



Westaim Reports Q2 2025 Results

For the quarter ended June 30, 2025

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- Implementation of strategic transformation underway following closing of CC Capital transaction
- Ceres products received regulatory approvals in 43 states plus the District of Columbia
- Ceres received AM Best Financial Strength Rating of B++
- Arena reported \$1.2 billion in new AUM and Programmatic Capital in Q2

New York, New York – August 21, 2025 – The Westaim Corporation (“**Westaim**” or the “**Company**”) (TSXV: WED) today announces its unaudited interim financial results for the quarter ended June 30, 2025. Westaim recorded a net loss attributable to controlling interests of \$0.2 million (\$0.01 diluted loss per share) for Q2 2025 compared to a net loss of \$17.1 million (\$0.80 diluted earnings per share) for Q2 2024. AUM and Programmatic Capital¹ for the Asset Management segment grew by \$1.2 billion during Q2 2025, inclusive of the previously announced \$0.7 billion mandate entered into on April 1, 2025 and \$0.5 billion of incremental mandates during Q2 2025 including \$0.3 billion for the Insurance segment.

“With our new corporate structure and our talented executive leadership team in place, Westaim is moving forward to implement our new strategic direction. As expected, Westaim’s Q2 2025 was populated by substantial accounting activity, with significant one-time expenses and non-cash gains associated with the implementation of the new business strategy. Our leadership teams at Ceres Life and Arena are positioning their respective businesses to effectively and efficiently execute against Westaim’s business strategy.” said Cameron MacDonald, President and Chief Executive Officer of Westaim. “Notably, Ceres Life has secured necessary licenses, approvals, and received its AM Best Financial Strength Rating of B++. They will officially launch in the first week in September with their distribution partner, Advisors Excel. We were pleased that Arena reported \$1.2 billion in new AUM and Programmatic Capital in Q2, commenced managing the Ceres Life investment portfolio, and is realigning its global offices and product offerings to align with our strategic focus. We are confident that the realignment work done to date positions the new Westaim to generate significant long-term value for our stakeholders.”

Chinh Chu, Executive Chairman of the Board for Westaim, added, “We are pleased that our strategic transformation is underway with a new, experienced executive leadership team at the helm. As discussed at our Annual General Meeting on June 12, 2025, all of us at CC Capital are fully committed and aligned to build Westaim into a high-quality business that in time will experience significant profitable growth.”

The net loss attributable to controlling interests includes severance expenses of \$4.5 million, which are expected to produce estimated annualized run-rate savings of approximately \$4.0 million. We have identified an additional \$5.0 million of annualized run-rate savings opportunities related to the Asset Management segment that we plan to execute over the course of this fiscal year as we continue to streamline and re-focus the business to align with the Company’s core strategic plans, bringing our total identified run-rate savings opportunities to \$9.0 million per annum. We will continue to evaluate our business activities for additional operational efficiencies and run-rate savings for the Company over the next quarter as we reposition the Asset Management segment to focus more on scalable opportunities for the Insurance segment, its existing client base, and future third-party clients.

At June 30, 2025, Westaim’s consolidated shareholders’ equity attributable to controlling interests was \$686.4 million and the Company had 33,551,508 common shares (“Common Shares”) outstanding. Book value per fully diluted share² was \$20.46 (C\$27.88) at June 30, 2025, compared to \$22.88 (C\$32.90) at December 31, 2024. The net impact of the Strategic Transaction (as defined herein) was a reduction of \$1.48 (C\$2.08) to book value per fully diluted share.

The Strategic Transaction with CC Capital

¹ AUM refers to the assets for which Arena Investors provides investment management, advisory or certain other investment-related services. Programmatic Capital includes callable capital to discretionary and non-discretionary separately managed accounts. 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.

² 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.

On April 3, 2025, CC Capital Partners, LLC (“CC Capital”) and the Company completed its previously announced transaction whereby an affiliate of CC Capital made a significant investment into the Company (the “Strategic Transaction”) as described further in the Company’s June 30, 2025 MD&A (as filed on SEDAR+ at www.sedarplus.ca). Through April 2, 2025, the Company qualified as an investment entity under IFRS and used fair value as the key measure to monitor and evaluate its primary investments. As a result of the Strategic Transaction, the Company transformed from an investment entity into an operating entity and for all reporting periods after April 3, 2025, the financial statements of the Company will be reported on the basis of the Company being an operating entity.

As a result of the Strategic Transaction and in accordance with IFRS, the Company now manages its operations and reports its financial results in two operating business segments: Asset Management and Insurance. Other activity for the Company outside of these two operating segments is reporting in the Corporate column of our segment reporting.

Key Operating Results

From Closing Date through June 30, 2025 (US\$ in millions)

	Asset Management	Insurance	Corporate	Eliminations	Consolidated
Total Revenue	7.7	0.3	3.3	(0.8)	10.5
Net results of investments	1.9	1.0	21.7	-	24.6
Total Expenses excluding depreciation, amortization, and income taxes	15.9	12.0	9.2	(0.8)	36.4
Earnings before depreciation, amortization, and income taxes (“Adjusted EBITDA”)	(6.3)	(10.7)	15.8	-	(1.2)
Depreciation and amortization (expense)	(0.4)	-	(0.9)	-	(1.2)
Income taxes recovery (expense)	1.6	3.1	(1.8)	-	2.9
Net (loss) profit	(5.1)	(7.6)	13.2	-	0.5
Net (loss) profit attributable to non-controlling interests	0.7	-	-	-	0.7
Net (loss) profit attributable to controlling interests	(5.8)	(7.6)	13.2	-	(0.2)
Other comprehensive (loss) income	-	-	-	-	-
(Loss) profit and comprehensive (loss) income attributable to controlling interests	\$ (5.8)	\$ (7.6)	\$ 13.2	\$ -	\$ (0.2)

NOTE: Schedule subtotals and totals may be impacted by rounding

Insurance

The Insurance segment, which primarily operates through Ceres Life Insurance Company (“Ceres Life”), had Adjusted EBITDA loss of \$10.7 million from the closing of the Strategic Transaction through June 30, 2025, inclusive of \$3.6 million of platform build-out related expenses. The Insurance segment is not expected to generate material earnings outside of investment returns on its current cash and portfolio of investments until the annuity business increases in scale. We now have product regulatory approvals in 43 states plus the District of Columbia, enabling a broad launch of our new MYGA product with Advisors Excel which we expect to commence in September 2025. The business believes that the technology and processes underpinning their operations will be able to scale efficiently relative to its peer group, and this operating leverage capability should become more evident as the business scales.

Asset Management

The Asset Management segment, which primarily operates through Arena Investors Group Holdings, LLC and its subsidiaries and affiliates (“Arena”), had Adjusted EBITDA loss of \$6.3 million from the closing of the Strategic Transaction through June 30, 2025, inclusive of the \$2.4 million reversal of incentive fees and performance allocations and \$1.0 million of non-recurring professional fees related to the Strategic Transaction. Adjusted EBITDA included \$10.0 million of management, servicing, and other fee revenues. AUM and Programmatic Capital¹ was \$4.6 billion at June 30, 2025, compared to \$3.4 billion at December 31, 2024. Fee-paying AUM was \$2.7 billion at June 30, 2025 (including \$0.3 billion from the Insurance segment), compared to \$2.4 billion at December 31, 2024.

Corporate and Other Investments Activity

While Corporate is not considered a separate operating segment of the Company, the Corporate column of our segment reporting comprises activities of the Company that reside outside of our two operating business segments and includes the investments within the Arena FINCOs, other cash and investments that are held outside of our operating segments, compensation (including share-based compensation) for employees and directors of the company that are not included in our operating segments, and other corporate overhead expenses. Corporate had Adjusted EBITDA gain of \$15.8 million, which was driven by a gain on the restructuring of the AIGH investment of \$29.0 million and interest income of \$3.0 million, offset by losses on Arena FINCO related investments (including related expenses) of \$8.1 million, professional fees of \$1.3 million, foreign exchange losses largely related to share-based compensation accruals of \$0.8 million, non-recurring severance-related expenses of \$4.5 million and other operating expenses of \$1.5 million.

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 and six months ended June 30, 2025 and 2024 (the "MD&A") which were filed on SEDAR+ at www.sedarplus.ca. These documents and the Company's Q2 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 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 and six months ended June 30, 2025 as well as additional disclosures regarding this measure. Additionally, Adjusted EBITDA is a new non-GAAP measure that was introduced as a result of the company's previously announced strategic transaction with CC Capital that closed on April 3, 2023, as described more fully in Section 15 of the MD&A.

Long-Term Incentive Plan Amendments

Pursuant to the requirements of the TSX Venture Exchange (the "TSXV"), the Company also today announces that it has amended its long-term equity incentive plan (the "LTIP") to permit awards under the LTIP to be granted to persons providing services to Ceres Life.

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 TSXV under the trading symbol "WED".

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

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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 I. 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.

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.