



The Westaim Corporation Reports Q1 2025 Results

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Note: All dollar amounts in this press release are expressed in U.S. dollars, except as otherwise noted. The financial results are reported under International Financial Reporting Standards ("IFRS"), except as otherwise noted.

New York, New York – May 14, 2025 – The Westaim Corporation ("Westaim" or the "Company") (TSXV: WED) today announced its unaudited interim financial results for the quarter ended March 31, 2025. Westaim recorded a net loss of \$7.4 million (\$0.34 diluted loss per share) for Q1 2025 compared to a net profit of \$23.3 million (\$1.02 diluted earnings per share) for Q1 2024.

At March 31, 2025, Westaim's consolidated shareholders' equity was \$490.0 million and the Company had 21,706,501 common shares ("Common Shares") outstanding. Book value per fully diluted share¹ was \$22.56 (C\$32.43) at March 31, 2025, compared to \$22.88 (C\$32.90) at December 31, 2024.

Key Results

Salem Group

On February 4, 2025 (the "MAIC Closing Date"), the Company completed its acquisition of ManhattanLife of America Insurance Company ("MAIC"). The Company invested \$36.5 million into Salem Group Partners, LP ("Salem Group") to acquire 100% of the pecuniary limited partnership interests of Salem Group. Salem Group acquired Salem Holdco (Bermuda) Ltd. and its subsidiaries (including Salem Group Holdings, LLC, the direct acquiror of MAIC) from an affiliate of CC Capital in exchange for a \$14.6 million promissory note² back to the CC Capital affiliate. Salem Group then completed its acquisition of MAIC for a total purchase price of \$29.2 million. MAIC holds insurance licenses in 46 states including the District of Columbia. MAIC was subsequently renamed to Ceres Life Insurance Company ("Ceres"). This investment represents a key step in executing the Company's previously announced strategy to build an integrated insurance and asset management platform in partnership with CC Capital.

The Company recognized a loss on its investment in Salem Group of \$7.7 million for the quarter ended March 31, 2025, driven primarily by the non-capitalized operating costs of Salem Group incurred since the acquisition of MAIC for the continued development of Ceres operating capabilities in preparation for launch of the Ceres annuity insurance business.

Arena FINCOs³

- Q1 2025 net loss from Arena FINCOs was \$0.1 million compared to net income of \$1.3 million in Q1 2024.
- Arena FINCOs' results reflect mark-to-market valuations within its portfolio which has a net value of \$173.7 million at March 31, 2025 compared to \$173.8 million at December 31, 2024.

Arena³

- Arena Investors' had total recurring revenue⁴ of \$9.6 million in Q1 2025 compared to \$11.5 million in Q1 2024 from its fee-paying assets under management ("AUM")⁵. Fee related earnings ("FRE")⁴ was (\$2.1) million in Q1 2025 compared to \$0.8 million in Q1 2024, and net incentive fees⁴ was \$0.1 million in Q1 2025 compared to \$0.3 million in Q1 2024.
- Arena Institutional Services ("AIS") EBITDA⁴ was a gain of \$1.7 million in Q1 2025 compared to a gain of \$1.4 million in Q1 2024.
- Total Arena EBITDA⁴ for Q1 2025 was a loss of (\$0.9) million compared to a gain of \$1.8 million in Q1 2024.

¹ 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 Measure" and the reconciliation of such measure to the most comparable IFRS figure below.

² The promissory note was settled in the closing of the previously announced strategic transaction with CC Capital on April 3, 2025.

³ 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).

⁴ 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.

⁵ 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.

• AUM and Programmatic Capital⁶ was \$3.4 billion at March 31, 2025, \$3.4 billion at December 31, 2024, and \$3.4 billion at March 31, 2024. Arena entered into an agreement with an institutional investor effective April 1, 2025 that increased Programmatic Capital by \$0.7 billion, bringing AUM and Programmatic Capital to \$4.1 billion as of April 1, 2025. Fee-paying AUM was \$2.4 billion at March 31, 2025, \$2.4 billion at December 31, 2024, and \$2.5 billion at March 31, 2024.

• Westaim recorded its share of net loss from Arena of (\$0.8) million for Q1 2025 compared to net income of \$0.6 million for Q1 2024.

Supplementary financial measures from Arena's financial statements:

At 100% Share (millions of U.S. dollars)	Three months ended March 31	
	2025	2024
Arena Investors		
Management fees	\$ 6.5	\$ 7.3
Asset servicing fees	2.3	2.9
Other income	0.8	1.3
Total recurring revenue	9.6	11.5
Operating expenses allocated to recurring revenue	(11.7)	(10.7)
Fee related earnings	(2.1)	0.8
Incentive fees	2.4	1.7
Incentive fees compensation expense	(2.3)	(1.4)
Net incentive fees	0.1	0.3
Arena Investors' EBITDA	(2.0)	1.1
Arena Institutional Services		
AIS revenue	3.8	3.2
AIS operating expenses	(0.8)	(0.7)
Employee profit share	(1.3)	(1.1)
AIS EBITDA	1.7	1.4
AlGH general and administrative costs	(0.2)	(0.2)
AlGH other income (expense)	0.1	(0.5)
AlGH costs for Proposed Transactions	(0.5)	-
Total Arena EBITDA	(0.9)	1.8
Depreciation	(0.1)	(0.1)
Revolving loan interest expense paid to the Company	(0.5)	(0.4)
Taxes	-	(0.1)
Net (loss) income attributable to Arena	(1.5)	1.2
Company's share of Arena's comprehensive (loss) income (51%)	\$ (0.8)	\$ 0.6

"The first quarter of 2025 was one of exceptional and unprecedented activity for Westaim and our operating businesses, Arena and Ceres. In February we closed on the acquisition of ManhattanLife of America Insurance Company, which has now been renamed to Ceres Life Insurance Company. In April, we closed on the previously announced strategic transaction with CC Capital to facilitate our transformation into an integrated insurance and alternative asset management company. The Ceres and Arena teams have been working hard to prepare for the launch of our integrated insurance and asset management strategy, which we expect to launch before the end of Q2 2025. We are excited to meet with our shareholders at our Annual General Meeting and Investor Day scheduled for Thursday, June 12th in Toronto, where our shareholders will have the opportunity to hear directly from the leadership teams from Westaim, Ceres, Arena, and CC Capital on the launch status of Westaim 3.0 and our plans to accelerate growth in the business. These are indeed exciting times at Westaim, with a fully aligned leadership team driving towards a common vision for the transformation of Westaim."

This press release should be read in conjunction with Westaim's unaudited interim consolidated financial statements (the "Financial Statements") and management's discussion and analysis for the three months ended March 31, 2025 and 2024 (the "MD&A") which were filed on SEDAR+ at www.sedarplus.ca. These documents and the Company's Q1 2025 Investor Presentation can be found on the Company's website at www.westaim.com.

Non-GAAP Financial Measures

Westaim reports its 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

⁶ Programmatic Capital includes callable capital to discretionary and non-discretionary separately managed accounts

urged to review Section 15 Non-GAAP Measures in the MD&A (available on SEDAR+ at www.sedarplus.ca) which is incorporated by reference into this news release and discloses historical figures for book value per share in respect to the three months ended March 31, 2025 as well as additional disclosures regarding this measure.

The Supplementary Financial Measures relating to Arena and 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 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 an integrated insurance and alternative asset management company with two primary operating businesses: Ceres Life and Arena.

Ceres Life is a cloud-native, highly scalable, de novo annuity insurance company. 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 is led by Deanna Mulligan, former CEO and Chair of Guardian Life Insurance. For more information, see www.ceresinsurance.com.

Founded in 2015, Arena is a global institutional asset manager with deep expertise in credit and asset-oriented investments, including the full spectrum of corporate, real estate and structured finance opportunities. With a team of over 180 employees in offices around the world, Arena provides creative solutions for those seeking competitive capital and flexibility to engage in custom transactions. For more information, see www.arenaco.com.

Westaim's common shares are listed on the TSX Venture Exchange (the "TSXV") under the trading symbol "WED".

For more information, visit our website at www.westaim.com or contact:

J. Cameron MacDonald, President and Chief Executive Officer or
Matthew Skurbe, Chief Financial Officer and Chief Risk Officer
The Westaim Corporation
info@westaim.com
(416) 969-3333

The Westaim Corporation**Financial Highlights**

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

Highlights	Three months ended March 31	
	2025	2024
Revenue and net change in value of investments	\$ (4.7)	\$ 28.8
Net expenses	(4.6)	(1.8)
Income taxes recovery (expense)	1.9	(3.7)
(Loss) profit and comprehensive (loss) income	\$ (7.4)	\$ 23.3
(Loss) earnings per share – basic	\$ (0.34)	\$ 1.07
(Loss) earnings per share – diluted	\$ (0.34)	\$ 1.02

	March 31, 2025	December 31, 2024
Assets		
Cash	\$ 240.8	\$ 301.9
Loan receivable	13.0	13.0
Income taxes receivable	2.3	0.3
Other assets	2.1	2.2
Investments	246.2	199.7
Deferred tax asset	8.2	6.1
Total assets	512.6	523.2
Liabilities		
Accounts payable and accrued liabilities	22.4	25.7
Income taxes payable	0.2	0.1
	22.6	25.8
Shareholders' equity	490.0	497.4
Total liabilities and shareholders' equity	\$ 512.6	\$ 523.2

Reconciliation of Westaim's non-GAAP measure

Book value per share	March 31, 2025	December 31, 2024	March 31, 2024
Book value:			
Shareholders' equity per IFRS	\$ 490.0	\$ 497.4	\$ 531.9
Adjustments:			
RSU liability ¹	-	-	9.1
ASPP liability ²	-	-	5.0
Stock options liability ³	5.5	5.3	-
Assumed proceeds of exercised in-the-money options ³	8.0	8.0	17.1
	\$ 503.5	\$ 510.7	\$ 563.1
Number of Common Shares:			
Number of Common Shares outstanding	21,706,501	21,706,501	21,530,264
Adjustments for assumed exercise of:			
Outstanding RSUs ¹	-	-	575,866
In-the-money options ³	615,000	615,000	1,266,252
Adjusted number of Common Shares	22,321,501	22,321,501	23,372,383
Book value per share - in US\$	\$ 22.56	\$ 22.88	\$ 24.12
Book value per share - in C\$ ⁴	\$ 32.43	\$ 32.90	\$ 32.64
Westaim TSXV closing share price – in C\$	\$ 31.51	\$ 31.02	\$ 22.20

¹ 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 are 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.

² See Note 6, Accounts Payable and Other Accrued Liabilities in the Notes to the Financial Statements. Shareholders' equity per IFRS was reduced by the liability required for the maximum amount that would be required to settle the ASPP.

³ See Note 9, Share-based Compensation in the Notes to the Financial Statements. Adjustments were made for all of the options outstanding at March 31, 2025, December 31, 2024 and March 31, 2024, 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 stock options liability to \$nil.

⁴ Book value per share converted from US\$ to C\$ at period end exchange rates. Period end exchange rates: 1.43755 at March 31, 2025, 1.43815 at December 31, 2024, and 1.35400 at March 31, 2024.

Cautionary Note and Forward-Looking Statements

This news release contains certain forward-looking information within the meaning of applicable Canadian securities laws ("**forward-looking statements**"), including with respect to the intended use of the proceeds of the Capital Contribution and the launch of Ceres Life. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "project" and similar words, including negatives thereof, suggesting future outcomes or that certain events or conditions "may" or "will" occur. These statements are only predictions.

Forward-looking statements are based on the opinions and estimates of management of Westaim at the date the statements are made based on information then available to Westaim. Various factors and assumptions are applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements including past practice of the Company. Forward-looking statements are subject to and involve a number of known and unknown, variables, risks and uncertainties, many of which are beyond the control of Westaim, which may cause Westaim's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements.

No assurance can be given that the expectations reflected in forward-looking statements will prove to be correct. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. Additional information regarding risks and uncertainties relating to the Company's business are contained under the heading "*Risk Factors*" in its annual information form for its fiscal year ended December 31, 2024 and in Westaim's management information circular dated November 19, 2024 filed on the Company's profile on SEDAR+ at www.sedarplus.ca.

Neither 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.