Westaim Reports Q2 2026 Results for the quarter ended June 30, 2026
and Leadership Update for Ceres Life Insurance Company

New York, New York – August 13, 2026 – The Westaim Corporation (“Westaim” or the “Company”) (TSXV: WED) today announces its unaudited financial results for the quarter ended June 30, 2026. Westaim recorded a net loss of $81.5 million ($2.45 diluted loss per share) for Q2 2026 compared to a net loss attributable to controlling interests of $0.2 million ($0.01 diluted loss per share) for Q2 2025.

“Within our Insurance segment, we continue to experience solid support from our national distribution partners, generating $303 million of premiums during Q2 and more than $660 million of premiums issued and pending through July 31, 2026. Ceres’ invested assets increased to $445 million as of June 30, 2026, all supported by the accelerating pace of our annuity policy issuances. In particular, we are very pleased with Ceres' AI native technology platform, which, as we scale, can automate 85% of operations and substantially scale the current volume with minimal additions to the infrastructure and employee base, positioning Ceres Life to drive higher return on equity than industry peers.

Within our Asset Management segment, we have made meaningful progress towards step-function growth in AUM[1] over the coming quarters, driven by new product lines and strategic joint partnerships. In addition, we have implemented more than $16 million worth of gross annualized run-rate savings, which we expect to become increasingly evident in our future results. These actions reflect our continued focus on aligning our cost structure with strategic priorities and driving sustainable improvement.” said Cameron MacDonald, Chief Executive Officer of Westaim.

"We look forward to providing additional context on our AUM growth, strategic partnerships and financial outlook at our Investor Day on Thursday, September 17, 2026."

Leadership Update

Westaim also announced today that Deanna Mulligan, Chief Executive Officer of Ceres Life, will transition to the role of Ceres Strategic Advisor. Erik Askelsen, Chief Legal Officer of Ceres, will be promoted to President of Ceres and will be named Acting Chief Executive Officer.

“It has been an honor and a privilege to serve as Ceres Life’s CEO since its founding. As an advisor and an investor, I look forward to Ceres’ continued growth under Erik’s capable leadership,” said Ms. Mulligan.

Further, Mr. MacDonald added, “Erik joined us in 2025 with a strong leadership background in the annuity industry, having worked at Athene and American Equity. We look forward to Erik’s leadership of Ceres and wish Deanna well in her new role as Ceres Strategic Advisor.”

Chinh Chu, Executive Chairman of the Board for Westaim, added, “Deanna has been instrumental in the maturation of Ceres Life from an idea into a growing annuity platform, assembling the team, the technology and the risk framework that the business runs on today. On behalf of the Board, I want to thank her for her leadership as founding Chief Executive Officer of Ceres Life, and I am glad we will continue to have the benefit of her counsel as a Strategic Advisor.”

Mr. Askelsen brings more than 25 years of insurance, regulatory and operating leadership experience. He joined Ceres Life in March 2025 as Chief Legal Officer, where he has been a member of the executive team building the company's de novo annuity platform. Mr. Askelsen has significant experience in the life and annuity industry, serving previously as Chief Legal Officer of American Equity and as General Counsel of Athene and Aviva USA, leading providers of fixed annuity products. He has also served as Chief Legal Officer and Chief Operating Officer of a payments and technology services provider and been a partner in two law firms earlier in his career.

Insurance

The Insurance segment, which primarily operates through Ceres Life Insurance Company ("Ceres" or "Ceres Life"), reported an Adjusted EBITDA[2] loss of $65.0 million and $85.1 million for the three and six months ended June 30, 2026. The results include net insurance service losses of $56.8 million and $67.9 million and operating expenses of $17.0 million and $31.2 million for the three and six month periods, respectively. These amounts were partially offset by interest income of $8.0 million and $13.2 million, respectively.

Our financial results reflect the early-stage nature of our insurance business. Net insurance service results remain negative as Ceres continues to scale issuance of new multi-year guaranteed annuity ("MYGA") and fixed indexed annuity ("FIA") policies. As we discussed last quarter, under applicable IFRS accounting treatment, both products require Ceres to recognize reserves for future policyholder obligations at the time policies are issued. This differs from US GAAP and results in upfront accounting losses on new business, including a $56.8 million reserve recognized during the quarter.

Insurance service results face near-term ramp up pressure as Ceres added $15.1 million and $288.1 million in MYGA and FIA premiums during the quarter. We continue to expect these contracts to contribute positively to operating results over time as premiums are invested, and the portfolio earns returns in excess of crediting rates. However, near-term accounting results are expected to be pressured 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 this accounting impact to moderate.

Current-quarter operating expenses include approximately $1.4 million of platform build-out costs. As Ceres continues 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"), reported an Adjusted EBITDA loss of $8.0 million and $15.2 million for the three and six months ended June 30, 2026. Adjusted EBITDA for the three and six months ended June 30, 2026, included $5.9 million and $13.6 million, respectively, of management, servicing and other fee revenues less negative incentive and performance fees due to marks on unrealized positions.

As of June 30, 2026, our AUM and Programmatic Capital[3] totaled $4.5 billion, with fee-paying AUM of $2.7 billion, of which $0.6 billion was managed on behalf of our Insurance segment. We continue to advance new business initiatives and partnerships that we believe can drive meaningful growth in fee paying AUM and third-party capital through the remainder of 2026 and into 2027.

We have continued to take significant steps to reduce our cost base, and we expect the benefits of these initiatives to become increasingly visible in the second half of 2026. As we continue to grow fee-paying AUM on a more efficient operating platform, we believe the business is well positioned to progress toward consistent profitability.

Corporate and Other Investments Activity

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

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[1] AUM is a non-GAAP measure. AUM refers to the assets for which Arena Investors provides investment management. 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. See "Non-GAAP Financial Measures" below.

[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.

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

We continue to make progress monetizing assets within the FINCOs, which had an investment balance of $116.4 million as of quarter end.

The Company continued its 2026 Normal Course Issuer Bid (“NCIB”), repurchasing 16,686 common shares at a cost of C$0.4 million. As of June 30, 2026, the Company held 306,959 shares in treasury.

Westaim's Rebrand

On Monday, September 14, 2026, Westaim will be unveiling its new name and rebrand, marking a significant milestone in the Company's evolution.

Investor Day

We are pleased to invite existing and prospective investors to Westaim’s Annual Investor Day, which will be held on Thursday, September 17, 2026, at 9:30 a.m. (Eastern Time) at the Met Life Building, 200 Park Ave, 8th Floor, New York City, New York. The agenda will include a business overview and discussion with the management teams of Westaim, Ceres Life Insurance Company, Arena Investors and CC Capital Partners, LLC, followed by a question-and-answer session.

We do hope you can join in-person or virtually via a live stream. REGISTER HERE

Segment Results

As a result of the strategic transaction with CC Capital 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 June 30, 2026
(US$ in millions)

	Asset Management	Insurance	Corporate	Eliminations	Consolidated
Total Revenue	$ 5.9	$ 8.0	$ 1.7	$ (1.6)	$ 14.0
Net results of investments	(0.2)	0.8	(5.6)	1.1	(3.9)
Net insurance service results	—	(56.8)	—	—	(56.8)
Total Expenses excluding depreciation, amortization, and income taxes	13.7	17.0	4.0	(1.6)	33.1
Earnings before depreciation, amortization, and income taxes (“Adjusted EBITDA”)	(8.0)	(65.0)	(7.9)	1.1	(79.8)
Depreciation and amortization (expense)	(1.2)	(1.0)	—	—	(2.2)
Severance related expenses	(1.0)	—	—	—	(1.0)
(Loss) profit before income taxes	(10.2)	(66.0)	(7.9)	1.1	(83.0)
Income taxes recovery (expense)	—	—	1.5	—	1.5
Net (loss) profit	(10.2)	(66.0)	(6.4)	1.1	(81.5)
Other comprehensive income (loss)	—	1.0	—	—	1.0
Net (Loss) profit and comprehensive (loss) income	$ (10.2)	$ (65.0)	$ (6.4)	$ 1.1	$ (80.5)

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

For the six months ended June 30, 2026
(US$ in millions)

	Asset Management	Insurance	Corporate	Eliminations	Consolidated
Total Revenue	$ 13.6	$ 13.2	$ 3.6	$ (2.9)	$ 27.5
Net results of investments	(0.2)	0.8	(4.8)	1.0	(3.2)
Net insurance service results	—	(67.9)	—	—	(67.9)
Total Expenses excluding depreciation, amortization, and income taxes	28.6	31.2	8.1	(2.9)	65.0
Earnings before depreciation, amortization, and income taxes (“Adjusted EBITDA”)	(15.2)	(85.1)	(9.3)	1.0	(108.6)
Depreciation and amortization (expense)	(2.4)	(1.9)	—	—	(4.3)
Severance related expenses	(4.1)	—	—	—	(4.1)
(Loss) profit before income taxes	(21.7)	(87.0)	(9.3)	1.0	(117.0)
Income taxes recovery (expense)	0.4	—	1.8	—	2.2
Net (loss) profit	(21.3)	(87.0)	(7.5)	1.0	(114.8)
Other comprehensive income (loss)	—	0.5	—	—	0.5
Net (Loss) profit and comprehensive (loss) income	$ (21.3)	$ (86.5)	$ (7.5)	$ 1.0	$ (114.3)

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 and six months ended June 30, 2026 and 2025 (the “MD&A”) which were filed on SEDAR+ at www.sedarplus.ca. These documents and the Company’s Q2 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. 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. 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. 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 expected results of gross annualized run-rate savings, MYGA and FIA policies contributing positively to operating results, pressure on near term accounting results, future growth in third-party capital, anticipated benefits of reductions of the cost base in the Asset Management segment, growth in fee-paying AUM driving toward consistent profitability, return on equity, timing of name change and rebrand, and timing of the 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.