



## **The Westaim Corporation Reports Q4 and Full Year 2024 Results and Update on Timing of Proposed Transactions with CC Capital**

Note: All dollar amounts in this press release are expressed in U.S. dollars, except as otherwise noted. All share amounts in this press release are after giving effect to the Share Consolidation (as defined herein).

The financial results are reported under International Financial Reporting Standards ("IFRS"), except as otherwise noted.

Toronto, Canada – March 26, 2025 – The Westaim Corporation ("Westaim" or the "Company") (TSXV: WED) today announced its audited financial results for the quarter and full year ended December 31, 2024. Westaim recorded a net loss of \$21.3 million (\$0.99 diluted loss per share) for Q4 2024 compared to a net profit of \$35.1 million (\$1.57 diluted earnings per share) for Q4 2023. For the full year ended December 31, 2024, Westaim recorded a net loss of \$16.2 million (\$0.75 diluted loss per share) compared to a net profit of \$183.9 million (\$7.90 diluted earnings per share) for the full year ended December 31, 2023.

At December 31, 2024, Westaim's consolidated shareholders' equity was \$497.4 million and the Company had 21,706,501 common shares (the "Common Shares") outstanding. Book value per fully diluted share<sup>1</sup> was \$22.88 (C\$32.90) at December 31, 2024, compared to \$22.98 (C\$30.48) at December 31, 2023.

On October 9, 2024, the Company, Wembley Group Partners, LP (the "Investor") (an affiliate of CC Capital Partners, LLC ("CC Capital")), Arena, Daniel Zwirn and Lawrence Cutler entered into an investment agreement, as amended on November 15, 2024 (the "Investment Agreement"). Pursuant to the Investment Agreement, among other things, the Investor committed to making a \$250,000,000 strategic investment in the Company via a private placement (the "Private Placement") to acquire Common Shares and warrants to purchase Common Shares. The Private Placement and the proposed transactions contemplated in the Investment Agreement (other than the closing of Ceres Life Insurance Company and the Plan of Arrangement (as defined herein)) (the "Proposed Transactions") have not yet closed.

On December 31, 2024, the Company completed a statutory plan of arrangement under the *Business Corporations Act* (Alberta) (the "Plan of Arrangement") pursuant to which, amongst other things, it consolidated its Common Shares on the basis of one post-consolidation Common Share for every six pre-consolidation Common Shares (the "Share Consolidation") and changed its jurisdiction of incorporation from the Province of Alberta in Canada to the State of Delaware in the United States.

<sup>1</sup> The Company uses both IFRS and non-generally accepted accounting principles ("non-GAAP") measures to assess performance. Book value per fully diluted share is a non-GAAP measure. Book value per share is computed as adjusted book value divided by the adjusted number of Common Shares. See "Non-GAAP Financial Measures" and the reconciliation of such measure to the most comparable IFRS figure below.

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### **Key Results for Q4 2024**

#### ***Arena FINCOs* \***

- Q4 2024 net income from the Arena FINCOs was \$2.4 million (+1.3% net return) compared to a net loss of \$0.9 million (-0.5% net return) in Q4 2023.
- Full year 2024 net income from the Arena FINCOs was \$7.5 million (+5.0% net return) compared to a net loss of \$6.0 (-3.7% net return) for the full year 2023.
- During the Q4 2024, the Company contributed \$45.0 million to the Arena FINCOs to extinguish the Arena FINCOs' third-party debt. The Arena FINCOs then returned \$23.9 million to the Company resulting in net new capital of \$21.1 million to the Arena FINCOs in Q4 2024. The Arena FINCOs had a net value of \$173.9 million at December 31, 2024 compared to \$147.2 million at December 31, 2023.

#### ***Arena* \***

- Arena Investors' achieved total recurring revenue<sup>1</sup> of \$10.0 million in Q4 2024 compared to \$10.7 million in Q4 2023 from its fee-paying assets under management ("AUM")<sup>2</sup>. Fee related earnings ("FRE")<sup>1</sup> in Q4 2024 was a loss of \$0.8 million in Q4 2024 compared to earnings of \$0.5 million in Q4 2023 and net incentive fees<sup>1</sup> was \$0.1 million in Q4 2024 compared to \$2.5 million in Q4 2023.
- Arena Institutional Services ("AIS") EBITDA<sup>1</sup> was a loss of \$8.6 million in Q4 2024 compared to a loss of \$1.3 million in Q4 2023. Total Arena EBITDA<sup>1</sup> for Q4 2024 was a loss of \$10.9 million compared to earnings of \$1.0 million in Q4 2023.

- Committed AUM and Programmatic Capital<sup>3</sup> was \$3.4 billion at December 31, 2024, \$3.3 billion at September 30, 2024, and \$3.2 billion at December 31, 2023. Fee-paying AUM was \$2.4 billion at December 31, 2024, \$2.5 billion at September 30, 2024, and \$2.5 billion at December 31, 2023.
- Westaim recorded its share of net (loss) income from Arena of \$(5.9) million for Q4 2024 compared to \$0.6 million for Q4 2023.
- Refer to the chart below for the results over the three months and year ended December 31, 2024 and 2023.

<sup>1</sup> Total recurring revenue, FRE, AIS EBITDA, net incentive fees and total Arena EBITDA are non-GAAP measures. These measures are reconciled to the most comparable Arena US GAAP figures in the Arena supplementary financial measures below and are used in order to show an accurate recurring revenue and contributions to net income from the advisory and non-advisory businesses.

<sup>2</sup> AUM refers to the assets for which Arena Investors provides investment management, advisory or certain other investment-related services. 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.

<sup>3</sup> Programmatic capital includes callable capital to discretionary and non-discretionary separately managed accounts.

\* Refer to the Supplementary Financial Measures sections of the MD&A (as defined herein): for Arena FINCOs see section 3.B.(ii), and for Arena see section 3.C.(iii).

Supplementary financial measures from Arena's financial statements:

At 100% Share (millions of U.S. dollars)	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
<b>Arena Investors</b>				
Management fees	\$ 6.8	\$ 7.6	\$ 28.3	\$ 30.8
Asset servicing fees	2.6	2.7	10.6	11.0
Other income	0.6	0.4	3.3	1.0
Total recurring revenue	10.0	10.7	42.2	42.8
Operating expenses allocated to recurring revenue	(10.8)	(10.2)	(42.3)	(40.6)
<b>Fee related earnings</b>	<b>(0.8)</b>	<b>0.5</b>	<b>(0.1)</b>	<b>2.2</b>
Incentive fees	3.0	3.1	13.8	8.8
Incentive fees compensation expense	(1.5)	(0.6)	(7.7)	(4.5)
Employee profit share	(1.4)	-	(1.4)	-
<b>Net incentive fees</b>	<b>0.1</b>	<b>2.5</b>	<b>4.7</b>	<b>4.3</b>
<b>Arena Investors' EBITDA</b>	<b>(0.7)</b>	<b>3.0</b>	<b>4.6</b>	<b>6.5</b>
<b>Arena Institutional Services</b>				
AIS revenue	(12.5)	(1.6)	(2.3)	11.5
AIS operating expenses	(1.6)	(0.1)	(3.3)	(1.5)
Employee share of loss (profit)	5.5	0.4	2.0	(4.3)
<b>AIS EBITDA</b>	<b>(8.6)</b>	<b>(1.3)</b>	<b>(3.6)</b>	<b>5.7</b>
AIGH general and administrative costs	(0.3)	(0.3)	(1.0)	(0.8)
AIGH other income, and expenses	(0.9)	(0.4)	(1.9)	(1.3)
AIGH costs for Proposed Transactions	(0.4)	-	(3.3)	-
<b>Total Arena EBITDA</b>	<b>(10.9)</b>	<b>1.0</b>	<b>(5.2)</b>	<b>10.1</b>
Depreciation	(0.1)	-	(0.4)	(0.3)
Revolving loan interest expense paid to the Company	(0.4)	(0.4)	(1.7)	(1.6)
Taxes	(0.1)	0.5	(0.4)	0.5
<b>Net (loss) income attributable to Arena</b>	<b>(11.5)</b>	<b>1.1</b>	<b>(7.7)</b>	<b>8.7</b>
Company's share of Arena's comprehensive (loss) income (51%)	\$ (5.9)	\$ 0.6	\$ (3.9)	\$ 4.5

The Company also announces that Proposed Transactions are expected to close in early April 2025, subject to the satisfaction or waiver of regulatory and other customary closing conditions. In light of the anticipated closing date, the Company has entered into an extension letter with the Investor to extend the outside date to complete the Proposed Transactions from March 31, 2025 to April 30, 2025.

"Q4 was incredibly busy! On October 9th, we announced a groundbreaking partnership with CC Capital to establish an integrated insurance and asset management business," said Cameron MacDonald, President and Chief Executive Officer of Westaim. "In preparation for this new venture, we quickly followed up with several important milestones, including: announcing that upon closing, Matthew Skurbe will be appointed as Westaim's CFO; a special shareholders

meeting was held, where 99.9% of shareholders overwhelmingly approved the transaction; Westaim redomiciled to the State of Delaware; and a 6 for 1 reverse share split was completed.

“Clearly 2024 was a pivotal and transformative year for Westaim. As noted in our Q3 release, we successfully sold the remaining shares of Skyward Specialty at a valuation that was approximately four times higher than our cost basis, adding to Westaim’s substantial cash balance. Arena generated solid investment results across all its funds, and subsequent to year end through the current date, AUM and Programmatic Capital continued its upward trajectory to \$4.2 billion. However, Q4 operating results were affected by increased expenses and forward planning costs associated with the Proposed Transactions. Additionally, a non-cash downward valuation adjustment was made for an AIS equity and royalty position received in exchange for an equity line of credit commitment in which AIGH has no invested capital.

“The Proposed Transactions are expected to close in early April, and we are fully prepared for their successful execution. We eagerly anticipate meeting with shareholders at our AGM scheduled for June 12, 2025.”

Pursuant to the policies of the TSX Venture Exchange (the “TSXV”), the Company further announces that between December 2024 and March 31, 2025, a wholly-owned subsidiary of the Company disposed of an aggregate of \$133,000 of assets to funds managed by Arena Investors. Such dispositions were carried out in accordance with Arena Investors’ internal compliance policies. The Company does not consider such dispositions to be material to its business as a whole and the disclosure related to such dispositions is only included herein pursuant to the requirements of the TSXV.

This press release should be read in conjunction with Westaim’s audited consolidated financial statements (the “Financial Statements”) and management’s discussion and analysis (the “MD&A”) for the year ended December 31, 2024 and 2023, which were filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). These documents and the Company’s Q4 2024 investor presentation can be found on the Company’s website at [www.westaim.com](http://www.westaim.com).

#### Non-GAAP Financial Measures

Westaim reports its financial statements, including the Financial Statements, using GAAP and accounting policies consistent with IFRS. Westaim uses both IFRS and non-GAAP measures to assess performance. The Company 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. Readers are urged to review Section 14 *Non-GAAP Measures* in the MD&A (available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)) which is incorporated by reference into this news release and discloses historical figures for book value per share in respect of the three months and year ended December 31, 2024 as well as additional disclosures regarding this measure.

The Supplementary Financial Measures relating to Arena and the Arena FINCOs contained in the MD&A are unaudited and have been derived from the financial statements of the related entities. Readers are cautioned that certain Arena and the Arena FINCO financial information, including any US non-GAAP measures contained therein, has not been reconciled to IFRS and so may not be comparable to the financial information of issuers that present their financial information in accordance with IFRS.

#### About Westaim

Westaim is a U.S. 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, the Arena FINCOs and Ceres Life Insurance Company. AIGH, Arena and the Arena FINCOs are defined in the notes to Westaim’s audited consolidated financial statements for the year ended December 31, 2024 and 2023 and the MD&A. The Company acquired its indirect interest in Ceres Life Insurance Company, a de novo annuity platform, in February 2025 in connection with the Proposed Transactions. Westaim’s common shares are listed on the TSXV under the trading symbol “WED”.

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## The Westaim Corporation

### Financial Highlights

(millions of U.S. dollars except share and per share data)

Highlights	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Revenue and net change in value of investments	\$ 1.1	\$ 53.3	\$ 38.6	\$ 212.8
Net expenses	(25.6)	(16.1)	(58.1)	(26.6)
Income taxes recovery (expense)	3.2	(2.1)	3.3	(2.3)
(Loss) profit and comprehensive (loss) income	\$ (21.3)	\$ 35.1	\$ (16.2)	\$ 183.9
(Loss) earnings per share – basic	\$ (0.99)	\$ 1.58	\$ (0.75)	\$ 7.98
(Loss) earnings per share – diluted	\$ (0.99)	\$ 1.57	\$ (0.75)	\$ 7.90

	December 31, 2024	December 31, 2023
<b>Assets</b>		
Cash	\$ 301.9	\$ 135.0
Loan receivable	13.0	-
Income taxes receivable	0.3	0.5
Other assets	2.2	1.0
Investments	199.7	414.3
Deferred tax asset	6.1	1.0
Total assets	523.2	551.8
<b>Liabilities</b>		
Accounts payable and accrued liabilities	25.7	31.3
Income taxes payable	0.1	1.0
Deferred tax liability	-	1.2
	25.8	33.5
Shareholders' equity	497.4	518.3
Total liabilities and shareholders' equity	\$ 523.2	\$ 551.8
<b>Number of common shares outstanding<sup>1</sup></b>		
	21,706,501	21,959,548
<b>Book value per fully diluted share - in US\$<sup>2</sup></b>		
	\$ 22.88	\$ 22.98
<b>Book value per fully diluted share - in C\$<sup>3</sup></b>		
	\$ 32.90	\$ 30.48

<sup>1</sup> At December 31, 2024, 615,000 options to purchase Common Shares ("Options") and no restricted share units ("RSUs") were outstanding, and at December 31, 2023, 1,266,253 Options and 575,866 RSUs were outstanding. Details regarding these Options and RSUs are disclosed in the Company's public filings including its financial statements which are available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)

<sup>2</sup> Non-GAAP measure. See the reconciliation of Westaim's non-GAAP measures below or Section 14, *Non-GAAP Measures* of the MD&A for a reconciliation to the most comparable IFRS figures.

<sup>3</sup> Period end exchange rates of US\$ to C\$: 1.43815 at December 31, 2024 and 1.32405 at December 31, 2023.

## Reconciliation of Westaim's non-GAAP measure

### Book value per share

	December 31, 2024	December 31, 2023
Book value:		
Shareholders' equity per IFRS	\$ 497.4	\$ 518.3
Adjustments:		
RSU liability <sup>1</sup>	-	9.3
ASPP liability <sup>2</sup>	-	2.4
Stock options liability <sup>3</sup>	5.3	-
Assumed proceeds of exercised in-the-money options <sup>3</sup>	8.0	17.5
	<u>\$ 510.7</u>	<u>\$ 547.5</u>
Number of Common Shares:		
Number of Common Shares outstanding	21,706,501	21,959,548
Adjustments for assumed exercise of:		
Outstanding RSUs <sup>1</sup>	-	575,866
In-the-money options <sup>3</sup>	615,000	1,266,252
Adjusted number of Common Shares	<u>22,321,501</u>	<u>23,801,666</u>
Book value per share - in US\$	\$ 22.88	\$ 22.98
Book value per share - in C\$ <sup>4</sup>	\$ 32.90	\$ 30.48

<sup>1</sup> See Note 9, *Share-based Compensation* in the Notes to the Financial Statements. Liability related to RSUs converted from C\$ to US\$ at period end exchange rates. RSUs were exercisable for Common Shares or cash at no cost to the holders. Adjustment made to reflect a reclassification of the RSU liability to shareholders' equity assuming all outstanding RSUs were exercised for Common Shares.

<sup>2</sup> Shareholders' equity per IFRS was reduced by the liability required for the maximum amount that would be required to settle the ASPP.

<sup>3</sup> See Note 9, *Share-based Compensation* in the Notes to the Financial Statements. Adjustments were made for all of the Options outstanding at December 31, 2024 and 2023, since they were in-the-money. The exercise of in-the-money Options is assumed to have resulted in an infusion of capital to the Company and a reduction of the Options liability to \$nil.

<sup>4</sup> Book value per share converted from US\$ to C\$ at period end exchange rates. Period end exchange rates: 1.43815 at December 31, 2024, and 1.32405 at December 31, 2023.

### Cautionary Note and Forward-Looking Statements

This news release contains certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical fact, including statements related to the timing of the closing of the Proposed Transactions, the appointment of a new CFO, the effects of the Proposed Transactions and the timing of the Company's next shareholders' meeting, are forward-looking statements and contain forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this news release, including the satisfaction or waiver of closing conditions to the Proposed Transactions on the proposed timeline, management's anticipated effects of the Proposed Transactions and management's expectation that the timing of the next shareholders' meeting will be held based on the Company's currently timeline. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Although management of the Company 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. 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. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Additional information regarding risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in its annual information form for its fiscal year ended December 31, 2023 and the Company's management information circular dated November 19, 2024, which are filed on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company does not undertake to update any forward-looking information, except in accordance with applicable laws.

The information provided herein does not constitute an offer or solicitation regarding any investment products offered by Arena Investors.

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