



# **| Annual General Meeting**

May 12, 2016

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## Non-GAAP Measures

### Non-GAAP Measures – Westaim

Westaim uses both international financial reporting standards ("IFRS") and non-GAAP measures to assess performance. Westaim 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.

Book value per share represents shareholders' equity at the end of the period determined on an IFRS basis and adjusted upwards by the Corporation's liability with respect to restricted stock units ("RSUs") divided by the aggregate of the total number of common shares outstanding at that date and number of common shares that would have been issued if all outstanding RSUs were exercised.

### HIIG

HIIG uses United States generally accepted accounting principles ("GAAP") measures to assess performance.

**All amounts herein are in United States dollars unless otherwise indicated.**



**Ian W. Delaney**

Executive Chairman of the Board  
The Westaim Corporation

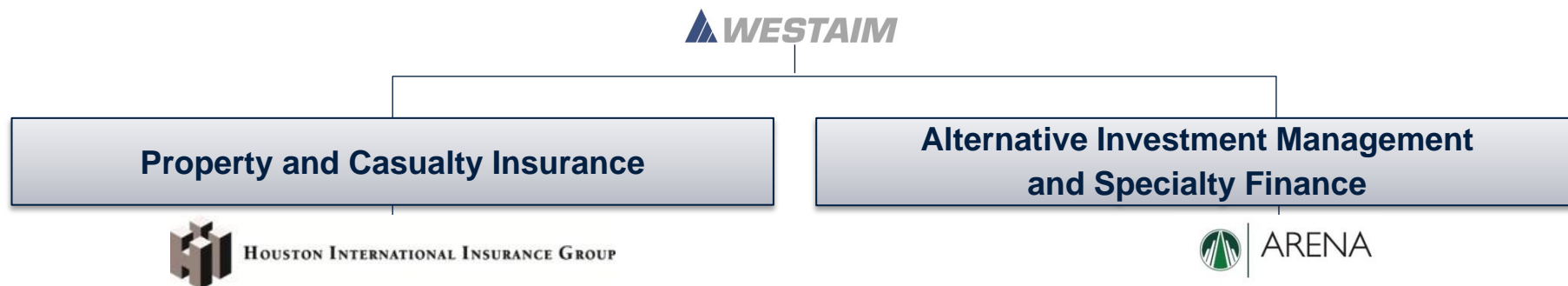


# Cameron MacDonald

President and Chief Executive Officer  
The Westaim Corporation

# The Westaim Corporation

## The Westaim Corporation Structure



*Westaim has invested in two complementary platforms – Specialty P&C Insurance (through HIIG) and asset management and specialty finance (through the Arena Group)*

## Principles



**Opportunistic Investing**



**Partnership Approach**



**Business Building**



**Long-Term Horizon**

## Market Statistics\*

Ticker	TSXV:WED
Share price (May 11, 2016)	C\$ 2.65
Shares outstanding (millions)	143.2
Market capitalization	C\$ 379.5
Shareholders' equity - Q1 2016	\$ 327.5
Capital structure	Debt free
BVPS - Q1 2016**	US\$ 2.28 / C\$ 2.96
Corporate Headquarters	Toronto, Ontario

Currency amounts in United States dollars millions unless otherwise indicated.

\* Balance sheet data as at March 31, 2016; Exchange rate used 1.2971 C\$ / US\$ (as at March 31, 2016).

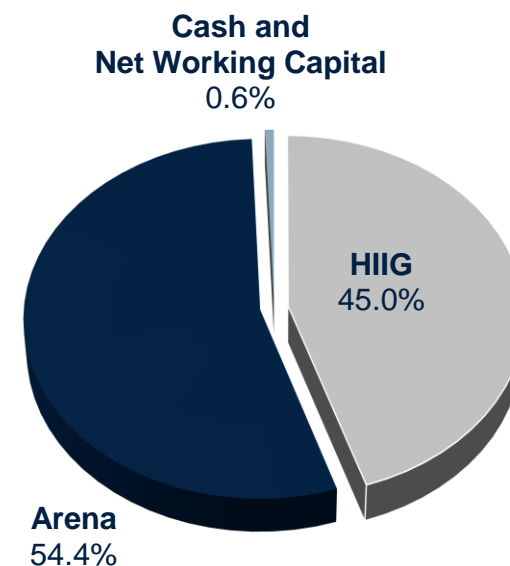
\*\* Book Value Per Share ("BVPS") represents shareholders' equity at the end of the period determined on an IFRS basis and adjusted upwards by the Corporation's liability with respect to restricted stock units ("RSUs") divided by the aggregate of the total number of common shares outstanding at that date and number of common shares that would have been issued if all outstanding RSUs were exercised.

# The Westaim Corporation

## Overview of Performance

	Q1 2016	Q1 2015	FY 2015	FY 2014
<b>Selected Income Statement Information</b>				
Revenue	\$ 0.7	\$ 0.3	\$ 1.6	\$ 1.1
Net results of investments	3.0	11.9	12.7	23.3
Expenses	(2.3)	(2.3)	(6.6)	(6.6)
(Loss) profit	1.4	9.9	7.7	17.7
Earnings Per Share ("EPS")	\$ 0.01	\$ 0.14	\$ 0.08	\$ 0.47
<b>Selected Balance Sheet Information</b>				
Assets	\$ 338.5	\$ 174.7	\$ 335.5	\$ 174.3
Shareholders' equity	327.5	165.3	326.1	167.2
BVPS - US\$	\$ 2.28	\$ 2.33	\$ 2.27	\$ 2.34
BVPS - C\$	\$ 2.96	\$ 2.95	\$ 3.14	\$ 2.71
<b>Change in BVPS (US\$)</b>	<b>(2.1%)</b>		<b>(3.0%)</b>	
<b>Change in BVPS (C\$)</b>	<b>0.3%</b>		<b>15.9%</b>	

## Breakdown of Book Value Per Share at March 31, 2016

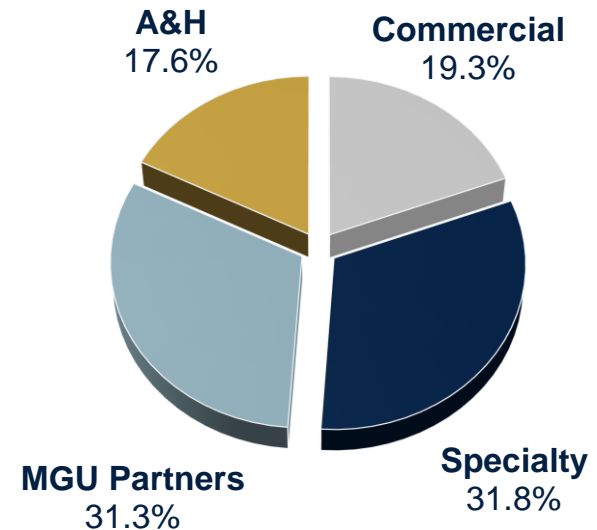


# Houston International Insurance Group, Ltd.

## Selected Financial Information of Houston International Insurance Group, Ltd.<sup>(1)</sup>

Income Statement Information	Q1 2016	Q1 2015	FY 2015	FY 2014
Gross Written Premium	\$124.9	\$121.0	\$508.7	\$444.2
Net Premiums Written	71.9	80.8	332.3	289.7
Net Earned Premiums	81.4	74.2	326.1	302.0
Net Loss and LAE Ratio	63%	65%	68%	67%
Net Income	\$1.0	\$2.7	\$11.4	\$19.5

## Net Premium Written<sup>(1)(2)</sup> For the Fiscal Period Ended March 31, 2016



Balance Sheet Information	Q1 2016	Q1 2015	FY 2015	FY 2014
Investments, Cash and Cash Equivalent	\$689.2	\$680.6	\$700.4	\$626.9
Stockholders' Equity	331.7	321.8	324.5	248.1

**Insurance company subsidiaries are rated A- (Excellent) or better by A.M. Best**

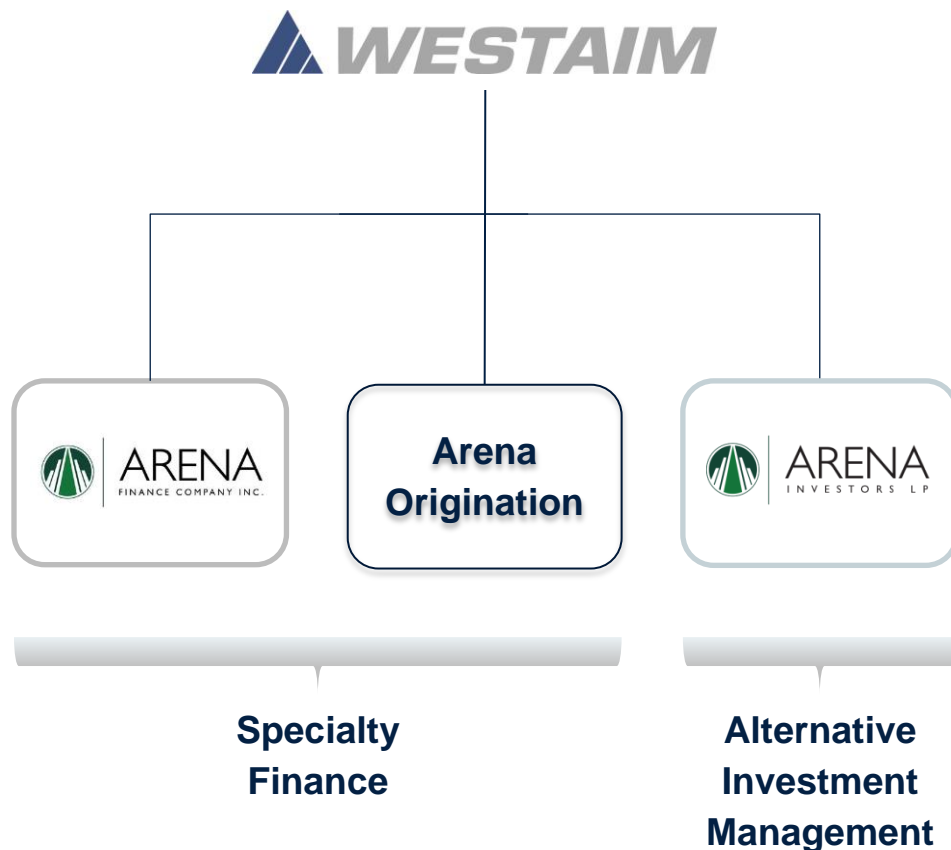
Currency amounts in United States dollars millions unless otherwise indicated.

(1) Derived from the financial statements of HIIG. The information herein is presented in accordance with US GAAP. Such statements are the responsibility of the management of HIIG and have been provided solely by HIIG. Although Westaim has no knowledge that would indicate that any of the information is untrue or misleading, neither Westaim nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for any failure by HIIG to disclose to Westaim events or facts which may have occurred or which may affect the significance or accuracy of any such financial information but which are unknown to Westaim. Westaim disclaims and excludes all liability (to the extent permitted by law), for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the HIIG financial information, its accuracy, completeness or by reason of reliance by any person on any of it.

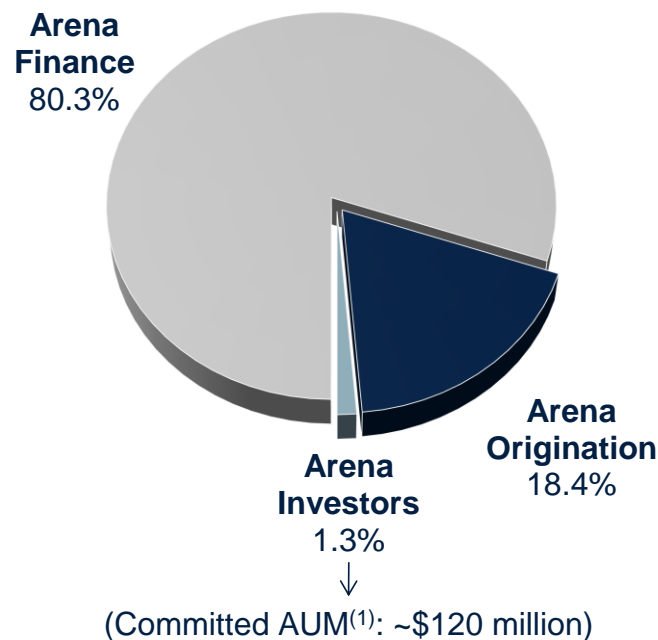
(2) Excludes net premium written from Non-Continuing and Other Lines, which was \$(1.3) million for Q1 2016.

# Arena Group

## Overview of Arena Businesses



## Book Value As at March 31, 2016



***Fundamentals-based, asset-oriented credit opportunities***

Currency amounts in United States dollars millions unless otherwise indicated.

(1) Asset Under Management ("AUM").



# Arena Group

## Six Areas of Investment Opportunities

- Special situation lending
- Distressed loan sourcing and workouts

**Corporate  
Private Credit**

**Real Estate  
Private  
Credit<sup>(1)</sup>**

- Idiosyncratic real estate and commercial lending
- Secondary market real estate loan purchase transactions and restructurings

- Purchasing and servicing non-performing loan portfolios
- Commercial finance including factoring, leasing, etc.

**Commercial  
and Industrial  
Assets**

**Structured  
Finance**

- Investments in “off-the-run” CMBS, RMBS, MBS, and other forms of ABS
- Esoteric asset securitizations

- Purchasing and servicing of a wide range of stressed and distressed special situation consumer obligations such as credit cards, auto loans, etc.

**Consumer  
Assets**

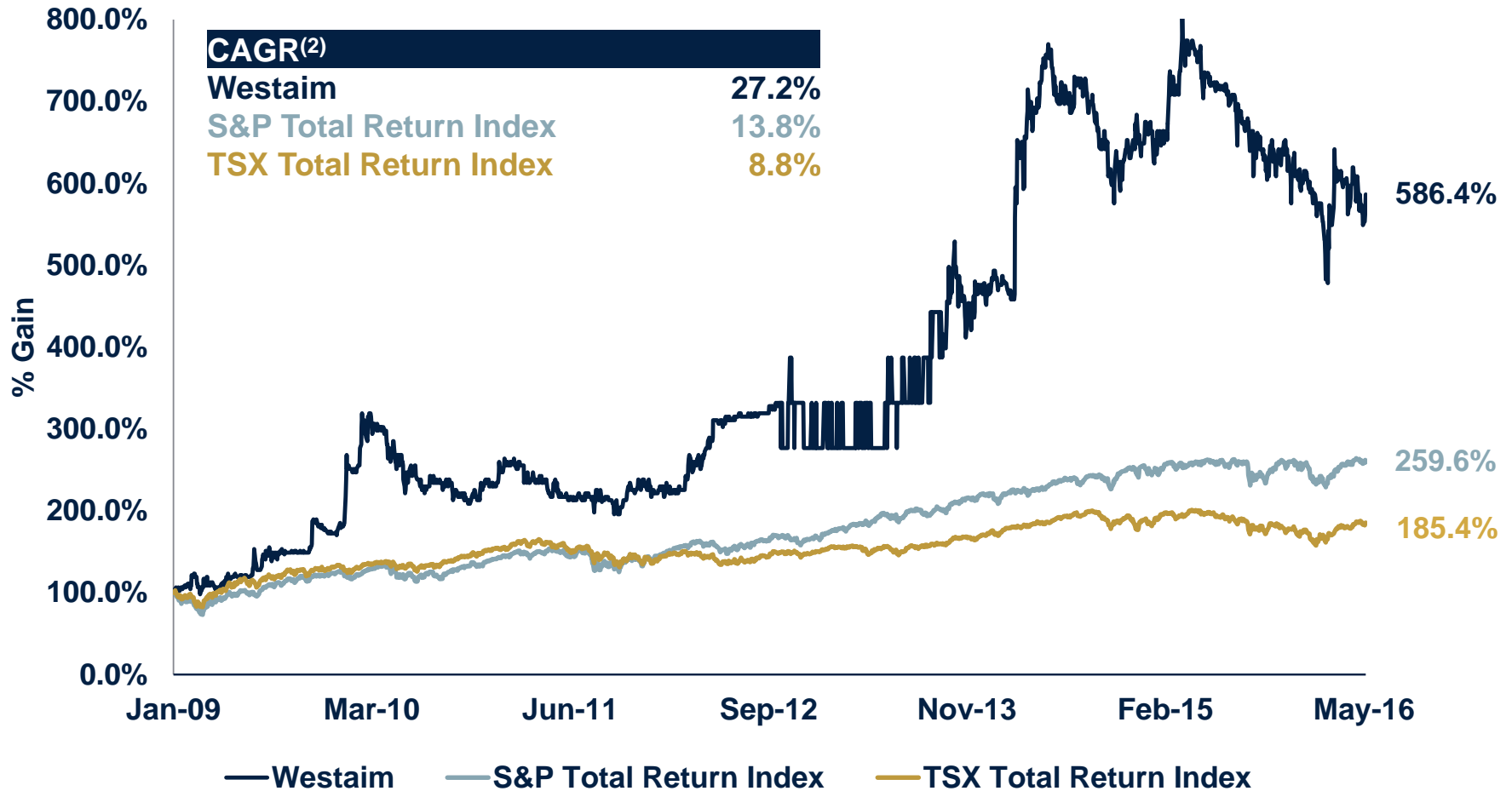
**Corporate  
Securities and  
Other**

- Process-driven corporate securities investments with real catalysts (event/credit arbitrage, etc.) that are directly complementary to the firm’s overall investment focus

(1) Real estate and real estate-related credit assets.

# The Westaim Corporation

## Share Price Performance<sup>(1)</sup>



Source: Capital IQ

(1) Assumes the reinvestment of the cash distribution of C\$37.50 per common share paid by Westaim on September 28, 2012.

(2) Compounded annual growth rate is from January 2, 2009 – May 11, 2016, the period current management has been involved with Westaim.



The Westaim Corporation

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