



Westaim Reports Q1 2026 Results
For the quarter ended March 31, 2026

New York, New York – May 14, 2026 – The Westaim Corporation (“Westaim” or the “Company”) (TSXV: WED) today announces its unaudited financial results for the quarter ended March 31, 2026. Westaim recorded a net loss of \$33.4 million (\$1.00 diluted loss per share) for Q1 2026 compared to a net loss of \$7.4 million (\$0.34 diluted loss per share) for Q1 2025¹.

“We made meaningful progress on our strategic priorities during the quarter, highlighted by the February 17th launch of our fixed indexed annuity product, which marks an important milestone in expanding our platform and enhancing our market position. Early results since inception across all products have been encouraging and ahead of expectations, with over \$300 million of premiums, issued and pending, through April 30, 2026. We continue to see strong engagement from our distribution partners, particularly in response to the streamlined onboarding experience for policyholders on our platform. Ceres’ invested assets increased to \$370 million, supported by the accelerating pace of our annuity policy issuances. Consistent with our expectations, the assets supporting our reserves continue to generate yields meaningfully above crediting rates. While accounting results for new and rapidly growing annuity insurance companies can at times be difficult to interpret, we are quite encouraged by the momentum building across the business,” said Cameron MacDonald, Chief Executive Officer of Westaim.

Further, Mr. MacDonald added, “Guided by Andrew Rabinowitz’ leadership within our asset management segment, we have made significant progress on new business initiatives and partnerships that we anticipate will generate significant growth in fee paying assets under management in third-party capital over the next 12 to 18 months.”

Chinh Chu, Executive Chairman of the Board for Westaim, added, “We are encouraged by the strong execution by our management team and the positive momentum across both our insurance and asset management businesses. We are particularly pleased with the launch of our fixed indexed annuity product and the pace of sales in its first few months on the market.”

Insurance

The Insurance segment, which primarily operates through Ceres Life Insurance Company (“Ceres” or “Ceres Life”), reported an Adjusted EBITDA² loss of \$20.1 million for the three months ended March 31, 2026. This included a net insurance service loss of \$11.1 million and operating expenses of \$14.1 million, partially offset by net investment income of \$5.1 million.

Our financial results reflect the early-stage nature of our insurance business. Net insurance service results remain negative as we scale issuance of new multi-year guaranteed annuity and fixed indexed annuity policies. Under applicable accounting treatment, both products require Ceres to recognize a reserve for future policyholder obligations at the time policies are issued, which results in upfront accounting losses on new business.

Over time, as premiums are invested and the portfolio continues to earn returns in excess of crediting rates, we expect these contracts to contribute positively to operating results. By design, Adjusted EBITDA reflects the impact of these reserves within “insurance service results” and, as such, will continue to face near-term pressure while new business growth remains significant relative to the size of the in-force book. As the business matures and earnings from in-force contracts increasingly offset losses associated with new policy issuances, we expect that accounting impact to moderate.

¹ Management notes these results are not directly comparable as 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. On April 3, 2025, CC Capital Partners, LLC (“CC Capital”) and the Company completed their 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 annual information form for the fiscal year ended December 31, 2024 (as filed on SEDAR+ at www.sedarplus.ca). 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 have been and will be reported on the basis of the Company being an operating entity.

² The Company uses both IFRS and non-generally accepted accounting principles (“non-GAAP”) measures to assess performance. Adjusted EBITDA is a non-GAAP measure defined by the Company as earnings before depreciation, amortization, taxes, interest on financing activities, as further adjusted for other items that are considered unusual or not representative of underlying trends of our business. Interest on investment activities is viewed as a core element of the business for both the Asset Management and Insurance segments, and therefore remains included in the Adjusted EBITDA metric.

Current-quarter operating expenses include approximately \$1.3 million of platform build-out costs. As we continue to scale and improve operating efficiency, we expect operating expenses as a percentage of policies written to decline meaningfully over time.

Asset Management

The Asset Management segment, which primarily operates through Arena Investors Group Holdings, LLC and its subsidiaries and affiliates (“Arena”), had an Adjusted EBITDA loss of \$7.3 million for the three months ended March 31, 2026. Adjusted EBITDA for the quarter included \$7.7 million of management, servicing and other fee revenues less negative incentive and performance fees due to marks on unrealized positions.

As of March 31, 2026, our AUM³ and Programmatic Capital⁴ totaled \$4.3 billion, with fee-paying AUM of \$2.5 billion, including \$0.4 billion managed on behalf of our Insurance segment. We have continued to take meaningful actions to reduce our cost base, and we expect the benefits of these initiatives to become increasingly evident in the second half of 2026. As we grow fee-paying AUM on a more efficient platform, we believe the business is well positioned to move toward consistent profitability.

Corporate and Other Investments Activity

While Corporate is not considered a separate operating segment of the Company, the Corporate column in our segment reporting comprises activities that reside outside of our two operating business segments. These include investments within the FINCOs, other cash and investments held outside of our operating segments, compensation (including share-based compensation) for employees and directors who are not allocated to our operating segments, and other corporate overhead expenses.

We continue to make progress monetizing assets within the FINCOs, which had an investment balance of \$122.5 million as of quarter end. During the first quarter of 2026, we exited two positions, achieving an IRR⁵ of 23% and a MOIC of 1.37x, and returned \$8.2 million in net proceeds.

The Company also launched its 2026 Normal Course Issuer Bid (“NCIB”), repurchasing 70,469 common shares at a cost of C\$1.7 million. As of March 31, 2026, the Company held 290,273 shares in treasury.

The Company will host its Annual and Special Shareholders Meeting (the “ASM”) on May 19th, 2026. The Company’s Investor Day will be held on September 17, 2026, where management will present a detailed update on the Company’s strategy, recent performance, and outlook.

³ AUM is a non-GAAP measure. 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. See “Non-GAAP Financial Measures” below.

⁴ Programmatic Capital is a non-GAAP measure. Programmatic Capital includes callable capital to discretionary and non-discretionary separately managed accounts and certain pooled investment vehicles. See “Non-GAAP Financial Measures” below.

⁵ Portfolio level Internal Rate of Return (“IRR”) and Portfolio level Multiple on Invested Capital (“MOIC”) are non-GAAP ratios. IRR is calculated based on actual cashflows and MOIC is equal to the sum of total realized and unrealized value divided by total invested capital.

Segment Results

As a result of the Strategic Transaction¹ 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 reported in the Corporate column of our segment reporting.

For the three months ended March 31, 2026 (US\$ in millions)

	Asset Management	Insurance	Corporate	Eliminations	Consolidated
Total Revenue	7.5	5.1	2.1	(1.2)	13.5
Net results of investments	-	-	0.6	-	0.6
Net insurance service results	-	(11.1)	-	-	(11.1)
Total Expenses excluding depreciation, amortization, and income taxes	(14.8)	(14.1)	(4.1)	1.2	(31.8)
Earnings before depreciation, amortization, and income taxes ("Adjusted EBITDA")	(7.3)	(20.1)	(1.4)	-	(28.8)
Depreciation and amortization (expense)	(1.2)	(0.9)	-	-	(2.1)
Severance related expenses	(3.1)	-	-	-	(3.1)
(Loss) profit before income taxes	(11.6)	(21.0)	(1.4)	-	(34.0)
Income taxes recovery (expense)	0.3	-	0.3	-	0.6
Net (loss) profit	(11.3)	(21.0)	(1.1)	-	(33.4)
Other comprehensive income (loss)	(0.1)	(0.4)	-	-	(0.5)
Net (Loss) profit and comprehensive (loss) income	\$ (11.4)	\$ (21.4)	\$ (1.1)	\$ -	\$ (33.9)

NOTE: Schedule subtotals and totals may be impacted by rounding.

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, 2026 and 2025 (the "MD&A") which were filed on SEDAR+ at www.sedarplus.ca. These documents and the Company's Q1 2026 Investor Presentation can be found on the Company's website at www.westaim.com.

Non-GAAP Financial Measures and Ratios

Westaim reports its Financial Statements using Generally Accepted Accounting Principles ("GAAP") and accounting policies consistent with International Financial Reporting Standards ("IFRS"). Westaim uses both IFRS and non-GAAP measures and ratios to assess financial performance of its business, including in this press release Adjusted EBITDA, AUM and Programmatic Capital, IRR, and MOIC. The Company cautions readers that non-GAAP measures and ratios do not have a standardized meaning under IFRS, should not be considered alternatives to performance measures determined in accordance with 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 for quantitative reconciliations of non-IFRS measures to the most directly comparable IFRS financial measures.

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.

The 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:

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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 future growth in third-party capital, results of returns on investment amounts, operating expenses as a percentage of policies written, results of contributions from in-force contracts outweighing losses recognized with new policy issuances, anticipated benefits of reductions of the cost base in the Asset Management segment, growth in fee-paying AUM driving toward consistent profitability and timing of the ASM and Investor Day. 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.