



Arena Finance II, LLC Completes \$45 Million Note Offering

Note: All dollar amounts in this press release are expressed in U.S. dollars, except as otherwise noted.

Toronto, Canada – September 29, 2020 – The Westaim Corporation (“Westaim” or the “Company”) (TSXV: WED) today announced that Arena Finance II, LLC, a limited liability company controlled by Westaim and part of the Arena FINCOs, (“AF II, LLC”), has completed a private placement of \$45 million of 6.75% senior secured notes due September 30, 2025 (the “Notes”) to certain qualified institutional buyers and institutional accredited investors (the “Private Placement”). The obligations of AF II, LLC under the Notes are guaranteed by Arena Finance, LLC (“AF, LLC”) and are secured by Collateral that includes the assets of AF II, LLC.

AF II, LLC intends to use the proceeds from the Private Placement in accordance with its investment objectives and for general corporate purposes. The investment portfolio of AF II, LLC is managed by Arena Investors, L.P. (“Arena Investors”).

“We were pleased to see the robust interest from a diverse group of institutions including insurance companies, banks and asset managers in this high-quality, A-rated inaugural bond offering from AF II, LLC,” said J Cameron MacDonald, President and Chief Executive Officer of Westaim. “Our ability to prudently apply well structured, non-recourse debt to these assets is expected to accelerate our ability to provide attractive, consistent returns to Westaim investors and serve as a template for future Arena-managed permanent capital vehicles as we continue growing our business.”

“The current market environment offers ample opportunities for our nimble and dynamic approach to investing,” said Daniel Zwirn, Chief Executive Officer and Chief Investment Officer of Arena Investors. “This financing should enhance the returns we deliver to our investors through the use of moderate, appropriately priced leverage that is well matched to our asset base.”

Piper Sandler & Co. served as the sole placement agent in respect of the sale of the Notes. Winston & Strawn LLP served as legal counsel to AF II, LLC and AF, LLC and Seward & Kissel LLP served as legal counsel to the placement agent.

About Westaim

Westaim is a Canadian investment company specializing in providing long-term capital to businesses operating primarily within the global financial services industry. The Company invests, directly and indirectly, through acquisitions, joint ventures and other arrangements, with the objective of providing its shareholders with capital appreciation and real wealth preservation. Westaim’s strategy is to pursue investment opportunities with a focus towards the financial services industry and grow shareholder value over the long term. Westaim’s investments include significant interests in HIIG and the Arena Group. HIIG, Arena, the Arena Group, Arena FINCOs and Arena Investors are defined in the notes to Westaim’s unaudited consolidated financial statements for the three and six months ended June 30, 2020 and 2019 and the MD&A. Westaim’s Common Shares are listed on the TSX Venture Exchange under the trading symbol WED.

About Arena Investors

Arena Investors is an institutional asset manager with \$1.6 billion of committed assets under management as of September 29, 2020 that provides creative solutions for those seeking capital in special situations. The firm brings individuals with decades of experience, a track record of comfort with complexity, the ability to deliver within time constraints, and the flexibility to engage in transactions that cannot be addressed by banks and other conventional financial institutions. Arena Investors works to enable individuals, corporations, and asset owners to achieve their goals. Arena Investors’ mandate is global, and also unconstrained in terms of asset class and industry.

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