industry and grow shareholder value over the long term. Westaim's investments include significant interests in Arena and the Arena FINCOs. Arena and Arena FINCOs are defined in the notes to Westaim's audited consolidated financial statements for the year ended December 31, 2023, and the related management discussion and analysis. The common shares of Westaim are listed on the TSXV under the trading symbol "WED".

About Ceres Life

Ceres Life Insurance Company is a cloud-native, highly scalable, de novo annuity platform, expected to launch in the first quarter of 2025. Inspired by the belief that technology can reinvent the way insurance providers meet the needs of investors, Ceres Life is building a nimble, highly efficient, and risk-conscious insurance company that provides simple-to-understand and easily accessible annuity products to create better outcomes for policyholders. Ceres Life will be led by Deanna Mulligan, former CEO and Chair of Guardian Life Insurance. For more information, see www.CeresLifeInsurance.com.

About Arena Investors, LP

Arena is a global institutional asset manager founded in partnership with The Westaim Corporation with deep expertise in credit and asset-oriented investments, including the full spectrum of corporate, real estate and structured finance opportunities. With approximately USD \$3.5 billion of invested and committed assets under management as of October 2024, and a team of over 180 employees in offices around the world, Arena provides creative solutions for those seeking capital by bringing together individuals with decades of experience, a track record of comfort with complexity, and the flexibility to engage in transactions that cannot be addressed by banks and other conventional financial institutions. For more information, please visit www.arenaco.com.

Cautionary Note and Forward-Looking Statements

Certain statements in this press release and any related oral statements may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian and United States securities laws, including pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (collectively, "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 assets under management, 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", "positioned", "confident", "plans", "advantaged", "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 press release contains forward-looking statements pertaining to the new operating platform, the strategic partnership, including the anticipated benefits therefrom and financial projections resulting therefrom, the terms of the transaction, the use of proceeds from the transaction, anticipated timing of closing the transaction, the share buyback and Westaim's strategies (collectively, the "Transaction Matters"). The Transaction Matters are subject to risks, uncertainties and other factors that could cause Westaim's actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements herein including, but not limited to: (i) that the parties may be unable to complete or satisfy some or all of the Transaction Matters because, among other reasons, conditions to the completion of the Transaction Matters may not be satisfied or waived, including the failure to obtain Westaim's shareholder approval for some or all of the Transaction Matters or that a governmental authority such as the TSXV may prohibit, delay or refuse to grant approval for the consummation of some or all of the Transaction Matters in acceptable terms; (ii) uncertainty as to the timing of completion of the Transaction Matters; (iii) the occurrence of any event, change or other circumstance that could give rise to the termination of the investment agreement or other documents entered into by the parties in connection with the Transaction Matters; (iv) risks related to disruption of management's attention from Westaim's ongoing business operations due to the

Transaction Matters; (v) the effect of the announcement of the Transaction Matters on Westaim's relationships with its clients, employees, regulators and customers; and (vi) the outcome of any legal proceedings to the extent initiated against Westaim or others following the announcement of the Transaction Matters, as well as Westaim management's response to any of the aforementioned factors. Forward-looking statements are based on expectations, estimates, assumptions, variables and projections as well as other relevant factors at the time the statements are made that are inherently uncertain, 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, 2023, which is available on SEDAR+ at www.sedarplus.ca, as same may be supplemented, modified or superseded by a subsequently filed Annual Information Form or the management information circular of Westaim relating to the proposed transaction. 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.

Although management of Westaim has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended and there can be no guarantee that any of the forward-looking statements contained herein, including the estimates or projections (including projections of revenue, expense and earnings) set forth herein, will be achieved to any extent. Completion of the transaction is subject to the satisfaction of certain regulatory requirements and the receipt of all necessary regulatory approvals, shareholder approval and the approval of the TSXV. There can be no certainty, nor can Westaim provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. There can be no assurance that the transactions described in this press release, or the anticipated benefits therefrom, will occur on the terms as proposed and described herein or at all. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Nothing contained herein is, or shall be relied upon as, a promise or representation as to past or future performance. Past performance is not a reliable indicator of future results and should not be relied upon for any reason. Accordingly, you should not place undue reliance on any forward-looking statements and forward-looking information contained herein. Forward-looking statements contained herein speak only as of the date of this press release, and Westaim hereby expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statement, forward looking information or financial information contained herein to reflect any change in expectations with regard thereto or change in events, conditions or circumstances on which any statement is based, except in accordance with applicable securities laws.

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