



2024 Investor Day

May 16, 2024

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This document contains certain historical results and performance data including, without limitation, relating to Skyward Specialty, Arena FINCOs and Arena. Such historical results and performance data have been prepared and provided solely by the relevant party and have not been independently verified or audited. The historical results and performance data have been included in this document for illustrative purposes only. The historical results and performance data are in no way indicative of any future results, performance or returns by any of Westaim, Skyward Specialty, Arena FINCOs and Arena.

Certain statements in this presentation are "forward-looking statements". Any statements that express or involve discussions with respect to predictions, target yields and returns, internal rates of return, expectations, beliefs, plans, projections, objectives, 'Arena operating leverage and AUM (as defined herein) growth, assumptions or future events or performance (often, but not always using words or phrases such as "expects", "does not expect", "is expected", "seeks", "endeavours", "anticipates", "does not anticipate", "plans", "estimates", "believes", "does not believe" or "intends", "does not intend" or stating that certain actions, events or results may, could, would, might or will occur or be taken, or achieved) are not statements of historical fact and may be "forward-looking statements". In particular, but without limiting the foregoing, this presentation contains forward-looking statements pertaining to: Arena's pipeline and Westaim's strategies. Forward-looking statements are based on expectations, estimates and projections as well as other relevant factors at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. These include, but are not limited to, the risk factors discussed in Westaim's Annual Information Form for its fiscal year ended December 31, 2023, which is available on SEDAR+ at www.sedarplus.ca, as same may be modified or superseded by a subsequently filed Annual Information Form. Except as required by law, Westaim does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forward-looking statement or to update such forward-looking statement.

Supplementary financial measures concerning Skyward Specialty contained in this presentation are unaudited and have been derived from the Skyward Specialty First Quarter 2024 Results filed with the U.S. Securities and Exchange Commission at www.sec.gov/edgar. Such statements are the responsibility of the management of Skyward Specialty. The Skyward Specialty Supplementary Financial Measures, including any Skyward Specialty non-GAAP (as defined herein) measures contained therein, have not been reconciled to International Financial Reporting Standards ("IFRS") and so may not be comparable to the financial information of issuers that present their financial information in accordance with IFRS.

The Skyward Specialty Supplementary Financial Measures (the "Skyward Specialty Supplementary Financial Measures") should be read in conjunction with the Company's historical financial statements. For more information about Skyward Specialty, please see Skyward Specialty's unaudited financial statements for the period ended March 31, 2024 available at www.sec.gov/edgar.

The Skyward Specialty Supplementary Financial Measures have been provided solely by Skyward Specialty. Although Westaim has no knowledge that would indicate that any of the Skyward Specialty Supplementary Financial Measures contained herein are untrue or otherwise 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 Skyward Specialty 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 Skyward Specialty Supplementary Financial Measures, their accuracy, completeness or by reason of reliance by any person on any of them.

Safe Harbour Statement

Supplementary financial measures concerning the Arena FINCOs and Arena (the "Arena Supplementary Financial Measures") contained in this presentation are unaudited and have been derived from the unaudited consolidated financial statements of Arena FINCOs and Arena for the three months ended March 31, 2024 and 2023, which have been prepared in accordance with either IFRS or US GAAP. Such statements are the responsibility of the management of the Arena FINCOs and Arena. The Arena Supplementary Financial Measures, including any Arena FINCOs and Arena non-GAAP measures contained therein, may not be reconciled to IFRS and so may not be comparable to the financial information of issuers that present their financial information in accordance with IFRS.

The Arena Supplementary Financial Measures should be read in conjunction with the Company's historical financial statements including the notes thereto and the related MD&A as well as the Company's other public filings.

The Arena Supplementary Financial Measures have been primarily provided by the management of the Arena FINCOs and Arena. Although Westaim has no knowledge that would indicate that any of the Arena Supplementary Financial Measures contained herein are untrue or otherwise 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 the Arena FINCOs and Arena 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.

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The information contained herein is based on publicly available information, internally developed data and other sources. Although Westaim believes such information to be accurate and reliable, it has not independently verified any of the data from third party sources cited or used.

All amounts herein are in United States million dollars unless otherwise indicated. Certain comparative figures have been reclassified to conform to the presentation of the current period, and certain totals, subtotals and percentages may not reconcile due to rounding.

Non-GAAP Measures

Westaim

Westaim reports its interim consolidated financial statements using Generally Accepted Accounting Principles ("GAAP") and accounting policies consistent with IFRS. Westaim uses both IFRS and non-generally accepted accounting principles ("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 ("BVPS") is a non-GAAP measure – see section 14 of Westaim's MD&A for the three months ended March 31, 2024 for a discussion of non-GAAP measures including a reconciliation to Westaim's financial results determined under IFRS.

Skyward Specialty

Supplementary financial measures concerning Skyward Specialty contained in this presentation are unaudited and have been derived from the Skyward Specialty's First Quarter 2024 Press Release filed with the U.S. Securities and Exchange Commission at www.sec.gov/edgar.

Skyward Specialty uses US GAAP and non-GAAP measures to assess performance. Please refer to Appendix - Skyward Specialty Supplementary Financial Measures for Skyward Specialty's non-GAAP measures.

Arena FINCOs and Arena

Arena FINCOs and Arena use US GAAP, IFRS and non-GAAP measures to assess performance.

Net Return (a non-GAAP measure) on the Arena FINCOs investment portfolios is the aggregate of investment income, net of gains (losses) on investments less interest expense, management, asset servicing and incentive fees, and other operating expenses of the Arena FINCOs divided by average carrying values for the Arena FINCOs, for the period.

Gross Return (a non-GAAP measure) on the Arena FINCOs investment portfolios is the aggregate of investment income, net of gains (losses) on investments less interest expense divided by average carrying values for the Arena FINCOs, for the period.

Realized Internal Rate of Return ("IRR"): Realized calculations are presented net of investment level expenses and gross of fund level fees (e.g. management and incentive fees), which can impact returns significantly.

Gross Underwritten IRR (a non-GAAP measure): Investment-level gross underwritten IRR represents the internal rate of return prior to or at the time of making the initial investment as reflected in and supported by loan agreements, including, but not limited to, note purchase agreements and origination agreements.

Current IRR reflects all investment activity, i.e. prior actual cash flows and future projected cash flows (which are discounted as of the reporting date), from the inception of each applicable investment through March 31, 2024. The current IRR may not be representative of the realized IRR upon exit of each investment, which may increase or decrease.

Underwritten IRRs: Investment-level gross underwritten IRR represents the internal rate of return prior to or at the time of making the initial investment as reflected in and supported by loan agreements, including, but not limited to, note purchase agreements and origination agreements. The underwritten IRR is one of many metrics considered by Arena prior to investment and is not typically updated after the initial funding date. The underwritten IRR may be presented as a single percentage or a range. Such gross IRRs are estimated and do not take into account any entity level management fees, incentive allocation and/or any other associated fees, all of which may significantly reduce the net return received attributable to any investment. These underwritten IRRs are not a proxy for investment performance for any strategy or fund. The underwritten IRRs disclosed herein are being presented for the purpose of providing insight into the investment objectives of, Arena detailing anticipated risk and reward characteristics in order to facilitate comparisons with other investments and for establishing a benchmark for future evaluation of Arena Investors' strategy. The IRRs are also being presented because financially sophisticated investors may find this information useful in determining where Arena's strategies may fit within their investment portfolios. The IRRs included in this presentation are not intended, and must not be regarded, as a representation, warranty or prediction that any Arena vehicles will achieve any particular return with respect to any particular investment opportunity or for a particular time period, or that Arena and its investors will not incur losses. In evaluating these IRRs, it should be noted that (a) there can be no assurance that Arena will be able to source and consummate investments of the type it is seeking to make and (b) the assumptions underlying the IRRs may prove not to be accurate or not materialize. There can be no assurance that the objective of the investment shown can be met or that substantial losses will be avoided.

Assets under management ("AUM"): 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 and are not calculated pursuant to any regulatory definitions.

Fee Paying Assets Under Management ("FP AUM") refers to the AUM on which Arena earns management fees and/or incentive income.

Arena

With respect to the section on Arena the information therein is being provided solely in relation to the management company and the investment manager, including their funds, subsidiaries and affiliates.

Returns shown are unaudited. **Past performance is not indicative or a reliable indicator of future performance. Actual results may vary.**

The information set forth herein does not purport to be complete, is unaudited and subject to change. Arena has no obligation to update or revise such information other than as may be required by applicable law. Unless otherwise stated, the information contained herein is current as of the date of the presentation.

This document does not constitute investment advice nor is it a recommendation or an offer of investment advisory services or products. No person in any jurisdiction may treat this document as a solicitation or offer of any advisory product or service. A prospective investor must rely solely on the terms and associated disclosures in any final offering memoranda, investment management agreement and associated subscription documents (if any), which would constitute the only basis upon which offerings of any product or service may be made.

Investments in Arena vehicles are speculative in nature and involve risk. There can be no assurance that investment objectives will be achieved and investment results may vary substantially over time. These investments are not intended to be a complete investment program for any investor. There is no secondary market for an investor's interest in Arena funds and none is expected to develop. Arena's funds are not registered under the Investment Company Act of 1940 and accordingly are not extensively regulated. Opportunities for redemption and transferability of interests are restricted, so investors may not have access to capital when it is needed. Leverage may be employed in the funds, which can make investment performance volatile. Valuation of the investments may involve uncertainties and the exercise of judgment. An investor should not make an investment unless the investor is prepared to lose all or a substantial portion of its investment. The fees and expenses charged in connection with investments may be higher than the fees and expenses of other investment alternatives and may offset profits, and the performance-based compensation paid to Arena may create an incentive for Arena to make more speculative investments than would otherwise be the case. Arena has total authority and control over its funds and the use of a single advisor applying generally similar investment programs could mean a lack of diversification and, consequently, higher risk. For a comprehensive list of risk factors, an investor must review the risk factors as specified in the related confidential information memorandum for a specific fund or investment management agreement, which will be made available upon request.

The information provided herein should not be considered a recommendation regarding a particular investment. The actual and potential investments discussed herein are meant to be examples of Arena's investment approach. It should not be assumed that any of the investments discussed herein will prove to be profitable, or that the investment recommendations or decisions made by Arena in the future will be profitable. The particular investments discussed herein are those that most closely represent the current average-sized Arena investment in a particular category (Corporate Private Investments, Real Estate Investments and Structured Finance and Assets). In addition, Arena makes investments in Corporate Securities, including liquid investments such as convertible structured investments, as well as other public and private investments within Arena's stable income strategies which are not fully discussed herein. Further information is available upon request.

In addition, performance of market indices is being provided for the purpose of making general market data available as a point of reference only. Arena believes there are no known directly comparable indices for the Arena Special Opportunities Strategies composite which is comprised of the Arena Special Opportunities Fund, LP and Arena Special Opportunities (Offshore) Master, LP (collectively, the "Fund"). The Fund's investments are not limited to the investments listed by the market indices. The Fund may invest in different securities and engage in different trading strategies from the indices. In addition, it should be noted that the sector, industry, stock and country exposures, volatility, risk characteristics and holdings of the Fund differ materially from those of the indices. The indices do not reflect fees and expenses associated with the active management of portfolios. The performance returns of the indices were obtained from Bloomberg and other third-party sources and include the reinvestment of earnings. Although Arena believes these sources to be reliable, it is not responsible for errors or omissions from these sources.

The statements contained herein contain certain forward-looking statements that are based on Arena's beliefs as well as assumptions made by and information currently available to Arena. When used herein, the words "anticipate," "believe," "could," "estimate," "expect," "going forward," "intend," "may," "modeled," "ought to," "plan," "project," "seek," "should," "will," "would," and similar expressions, as they relate to Arena or Arena's management are intended to identify forward-looking statements. These forward-looking statements include, without limitation, statements relating to investments, business prospects, future developments, trends and conditions in the industry and geographical markets in which Arena operate, Arena strategies, plans, objectives and goals, as well as Arena ability to control costs, statements relating to prices, volumes, operations, margins, overall market trends, risk management and exchange rates. These forward-looking statements reflect Arena's views at the time such statement were made with respect to future events and are not a guarantee of future performance or developments. You are strongly cautioned that reliance on any forward- looking statements involves known and unknown risks and uncertainties.

Net annualized returns inceptions to date are net of fees as disclosed and net of deal and operating expenses (including asset servicing expenses of 0.5% for drawdown, open-ended, FINCOs, SI-REC and 0.75% for NZ REC). All returns are based on the reinvestment of principal, interest, and dividends received. Fee schedules for returns shown include management fees with a range of 0.35%-2%, incentive fees with a range of 7.5% incentive to 20% and preferred returns or hurdles applicable on specific vehicles.

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Westaim is a Canadian investment holding company specializing in providing long-term capital to businesses operating primarily within the global financial services industry



FY 2023 Highlights: Excellent Operating Performance

SKYWARD SPECIALTY INSURANCE

Gross written premium increased
27.6% to \$1.5 billion

Adjusted combined ratio: **90.9%**

Net income: **\$86.0 million**;
Adjusted ROE: **14.9%**

Shareholders' equity: **\$661.0 million** at Q4 2023

Share price up **125.9%** in 2023

- Skyward executed its **“Rule our Niche”** strategy flawlessly to become a **“top quartile financial performer”**
- Skyward completed an **IPO**, priced at \$15.00 per common share⁽¹⁾
- Westaim monetized through **Secondary Offerings**: Sold 7.6 million Skyward Specialty common shares for ~\$192 million⁽²⁾
- At year end 2023, Westaim also held 7 million Skyward Specialty common shares valued at **\$237 million**

ARENA INVESTORS GROUP HOLDINGS

Committed AUM: **\$3.2 billion**

Fee-Paying AUM: **\$2.5 billion**

AIGH revenue: **\$63.1 million**

AI EBITDA: **\$6.5 million**
AIS EBITDA: **\$5.7 million**

Total Arena EBITDA:
\$10.1 million

- Arena **completed its build out** in 2023 and is positioned for rapid growth
- **AI AUM pipeline remains strong** with several product offerings marketing to a well diversified base of sophisticated investors
- **AIS contributing meaningfully** to the platform with \$11.5 million of revenue and high profitability

ARENA Arena FINCOs

Fair value:
\$147.2 million at Q4 2023

- Westaim received **cash distributions** of \$6.9 million from Arena FINCOs in FY 2023

WESTAIM

FDBVPS increased to
49.6% to \$3.83 (C\$5.08)⁽³⁾

Shareholders' equity:
\$518.3 million at Q4 2023

WED share price up
43.0% in 2023

- Redeemed all 5,000,000 5% subordinate **preferred securities**⁽⁴⁾
- Westaim **acquired and/or cancelled** 9.9 million Common Shares and 14.3 million warrants at prices that are **very accretive** to FDBVPS and Intrinsic Value

(1) Initial Public Offering (“IPO”).

(2) For further information, refer to press releases relating to Skyward Specialty posted on Westaim’s website. As at May 16, 2024, Westaim holds 4.8% or 1,919,639 Skyward Specialty common shares.

(3) Fully diluted book value per share (“FDBVPS”).

(4) Subordinate preferred securities held by certain affiliates of Fairfax Financial Holdings Limited (“Fairfax”) and, as part of a related transaction, Fairfax surrendered 14.3 million common share purchase warrants to the Company.

Westaim Summary Q1 2024 Operating Results

	Three months ended March 31	
(Amounts in millions of US\$ except per share data)	2024	2023
Income from investment in Skyward Specialty	\$24.6	\$100.1
Income from investment in Arena	0.6	1.0
Income (loss) from investments in Arena FINCOs and ASOF ⁽¹⁾	1.3	(2.8)
Income from investments	\$26.5	\$98.3
Holding company operating expenses	(2.2)	(1.8)
Preferred securities interest expense	-	(0.5)
Interest and fee income	2.3	0.5
Net holding company operating income (expenses)	\$0.1	(\$1.8)
Share-based compensation recovery (expense)	0.1	(1.3)
Foreign exchange gain (loss)	0.3	(0.4)
Total net holding company income (expenses)	\$0.5	(\$3.5)
Income taxes expense	(3.7)	(0.3)
Profit and comprehensive income	\$23.3	\$94.5
Earnings per fully diluted share	\$0.17	\$0.66

(1) Arena Special Opportunities Fund, LP ("ASOF").

(2) EBITDA is a non-GAAP measure.



Skyward Specialty delivered excellent Q1 Results vs. prior year:

- **Adjusted Combined Ratio** of 89.7% vs. 90.3%
- Net Investment Income of \$18.3 million vs. \$4.6 million
- **Q1 2024 Annualized Adjusted ROE** of 18.3% vs. 13.3%
- This led to a 10.4% increase in **Skyward Specialty share price** in the quarter



Arena produced \$1.8 million of **EBITDA** for Q1 2023 vs. \$2.4 million in Q1 2023, with AIS making a meaningful contribution⁽²⁾



Net performance of Arena FINCOs was a net profit of \$1.3 million in Q1 2024 (Q1 2023: loss of 2.7 million), for an investment return of 0.9% in Q1 2024 (Q1 2023: -1.7%)

Westaim Summary Q1 2024 Statement of Financial Position

As at	March 31, 2024	December 31, 2023
(Amounts in millions of US\$ except per share data)		
Assets		
Cash	\$115.5	\$135.0
Other assets	1.4	1.5
Investment in Skyward Specialty	261.1	236.5
Investment in Arena	27.2	27.6
Investment in Arena FINCOs	148.5	147.2
Investment in ASOF	3.0	3.0
Deferred tax asset	1.1	1.0
Total Assets	\$557.8	\$551.8
Liabilities		
Accounts payable, income taxes payable and accrued liabilities	\$21.5	\$32.3
Deferred tax liability	4.4	1.2
Total Liabilities	\$25.9	\$33.5
Shareholders' equity	531.9	518.3
Total Liabilities and Shareholders' Equity	\$557.8	\$551.8
Number of common shares outstanding	129,181,585	131,757,285
Fully diluted book value per share - in US\$	\$4.02	\$3.83
Fully diluted book value per share - in C\$¹	C\$5.44	C\$5.08



Cash was \$115.5 million at quarter end, but increased to over **\$289 million** post-Skyward Specialty secondary offering in May 2024



Post quarter, on May 10, 2024, **Skyward Specialty closed its third follow-on offering where Westaim sold 5.1 million** Skyward Specialty common shares for net proceeds of \$177.3 million

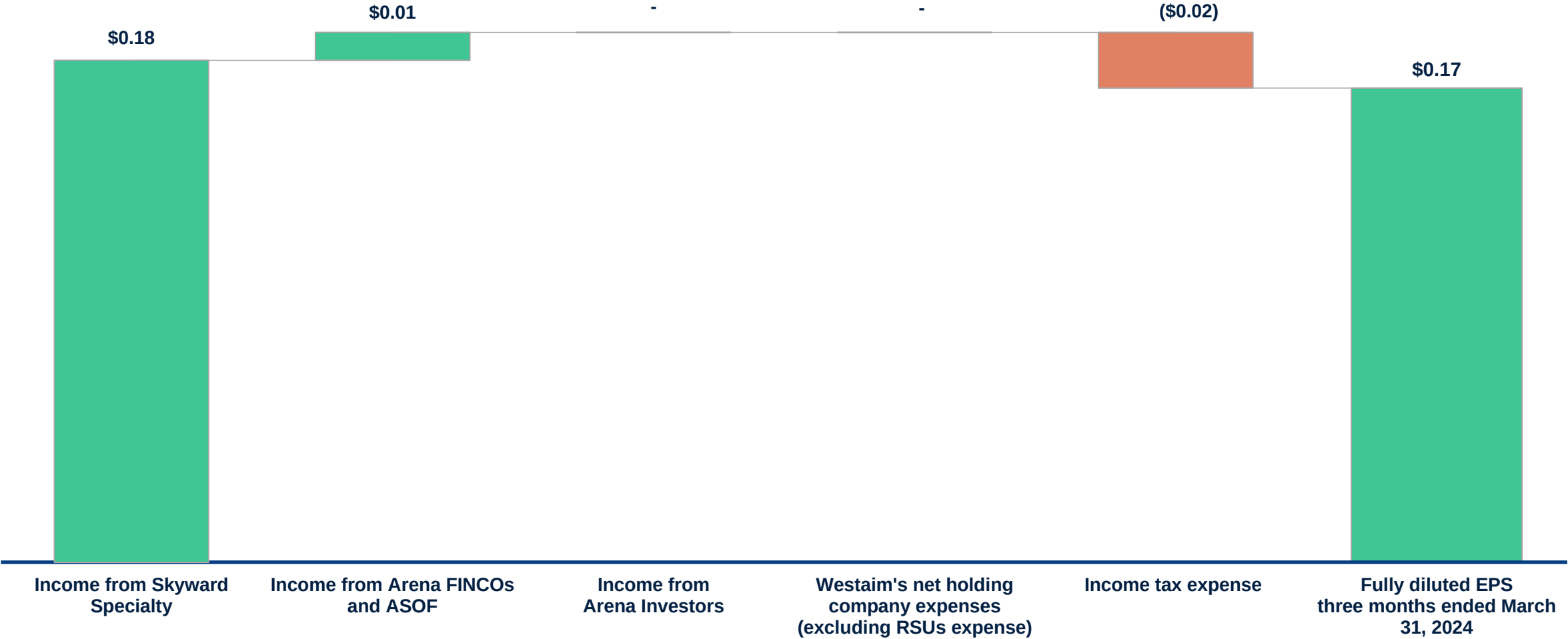


In Q1 2024, Westaim acquired and canceled 2.6 million Common Shares at a cost of \$7.1 million through its **NCIB**, and an additional 1.0 million Common Shares post quarter end through to the close of trading on May 13, 2024 at a cost of \$2.8 million⁽²⁾

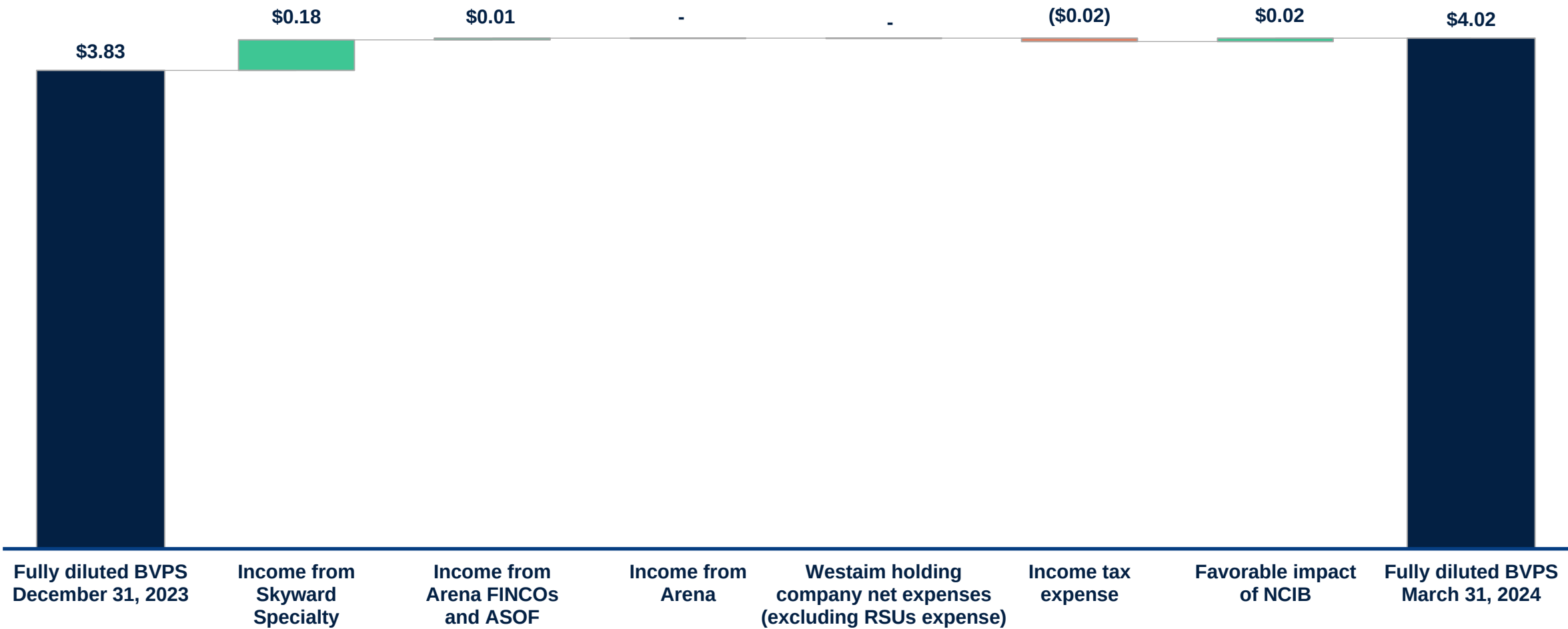
(1) Period end exchange rates of USD to CDN: \$1.35400 at March 31, 2024; \$1.32405 at December 31, 2023.

(2) Normal Course Issuer Bid ("NCIB")

Westaim Diluted Earnings per Share (US\$): Three months ended March 31, 2024



Westaim Book Value per Share (US\$): Three months ended March 31, 2024





ARENA
INVESTORS
GROUP HOLDINGS

Seeing What's Possible

AIGH, including its joint ventures and affiliates, is a global financial institution with over 150+ people across 8 global offices and operating in over 20 countries

All data is as **March 31, 2024**
unless otherwise specified



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ABOUT ARENA INVESTORS GROUP HOLDINGS



Arena Investors Group Holdings ("AIGH") is a global alternative investment firm managing assets on behalf of institutional and private investors through two core business units: Arena Investors ("AI"), a multi-strategy credit investment platform focused on diversified alpha-creating strategies, and Arena Institutional Services ("AIS") which provides services and solutions for companies or assets seeking operational or capital structure improvement and efficiently priced capital.



ARENA
INVESTORS
GROUP HOLDINGS

150+ EMPLOYEES

ON-THE-GROUND IN 20 COUNTRIES

8 GLOBAL OFFICES



ARENA
INVESTORS LP

\$3.4 Billion⁽¹⁾ in assets,
managing multi-strategy,
excess capacity, and stable
income strategies

40% annual AUM growth;
growing product platform



ARENA
BUSINESS SOLUTIONS



QUAESTOR
CONSULTING GROUP LLC



QUAESTOR
CAPITAL MARKETS

Arena Institutional Services

Staff (inclusive of AI) has
managed \$5+ billion in over 400
complex transactions and liquidity
solutions

Significant market
opportunity
with minimal incremental
operating expenditure

1) AUM as of March 31, 2024, and includes undrawn commitments totaling \$861 million for closed-end, SMA, and Excess Capacity Funds (New Zealand Real Estate Credit, Secondaries & Liquidity Solutions).

AI and AIS both contribute meaningfully to AIGH EBITDA.



Financials

- Key value drivers of AIGH: AI Fee-Related Earnings (“FRE”), AI Net Incentive Fees and AIS EBITDA:
 - AI FRE – Recurring Management and Servicing Fee Income less Operating Expenses.
 - AI Net Incentive Fees – Incentive Fees less Incentive Fee compensation⁽¹⁾.
 - AIS EBITDA – Earnings created by monetization of our intellectual capital on behalf of third-party customers and counterparties. AIS includes Quaestor Consulting Group, Quaestor Capital Markets, and Arena Business Solutions.
- AIGH’s primary cost is compensation. Having largely built the global platform from a technology and senior staffing standpoint, AIGH contribution margin is expected to rise as we manage significantly larger amounts of AUM.

1) Arena is under no contractual obligation (past or future) to pay Incentive Fees earned to employees.



ENVIRONMENT



How we got here

Federal Funds Rate



Source: Stepstone Group

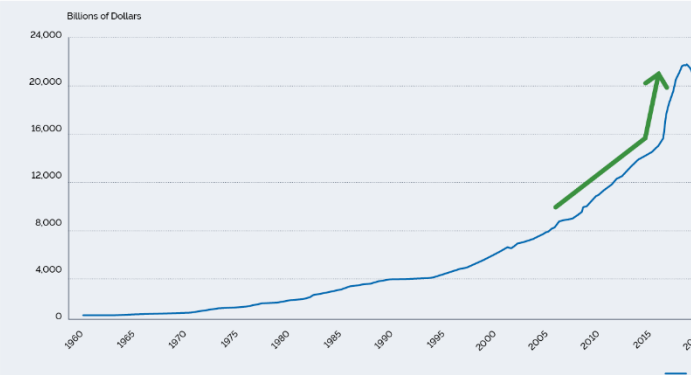
Fed Balance Sheet



Source: Board of Governors of the Federal Reserve System (US)



Money Supply



Source: Board of Governors of the Federal Reserve System (US)



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The most unprecedented creation of assets in history...

...with the yield of everything in reference to zero...

...mixed with lots of even more crazy (e.g., crypto, NFTs, r/WallStreetBets)...

...leading to the largest asset bubble in history + inflation...

... which is now a slow-rolling series of implosions.



Where we are today

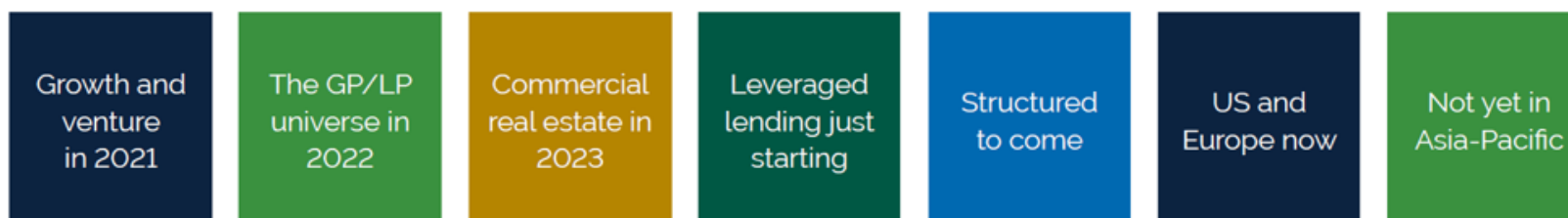
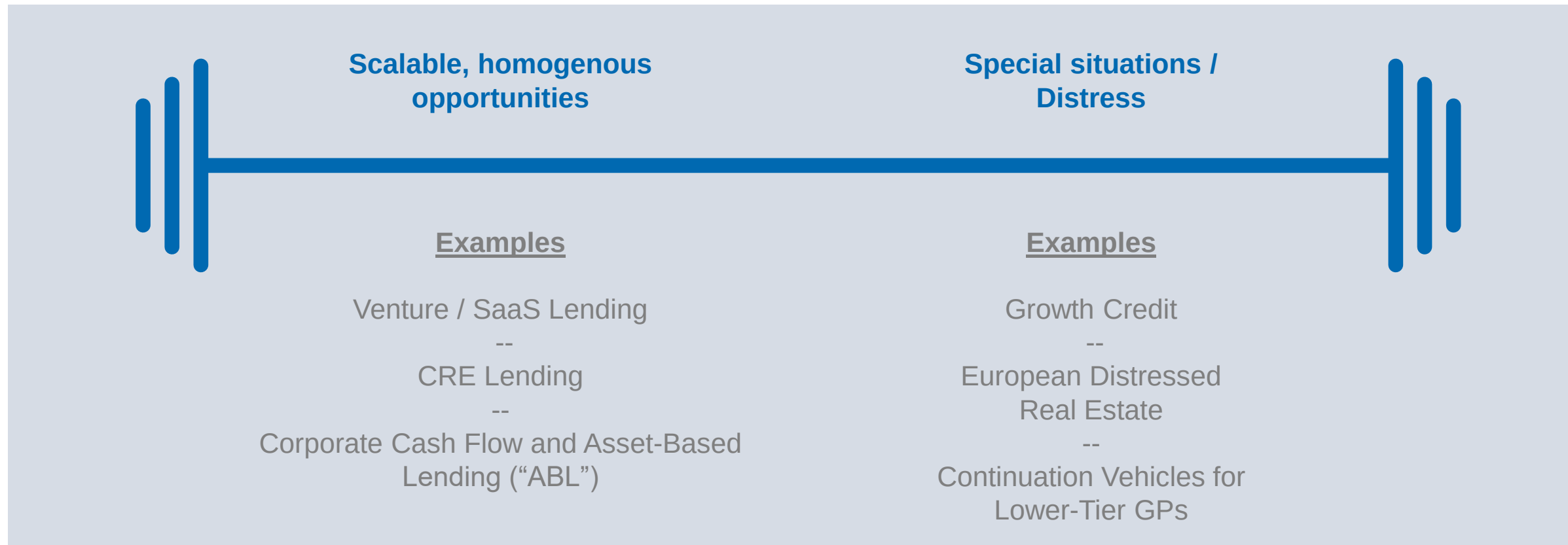


Illustration of sequential implosion



Illustration of barbell opportunity





ARENA INVESTORS



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GROUP HOLDINGS

Investors are increasingly migrating to Arena Investors’ approach, which is opportunistic, diversifying to traditional undifferentiated private credit and “direct lending” to financial sponsors, and has not exposed investors to the many investment-types that are now facing material stress.

Cliffwater – November 1, 2016



U.S. Direct Lending & the Cliffwater Direct Lending Index

Updated November 1, 2016

Direct lending is receiving significant institutional interest due to its attractive potential return and moderate risk. Though illiquid, direct lending portfolios provide immediate cash flow with little or none of the J-curve effects associated with private equity.

Northmarq – 2018



2018 commercial mortgage outlook: What a difference a year makes

At this time last year the industry looked out at 2017 with a high level of uncertainty. What would be the impact of the new administration? What would tax reforms look like and how quickly could they be implemented? Had property valuations reached their peak? These issues, among others, left many investors on the sidelines at the start of 2017. If the start of 2017 was the time to “Wait and see,” the start of 2018 should be “No time like the present.” In late December, the long-anticipated tax reform bill was passed, and by most accounts the new provisions are considered favorable for the commercial real estate industry. In addition, the regulatory

Aksia – June 2023

Private Credit: More than Just Direct Lending

By Aksia LLC, Featured Author

June 2, 2023

WithIntelligence – March 2024

NEPC favors managers with deal structuring, material workout experience

alterDomus – April 2024

Opportunistic credit funds are ready for action



Investing & Environment

- ~\$5.4 billion deployed into 380+ privately negotiated transactions. Average position size of approximately 70 basis points.
- 218 exited privately negotiated transactions with 198 exited multi-strategy investments having a realized IRR of 20.5% gross⁽¹⁾⁽²⁾.
- Robust global sourcing and a flexible mandate.
- Largely avoided investments that were unattractive given rampant liquidity, Arena now sees its largest opportunity set to-date.

Infrastructure

- Arena's platform has been fully built, with significant margin expansion opportunity as we scale.
- Arena has investing edge in the breadth of its investing teams and 50+ specialist joint venture partners globally.
- It also benefits from extensive in-house surveillance, servicing, operating, and capital markets capabilities across the platform.
- These capabilities are leveraged by third-party customers as well.

Capital Formation

- Arena's product offerings are designed to capitalize on the range of opportunities ahead.
 - Multi-Strategy funds: Closed-End, Open-End, and Permanent Capital provide the capability to source optimal return per unit of risk globally and across sectors.
 - Excess Capacity funds: New Zealand Real Estate Credit (current), Commercial Real Estate Bridge Lending (pending), Secondaries & Liquidity Solutions (current), and potential offerings for Litigation Finance and through strategies within Corporate Private Investments.
 - Stable Income: Real Estate Credit and Structured Finance/ABS.

1) Number of total private investments inclusive of Arena's multi-strategy investment vehicles as well as Stable Income – Real Estate Credit strategy investments. Excludes structured private convertibles. In addition to exited investments in Arena's multi-strategy, 154 active positions have an underwritten IRR of 16.2% and a current IRR of 11.8%. Current IRR reflects all investment activity, i.e., prior actual cash flows and future projected cash flows (which are discounted as of the reporting date), from the inception of each applicable investment through March 31, 2024. The current IRR may not be representative of the realized IRR upon exit of each investment, which may increase or decrease.

2) In Q4 2023, methodology to calculate realized IRR was changed to be weighted by dollar deployed.



A successful and compelling investing platform.

\$5B

deployed since
inception

20%

gross IRR on exited
transactions⁽¹⁾⁽²⁾

\$315M

Raised in last 12 months⁽³⁾

- 1) In addition to exited investments in Arena's multi-strategy (excluding Excess Capacity and Stable Income), 146 active positions have an underwritten IRR of 17.8% and a current IRR of 12.7%. Current IRR reflects all investment activity, i.e., prior actual cash flows and future projected cash flows (which are discounted as of the reporting date), from the inception of each applicable investment through March 31, 2024. The current IRR may not be representative of the realized IRR upon exit of each investment, which may increase or decrease.
- 2) In Q4 2023, methodology to calculate realized IRR was changed to weighted by dollar deployed.
- 3) April 1, 2023 – April 1, 2024



Arena's AUM (including undrawn commitments) were \$3.4B at March 31, 2024. From December 31, 2015, to March 31, 2024, AUM has grown at a CAGR of about 40%. AUM temporarily decreased due to the return of capital from vehicles that are in their redemption periods relative to new money being invested into new launches.

Arena – AUM Through March 31, 2024⁽¹⁾



1) AUM as of March 31, 2024, and includes undrawn commitments totaling \$861 million for closed-end, SMA, and Excess Capacity Funds (New Zealand Real Estate Credit, Secondaries & Liquidity Solutions).



\$3.4B AUM⁽²⁾

ARENA FULLY DIVERSIFIED
STRATEGY \$2.1B

Permanent Capital (Arena FINCOs)

- Arena Finance
- Arena Origination Company

Open-ended Evergreen Funds

- Arena Special Opportunities Fund, LP
- Arena Special Opportunities Fund (Cayman), LP
- Arena Special Opportunities Fund (Cayman 2), LLC

Closed-Ended Drawdown Funds

- Arena Special Opportunities Partners I, LP including Rated Feeder Fund for Insurance Company Investors
 - Arena Special Opportunities Partners (Cayman) I, LP
- Arena Special Opportunities Partners II, LP including Rated Feeder Fund for Insurance Company Investors
 - Arena Special Opportunities Partners (Cayman) II, LP
- Arena Special Opportunities Partners III, LP including Rated Feeder Fund for Insurance Company Investors

Separately Managed Accounts

EXCESS CAPACITY OPPORTUNITIES

\$1.0B

New Zealand Real Estate Credit

Individual Co-investments

Secondaries & Liquidity Solutions

STABLE INCOME STRATEGIES

\$0.3B

Real Estate Credit

Structured Finance/ABS

¹⁾ All vehicles are asset-liability matched with respect to redemptions.

²⁾ AUM as of March 31, 2024, and includes undrawn commitments totaling \$861 million for closed-end, SMA, and Excess Capacity Funds (New Zealand Real Estate Credit, Secondaries & Liquidity Solutions).



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AI: STRATEGY



Arena's multi-strategy approach:



Arena seeks to create private investment opportunities where: (1) We are secured against understandable collateral that can be liquidated (inclusive of companies with defensible free cashflow franchises), (2) duration is relatively short (i.e., about 2 years on average). (3) we have a conservatively large margin of safety, and (4) that margin of safety can, using structure, be crystallized through the monetization of that asset.



Arena looks for outsized compensation in these situations, based on being a solution provider. Importantly it is NOT based on Arena being “smarter” – we do not take a view that the market is mispricing something and we do not expose ourselves to whether our borrower succeeds or fails. We seek to hedge macro-oriented risks.



Arena's premium unlevered risk-adjusted returns are typically a function of pursuing smaller deal sizes (\$10 million-\$40 million on average), and assuming other non-market “process” oriented risks – e.g., a timing constraint, an out-of-favor industry or geography, loans involving multiple collateral types in one package, etc.



Arena's process is repeatable based on three sources of edge: Mandate flexibility, proprietary sourcing, and our servicing and systems infrastructure. This enterprise design is the direct outgrowth of decades of experience and relationships, significant infrastructure investments, a dedication to process and systemization and an investment approach that delivers alpha to our clients versus investment “product”.

Moral Hazard /môrəl hazərd/ noun

Lack of incentive to guard against risk, or inclination to take risks that benefit one party in the detriment of another.

For centuries, moral hazard has repeatedly produced full-cycle results that have ranged from poor to catastrophic.

The first key edge for Arena is our mandate flexibility.

We believe a cardinal sin in the alternative investment industry is the vast amount of capital that has been allocated to deploy capital into a narrow mandate (e.g., airplane leasing or Italian NPLs), versus having the ability to freely and dispassionately assess whether the investment represents a compelling opportunity versus an attempt to deliver a “private market ETF” or “branded beta”.

The only thing we feel certain about is that all the areas in which we invest are all only “episodically” compelling – we do not know when they will be compelling (nor, frequently, do those people who are exclusively involved in these areas). We seek to avoid the moral hazard associated with these overly narrow investment management mandates.



Having mandate flexibility is risk-reducing because it allows one to:

Clearly see the dispersion of risk/reward across the investible universe and identify that which is attractive and that which is obviously unattractive – rather than “being able to do anything,” it enables Arena to avoid being compelled to do the wrong thing.

Clearly see and adjust for macro-oriented and asset-specific risks – e.g., because we also lend to operating businesses, when looking at a real estate opportunity we can also incorporate the picture of enterprises in that area that, for instance, might be tenants.

Bring together disparate capabilities that do not typically exist and / or are not integrated within one firm – e.g., a corporate opportunity that also involves property and other receivables.

Assemble a portfolio that has component investments that are diversified among industry/product/geography combinations, such that the overall return stream is more consistent and uncorrelated to the overall environment, enhancing its contribution to other market and manager exposures of large institutional investors.



Arena's global origination network has been built over 25+ years.

By **proprietary sourcing** we **mean** being “in the streets” looking for opportunities – we do not rely on brokers, sponsors, etc., and we avoid competing with others.

Arena's in-house business units are led by professionals who have deep enough breadth and depth such that they can find opportunities across market cycles (e.g., North American Real Estate)...

...while also being **complemented by joint venture partners** that have deep sourcing, analytical and/or servicing experience in a particular area (e.g., narrow-body airplane maintenance and repair), where Arena controls the decision-making and requires the partners to be “hyper-aligned”. This adds several hundred people to source investment ideas in areas that are only episodically of interest and also leverages those capabilities for market color, triangulation and back-up servicing.

All multi-strategy opportunities compete for capital relative to all other opportunities based on their relative risk, return, duration, and diversification characteristics.



Arena combines the mandate flexibility of a larger institution with the knowledge and agility of a specialist investor across 8 strategic platforms, enabling coverage across the major asset and credit-oriented opportunity sets globally.

These 8 business units are often brought together for enhanced underwriting and to capitalize on opportunities that fall across investment types. For example, a corporate opportunity that also involves real estate, or bringing European sourcing capabilities together with natural resources expertise.

1. CORPORATE PRIVATE INVESTMENTS

North American investment team which sources and underwrites diverse middle-market businesses with flexible financing solutions, executing with disciplined speed

2. REAL ESTATE PRIVATE INVESTMENTS

North American investment team which sources and underwrites tailored bridge loans and customized investment structures for diverse property types

3. STRUCTURED FINANCE & ASSETS

North American investment team sourcing and underwriting investments across commercial & industrial, structured finance assets, and consumer obligations

4. NATURAL RESOURCES

Investment team that sources and underwrites financing to resources companies, with expertise spanning energy, mining, and agriculture

5. EUROPEAN PRIVATE INVESTMENTS

Arena's London-based investment team that sources and underwrites investments in Europe across all sub-types

6. ASIA-PACIFIC PRIVATE INVESTMENTS

Arena's investment team based across Singapore and Australia / New Zealand that sources and underwrites investments across all sub-types

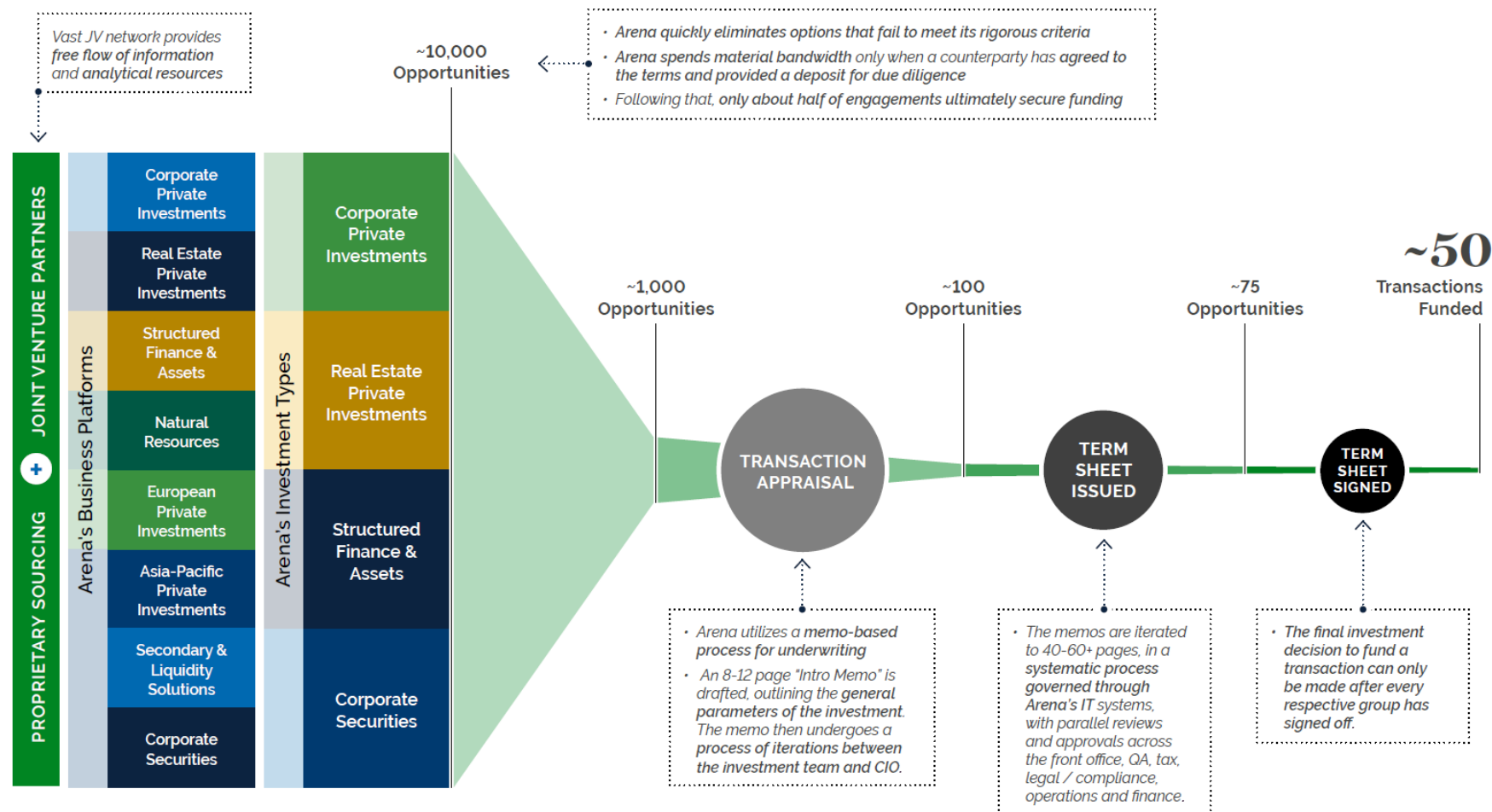
7. SECONDARY & LIQUIDITY SOLUTIONS

Arena's investment team that sources and underwrites assets and financing opportunities for both GPs and LPs in the funds ecosystem

8. CORPORATE SECURITIES

Arena's global investment team that applies the same approach for Arena's private investment thesis to publicly traded and hybrid public / private investment opportunities

Arena's proprietary sourcing infrastructure, which includes its joint venture partners, allows the firm to review a large number of opportunities and allocate resources to investments that are the most compelling on a risk-adjusted basis.



Note: Approximate numbers over last 12-month period



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In addition to having decades of experience among each of the investment teams' Managing Directors, Arena has several hundred additional people amongst several dozen relationships to supplement sourcing and servicing capabilities..



Arena leverages internal capabilities and external partnerships to manage proprietary investments.



Arena Investors' internal servicing entities



QUAESTOR
ADVISORS LLC

- In-house asset management team, providing operational due diligence support, asset surveillance, valuation and workout capabilities for Arena's private investments
- **Revenue generated at fund level by recapturing an asset servicing fee** (50-150 bps is charged on fair value¹⁾ of the corresponding asset) **across all investment strategies**
- By having in-house resources versus utilizing third-party services and with the majority of personnel based in cost-efficient offices in Bengaluru, **QA delivers operating leverage and high scalability**

QA



QUAESTOR
STRATEGIC ADVISORS LLC

- Portfolio operational and value-creation entity for businesses and properties owned by Arena
- **Arena maintains complete oversight over the advisory process. No direct impact on Arena's financials;** transactions are billed at the company level.

QSA

1) Fees are charged on a rate card with fair asset values determined by Arena's valuation committee.

Arena Investors – Proprietary IT platform that has been built up and continuously improved over the past 15+ years

38

- 1 The proprietary IT platform serves as a critical competitive advantage by systematizing a custom investment process into a technology solution, ensuring world-class efficiency, scalability, stringent controls, streamlined corporate governance, transparency, and reporting
- 2 The platform seamlessly covers the entire investment lifecycle, from the initial idea through to its conclusion, and is utilized by every member of the Arena team
- 3 Worldwide accessibility enables employees to work collaboratively, eliminating the need for isolated hand-offs between different departments and Quaestor Advisors, eliminating silos and enhancing collaboration
- 4 Systems are robustly designed to prioritize cash controls as the cornerstone of governance, featuring multiple independent sign-offs, stringent conditions precedent, and a range of transparency mechanisms, alongside oversight and auditing processes. The IT platform was initially designed in 2006, and has been continuously iterated on since, by Arena's COO and CTO.

Front office	Operations	Asset management	Legal & compliance	Treasury	Accounting
Track deal pipeline, analyse opportunities and produce closing documents	Facilitate closing processes and book assets	Approve closing set and monitor collateral and covenants	Regulatory compliance review and structuring	Manage liquidity, wire funds, corporate governance	Book transactions and track fund performance

Illustrative screenshots

Task Dashboard

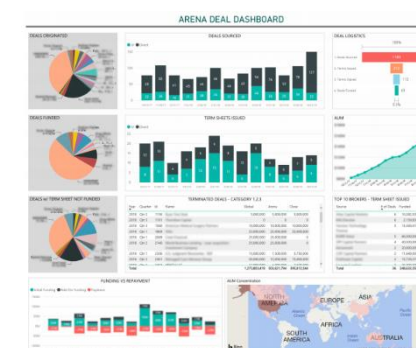
Task	Status	Priority	Owner	Created Date	Start Date
INVESTMENTS	Deal	High	John Doe	2023-10-26	2023-10-26
LEGAL	Entry	Medium	Jane Smith	2023-10-26	2023-10-26
COMPLIANCE	Invoice	Low	Mike Johnson	2023-10-26	2023-10-26
OPERATIONS	Asset Monitoring	High	Sarah Brown	2023-10-26	2023-10-26

Task dashboard

Loan Management System

Loan ID	Description	Amount	Currency	Status
1	Loan to ABC Corp	\$1,000,000	USD	Active
2	Loan to DEF Ltd	€500,000	EUR	Completed
3	Loan to GHI Bank	£250,000	GBP	Pending

Loan management system



Deal dashboard



AIS: STRATEGY



Arena acts as a merchant owner, financier, or trusted trading counterparty as needed.

+ Arena Institutional Services (third-party services entities)



Strategic management of companies & assets

Deal execution support and post-transaction services. The vertical also provides professional services to third-parties.



QCG

- Providing the same capabilities as QA and QSA, as listed above
- **Third-party services only**



Capital market services

Broker-dealer division, provides independent investment banking advisory and capital markets services mainly to third-parties



QCM

- Providing M&A advisory and debt / equity capital-raising for AI loan counterparties and third-parties
- **Currently, 15% of revenue comes from Arena and 85% from third-parties**

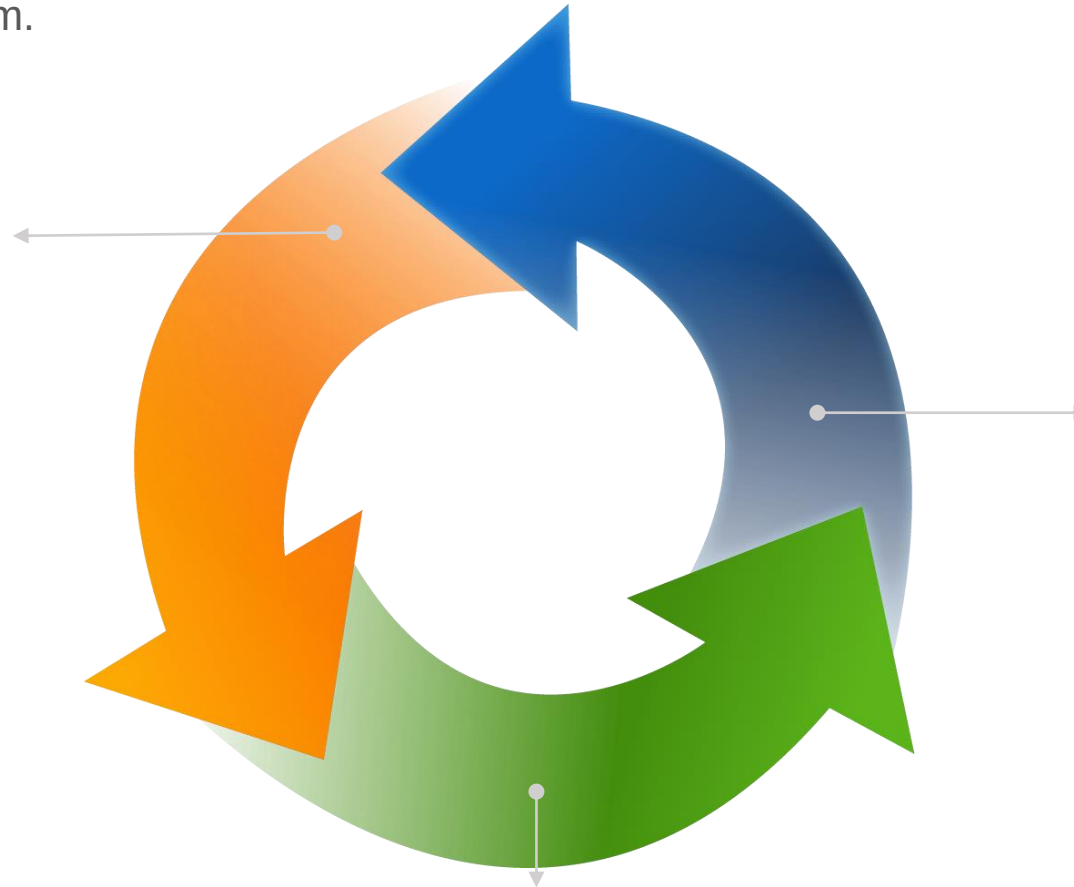


ABSol

- Providing capital structuring and transaction services
- **Third-party services only**

By virtue of being a practitioner, in addition to having low marginal costs for third-party business, AIS is a self-reinforcing ecosystem.

Each situation we involve ourselves with adds to our capability set – now at 400+ transactions and over \$5 billion in volume.



Arena's involvement with potential borrowers provides connections to potential customers.

Arena's involvement with financing counterparties and other service providers (e.g., the lawyers Arena utilizes for workouts) provides connections to solutions providers and/or variable cost resources.

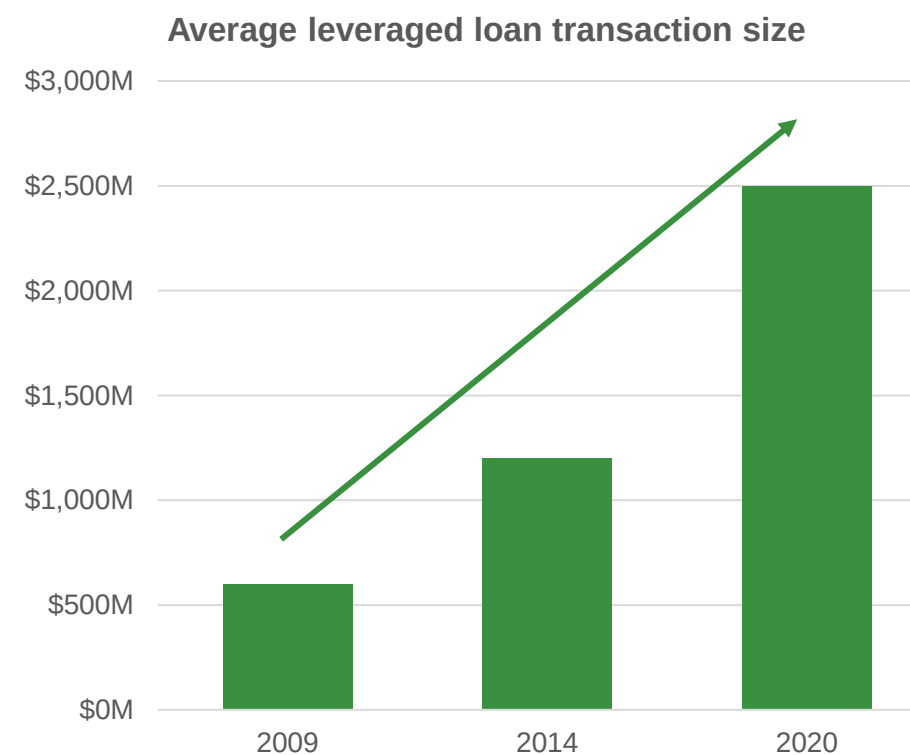


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Huge volume of microcap listed companies (circa 8,000 globally) with increasing retrenchment of PE and other capital solutions given “institutionalization” of non-bank lending channels.

Country	Total Market Value (\$)	No. of Companies
Denmark	360,565,405	46
Canada	1,209,809,153	376
USA	25,988,607,448	2,665
Israel	60,300,603	62
Switzerland	1,377,411,592	130
China	145,644,358	16
UK	2,962,584,438	493
Australia	876,234,456	320
Malaysia	273,928,451	150
Eurozone	6,442,411,550	1,008
New Zealand	81,221,337	51
Singapore	199,370,541	100
Sweden	641,692,323	163
Japan	4,177,538,317	1,352
Hong Kong	2,581,243,575	700
South Korea	1,037,910,805	529
Norway	199,170,695	67
Total	48,615,645,047	8,228
Total (ex USA)	22,627,037,599	5,563

Private deal sizes only moving away from the lower-middle market leaving a service provider “void” for smaller companies.

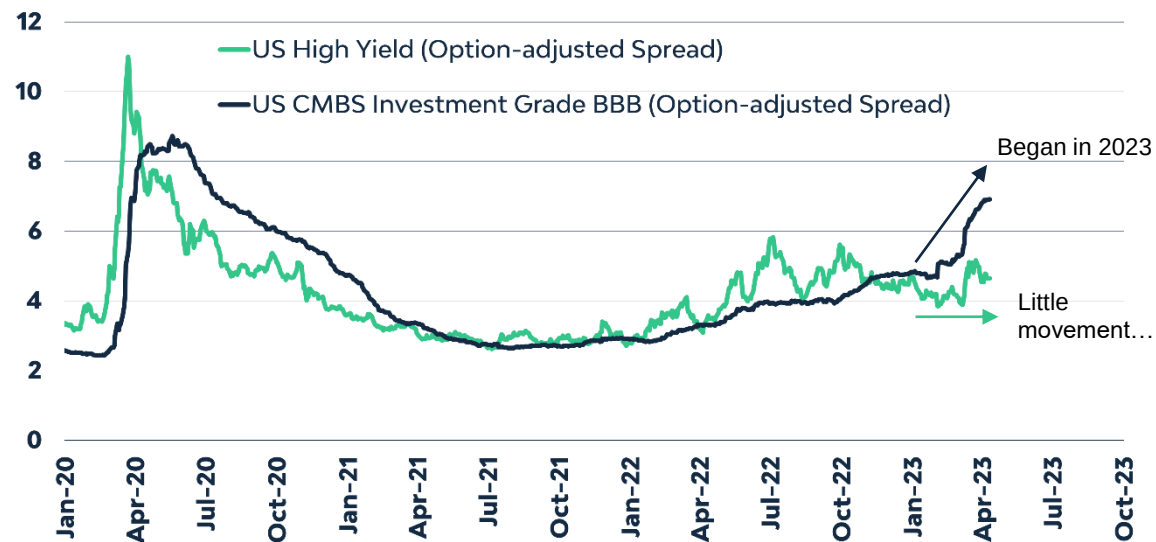


Default rates increasing dramatically (with far more in volume than pre-Great Financial Crisis, 2008):

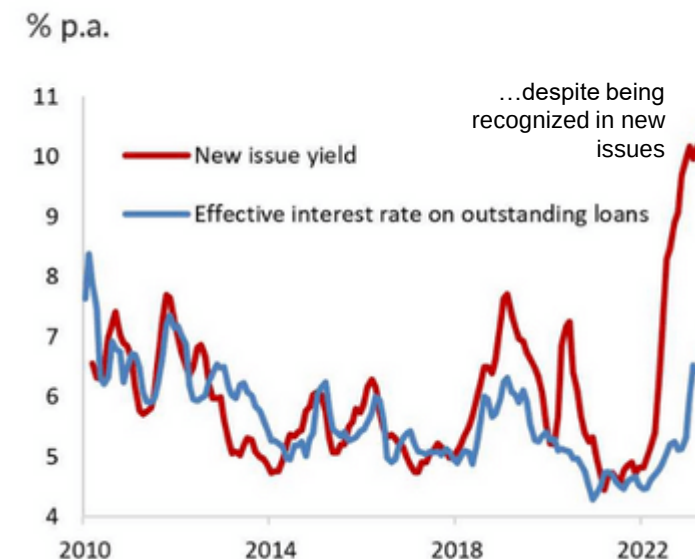
U.S Speculative-Grade Default Rate			
Pre-GFC — <1.5%	Post-GFC — 12%+	2022 — <1.5%	Current — 4.5% and rising

Real estate only beginning to emerge, though is ahead of corporates.

CMBS vs High Yield Bond Spreads



Leveraged loan interest rates





FINANCIALS



(dollars in millions)

Three months ended March 31,

2024 2023

Arena Investors

Management fees	\$ 7.3	\$ 7.8
Asset servicing fees	2.9	2.7
Other income	1.3	0.2

Total recurring revenue

Other operating expenses allocated to recurring revenue	(10.7)	(9.2)
---	--------	-------

Fee related earnings

	\$ 0.8	\$ 1.5
--	--------	--------

Incentive fees

Incentive fees compensation expense ¹	(1.4)	(1.4)
--	-------	-------

Net incentive fees

	\$ 0.3	\$ 1.4
--	--------	--------

Arena Investors EBITDA

	\$ 1.1	\$ 2.9
--	--------	--------

Arena Institutional Services

AIS revenue	3.2	-
AIS operating expenses	(0.7)	(0.1)
Employee profit share	(1.1)	-

AIS EBITDA

	\$ 1.4	\$ (0.1)
--	--------	----------

Arena Investors Group Holdings

AIGH general and administrative costs	(0.2)	(0.2)
AIGH other income and expenses	(0.5)	(0.2)

Total Arena EBITDA

	\$ 1.8	\$ 2.4
--	--------	--------

Depreciation

Revolving loan interest expense paid to Westaim	(0.1)	(0.1)
---	-------	-------

Taxes

	(0.4)	(0.3)
--	-------	-------

Net income attributable to Arena

	(0.1)	-
--	-------	---

Westaim's share of Arena's comprehensive income (51%)

	\$ 1.2	\$ 2.0
--	--------	--------

	\$ 0.6	\$ 1.0
--	--------	--------

Q1 2024 Results:

- Net income for Q1 2024 was \$1.2 million (Q1 2023: \$2.0 million)
- Management fee revenue for Q1 2024 was \$7.3 million (Q1 2023: \$7.8 million)
- Service fee revenue for Q1 2024 was \$2.9 million (Q1 2023: \$2.7 million)
- Net incentive fees income was \$0.3 million for Q1 2024 (Q1 2023: \$1.4 million)
- AIS leverages certain intellectual property to offer third-party services to other entities to assist in the management of their investments
- Significant investment in the back and middle office functions over the course of 2023 means that Arena now has the requisite infrastructure for future growth of Fee Related Earnings
- Progressing with partial refinancing of current loan to return capital to Westaim

1) Arena is under no contractual obligation (past or future) to pay Incentive Fees earned to employees.





The Westaim Corporation – Looking Ahead

Westaim Strategy: Source, Build, Unlock and Repeat

Opportunistic Investing



Invest in businesses with attractive fundamentals and business economics targeting a 15% - 20% IRR on invested capital

Partnership Approach



Partner with aligned and capable management teams

Business Building



Provide strategic oversight, capital allocation discipline and operating assistance

Long-Term Horizon



- We think and act like owners
- Execute business plan with a focus on long-term sustainable performance
- Focus on the long-term to take advantage of permanent capital – needs will dictate the time horizon required for the business

Asset Management



Continue to evolve Westaim further into asset management in order to accelerate value creation

Capital Allocation



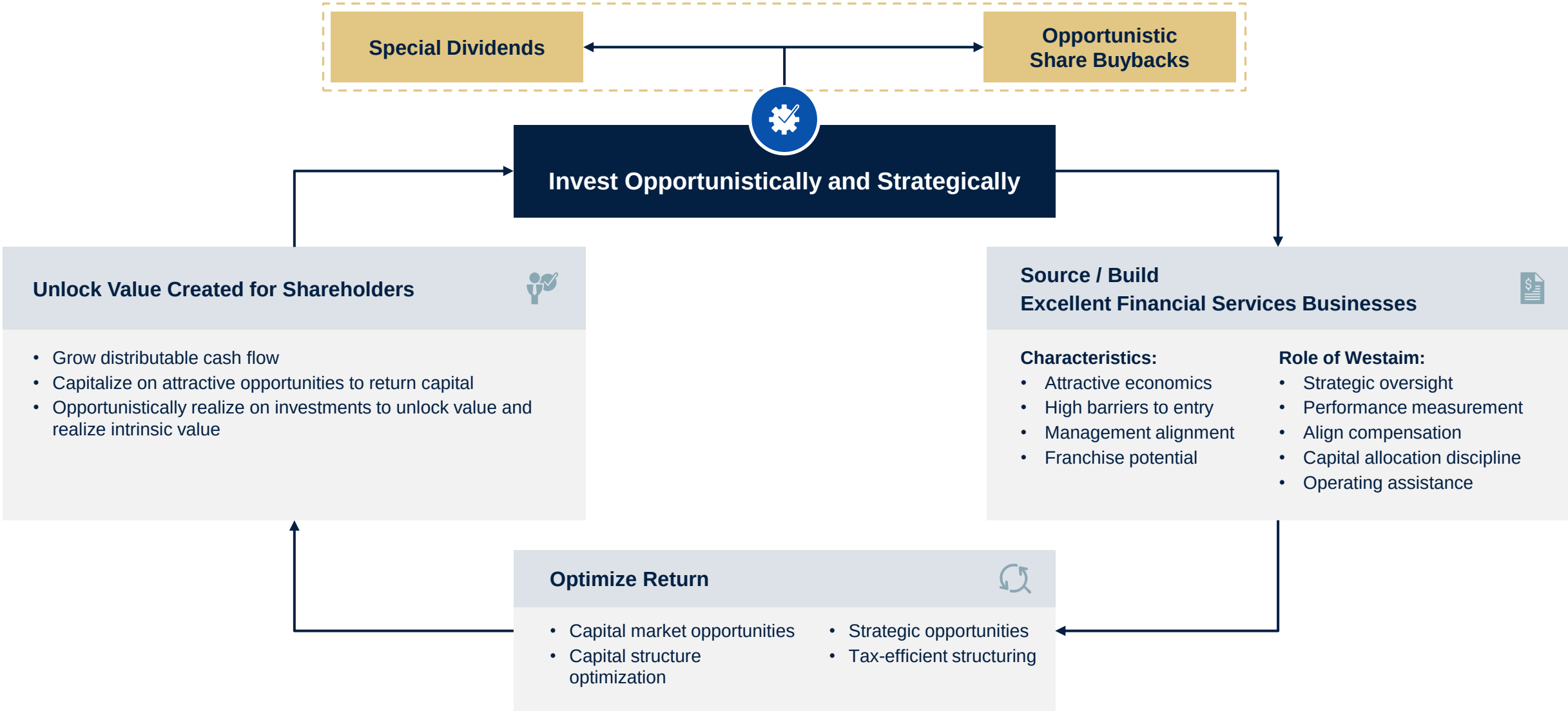
Opportunistically use share buybacks to grow per share value

Insider Alignment



Insiders own approximately 16% of the outstanding common shares and are aligned with shareholders to drive share price performance⁽¹⁾

(1) Includes common shares and Restricted Stock Units ("RSUs"); excludes Stock Appreciation Rights ("SAR"), Deferred Stock Units ("DSUs") and Options.



Westaim Strategy: Report Card on Realizing and Unlocking Value from 2023 Investor Day

Target 	Actions in 2023-2024 
Opportunistically and strategically monetize Westaim's interest in Skyward Specialty common shares  	- Completed IPO of Skyward Specialty in January 2023 - June 2023: Secondary Offering of 4.0 million shares for net proceeds of \$87.4 million - November 2023: Secondary Offering of 3.6 million shares for net proceeds of \$104.9 million - May 2024: Secondary Offering of 5.1 million shares for net proceeds of \$177.3 million - Currently hold a current position of 2.0 million shares – will monetize as opportunities arise
Accelerate the growth and development of Arena Investors – demonstrate operating leverage  	Arena Investors: Continued to build AUM pipeline and infrastructure poised for operating leverage AIS: Launched AIS into a substantial contributor to Arena, leveraging our infrastructure and diversifying our revenue base
Arena FINCOs – Develop strategic path forward  	Completed our assessment of Arena FINCOs – will proceed to monetize the portfolio, with proceeds either to (i) be returned to Westaim to invest/return to shareholders; or (ii) be used to strategically launch additional Arena products
Reduce debt and improve capital efficiency  	- July 2023: Redeemed and delisted all of the 5,000,000 preferred securities for \$37.9 million - Cancelled 14.3 million warrants that were outstanding with a strike price of C\$3.50 per common share
Return capital to Shareholders: Opportunistic share buyback Special Dividend  	2023: Acquired and canceled 9.9 million common shares at a cost of \$26.4 million through its NCIB; cancellation of 14.3 million warrants is essentially equivalent to the acquisition and cancellation of 14.3 million additional shares at a cost of C\$3.50 per share 2024: Through May 13, 2024, acquired and cancelled an additional 3.6 common shares at a cost of \$9.9 million
Continue to seek new opportunities to allocate capital  	- Westaim continues to seek new opportunities with attractive financial metrics and aligned, proven management teams to deploy capital that meet hurdle rates of return and where Westaim can add significant value - Hurdle rate is high given the attractiveness of our current share price as a capital allocation alternative



Background

- In 2010, an opportunistic purchase of a 100% interest in Jevco for ~C\$260 million
- In the fall of 2012, after two and a half years of ownership, Westaim responded to an unsolicited offer for Jevco and closed the sale to Intact Financial Corporation for C\$530 million
- Subsequent to the sale of Jevco in September 2012, Westaim paid a tax efficient distribution of ~C\$520 million to its shareholders

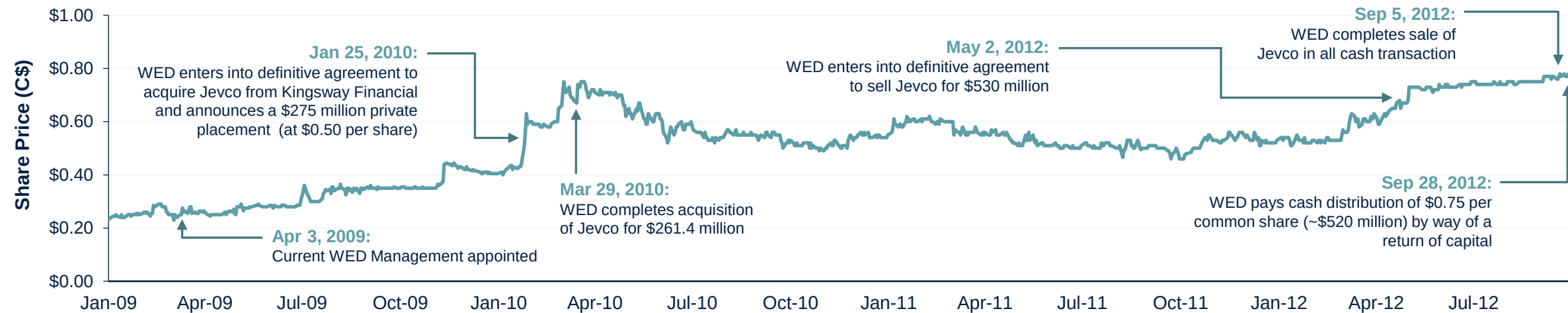


Key Metrics

- Initial Investment: **C\$261.4 million**
- Proceeds of Sale: **C\$530.0 million**
- Gross unlevered IRR (C\$)⁽¹⁾: **28.9%**
- Gross MOIC: **2.04x**



Historical Annotated Stock Chart ⁽²⁾



(1) Excludes Westaim corporate level costs.
(2) Reflects historical share prices prior to the October 1, 2023 50:1 reverse stock split; Canadian dollars; Historical data January 2009 – April 2013.
(3) For further information, refer to press releases relating to JEVCO posted on Westaim’s website.

Background

- In 2014, Westaim acquired an interest in Houston International Insurance Group, Ltd (“HIIG”) (rebranded to Skyward Specialty Insurance Group, Inc.) for \$75.7 million at a valuation of P/BV of ~0.87x Adjusted Stockholders’ Equity as at December 31, 2013⁽¹⁾
- Additional investments in 2015 (Elite Acquisition) and 2020 (Rights Offering) were made to support the growth of the business and take advantage of opportunities
- On January 18, 2023, Skyward Specialty listed on the NASDAQ under the ticker “SKWD” at US\$15.00 per share and closed on May 13, 2024 at \$36.44 per common share, for a return since the IPO of 142.9%

Timeline



Key Metrics

• Initial Investment	\$ 75.7 million	Realized and Unrealized Gain (US\$) ⁽²⁾	161.6%
• Follow-on (2015)	\$ 50.6 million	Gross IRR (US\$) ⁽²⁾	12.7%
• Follow-on (2020)	\$ 44.0 million	Realized and Unrealized Gain (C\$) ⁽²⁾	195.5%
• Total Investment	\$170.3 million	Gross IRR (C\$) ⁽²⁾	14.7%
• Secondary (June 2023)	\$87.4 million		
• Follow-on (November 2023)	\$104.9 million		
• Follow-on (May 2024)	\$177.3 million		
• Total Realized Proceeds	\$369.6 million		
• FMV of Remaining Shares ⁽³⁾	~\$70.0 million		
• Total Investment Value	\$439.6 million		

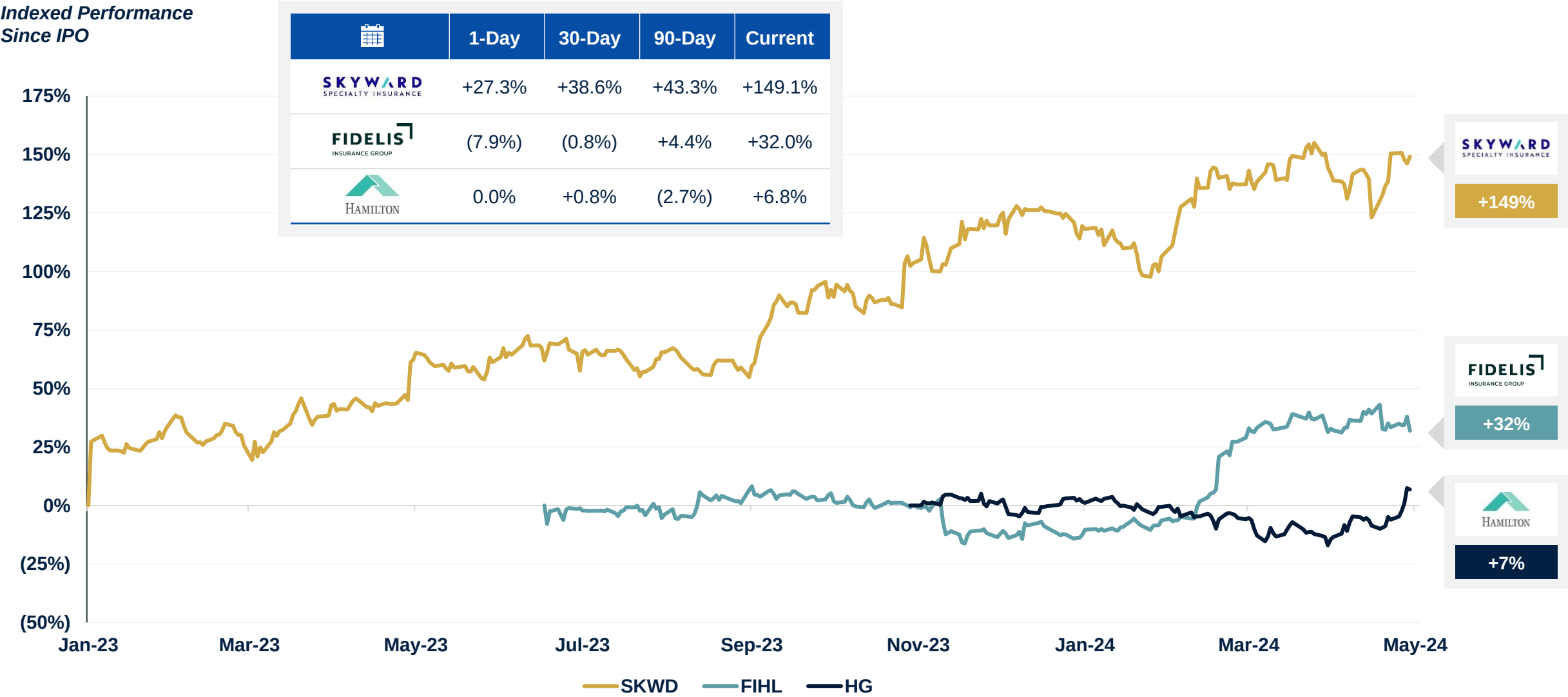
(1) For further information, refer to press releases relating to Skyward Specialty posted on Westaim’s website.

(2) Includes commissions fees relating to Skyward Specialty secondary offerings, cash received by Westaim post redemption of Westaim HIIG Limited Partnership (“WHLP”), MSA fees and consulting fees; does not include Westaim corporate level costs.

(3) Fair market value of remaining 1,919,639 Skyward Specialty common shares valued at May 13, 2024 Skyward Specialty close price of \$36.44 per Skyward Specialty common share.

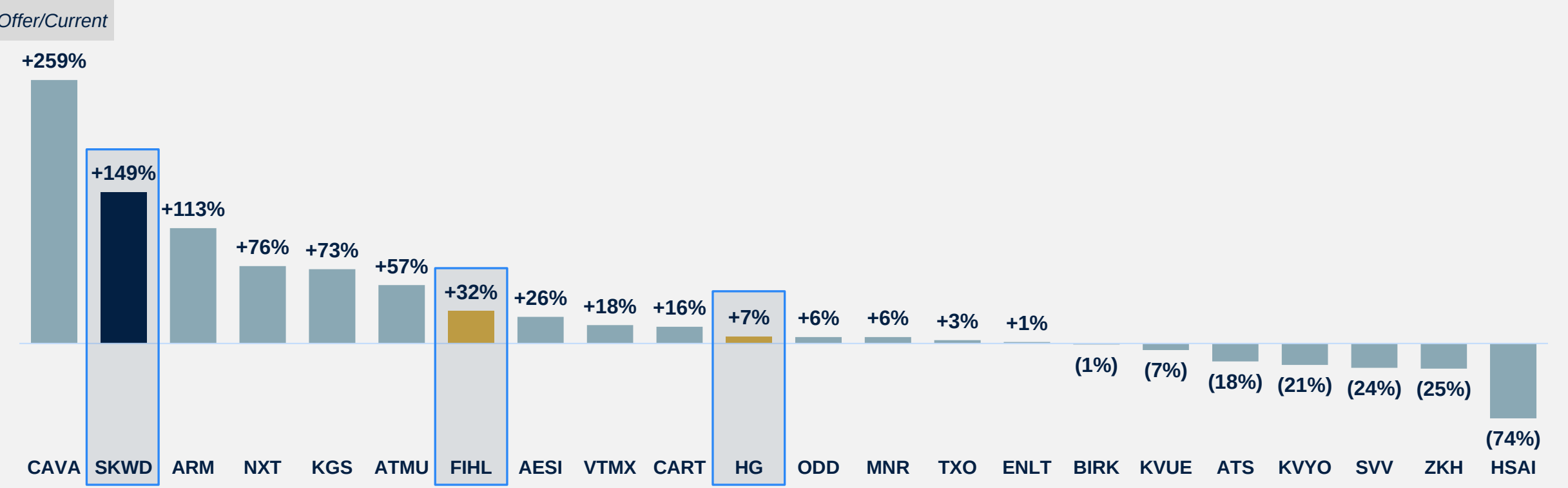
2023 Insurance IPO Performance to Date

Indexed Performance
Since IPO



Source: Barclays Capital Inc., Bloomberg, FactSet. Market Data as of May 10, 2024.

Performance Since IPO⁽¹⁾ – 2023 IPOs⁽²⁾





Skyward
Highlights



#1 Performing Insurance IPO from 2023



#2 Performing IPO from 2023⁽²⁾



First Specialty P&C IPO Since 2020



Westaim Executed 3 Monetizations Within 18-Months

(1) Source: Barclays Capital Inc., Bloomberg, FactSet. Market Data as of May 10, 2024.
(2) Includes US IPOs priced in 2023 with deal size >\$50mm, excluding biotech.

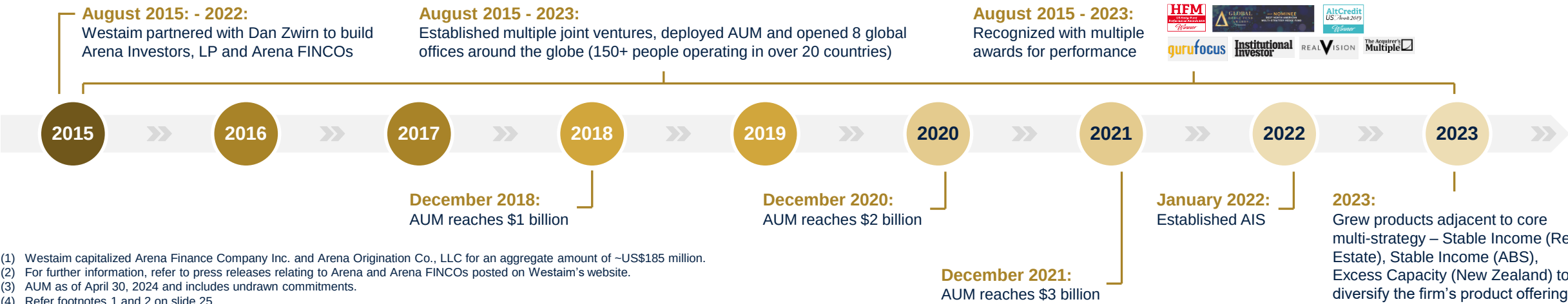


Background

- In August 2015, Westaim partnered with Dan Zwirn to build Arena Investors, LP, an investment management firm and Arena FINCOs, specialty finance companies⁽¹⁾⁽²⁾
- **Arena Investors:** Operates as a global investment manager offering third-party clients, access to fundamentals-based, credit and asset-oriented investments that aim to deliver above-market returns with low volatility
- **Arena Institutional Services:** Monetizes Arena Investors' intellectual property with third parties
- Since inception, Arena has deployed over \$5 billion into over 400 privately negotiated and structured private convertible transactions; 200 exited privately negotiated transactions with approximately 200 multi-strategy investments having a realized IRR of 20.5% gross⁽³⁾
- Focused on driving AUM, investment performance and valuable fee-related earnings and cash flow for distribution



Timeline



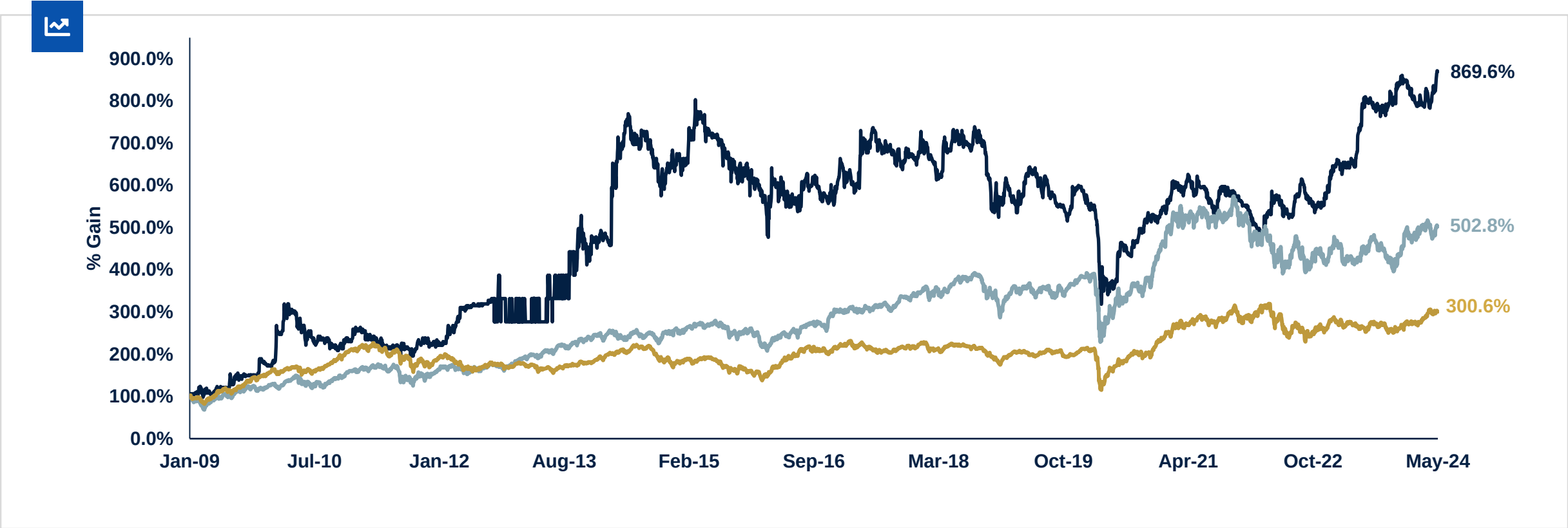
(1) Westaim capitalized Arena Finance Company Inc. and Arena Origination Co., LLC for an aggregate amount of ~US\$185 million.
(2) For further information, refer to press releases relating to Arena and Arena FINCOs posted on Westaim's website.
(3) AUM as of April 30, 2024 and includes undrawn commitments.
(4) Refer footnotes 1 and 2 on slide 25.



Key Metrics

- ➔ **Capital Raised (2015)** ~\$180 million
- ➔ **Current Status (March 31, 2024)**
 - Committed AUM: \$3.5 billion⁽⁴⁾;
 - Arena Investors book value: \$27.2 million
 - Arena FINCOs book value: \$148.5 million
 - ASOF book value: 3.0 million
- ➔ **Gross IRR/MOIC is a work in progress; highly dependent on value assigned to Arena**

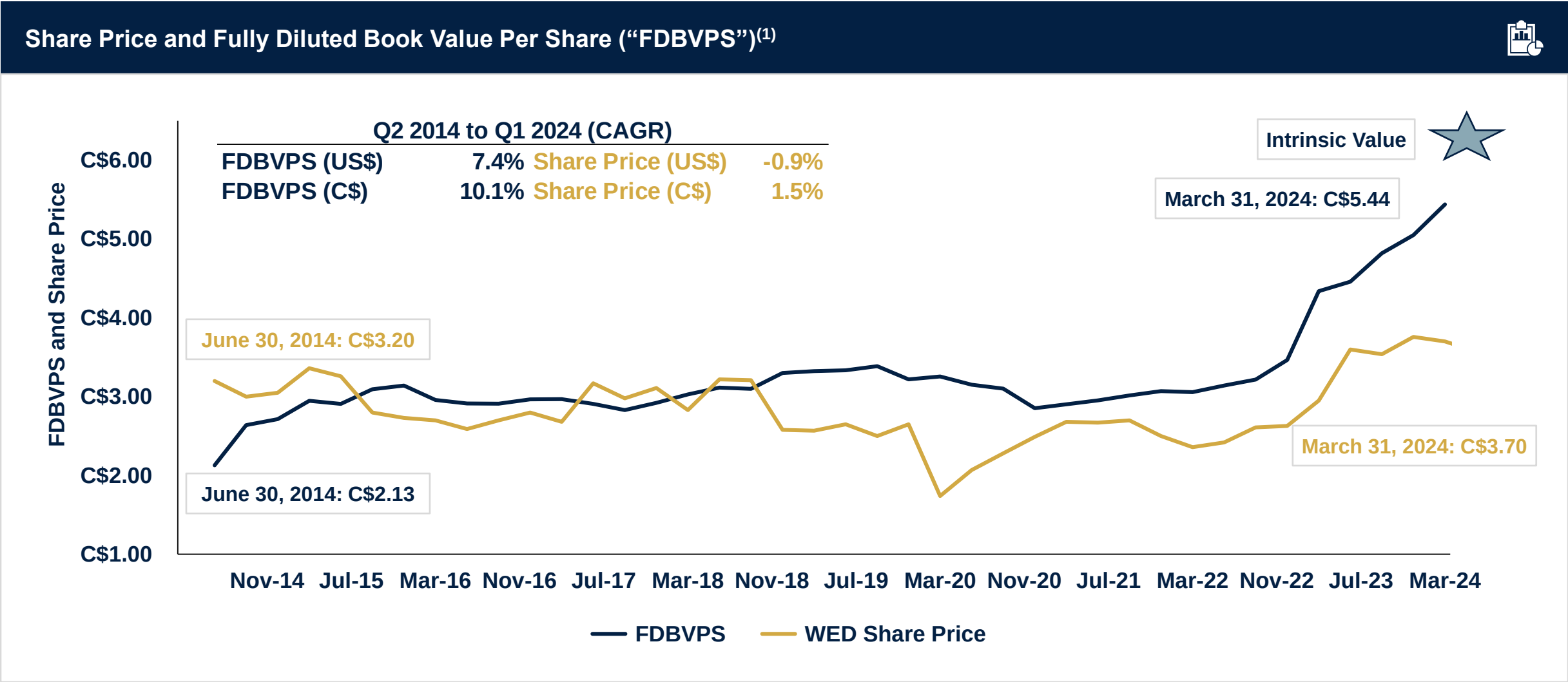
Since 2019, Westaim has Solid Excellent Share Price Performance ...



CAGR ⁽¹⁾⁽²⁾⁽³⁾	
Westaim	15.1%
Russell 2000 (Total Return) Index	11.1%
S&P/TSX SmallCap Index (Total Return)	7.4%

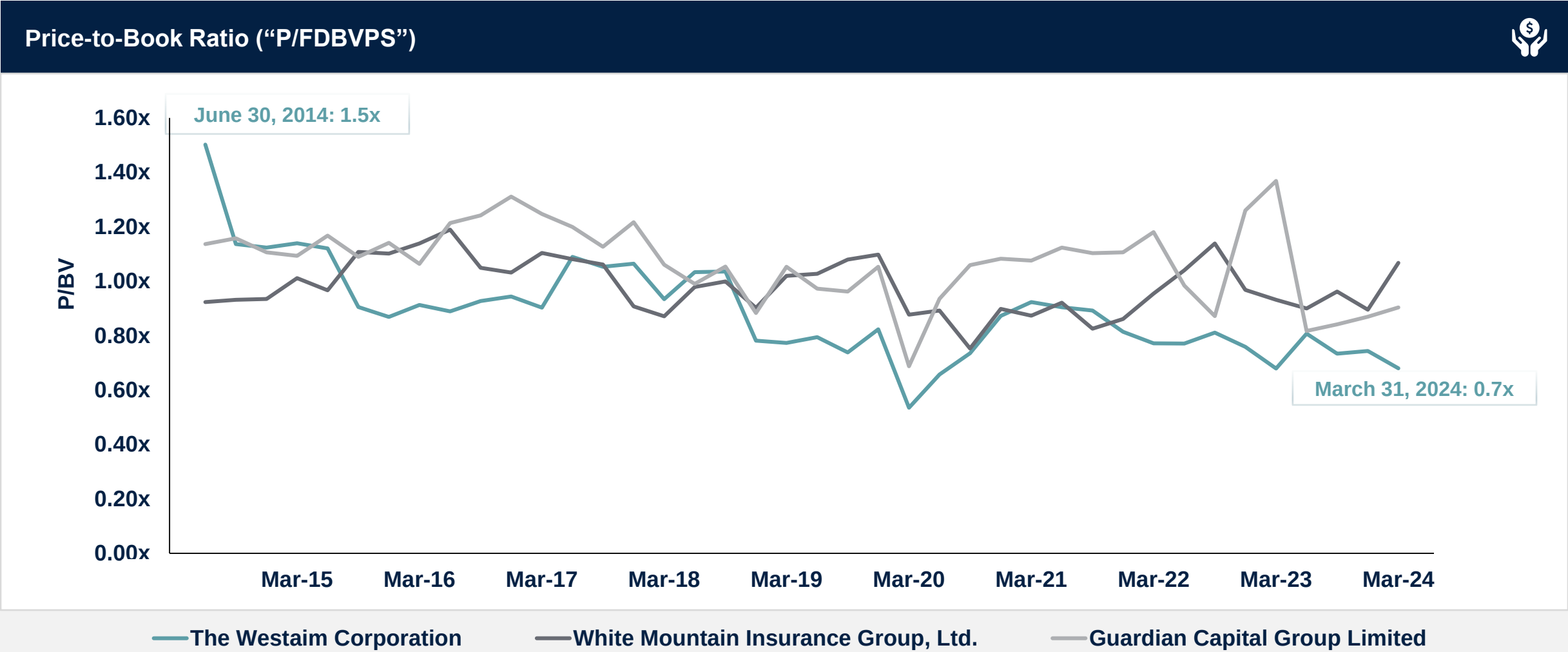
(1) Source: Capital IQ
(2) Assumes the reinvestment of the cash distribution of C\$37.50 per common share paid by Westaim on September 28, 2012.
(3) Compounded annual growth rate is from January 2, 2009 – May 13, 2024, the period current management has been involved with Westaim.

... and since 2014, we believe considerable progress has been achieved in growing value for Westaim shareholders ...



(1) Period end exchange rates of USD to CDN as at date.

... however, our WED share price has not reflected this value creation – and we are taking action



(1) Period end exchange rates of USD to CDN as at date.



The Current Environment is positioned to present very attractive opportunities for Westaim

- Rapidly increasing interest rates are exposing slow moving cracks throughout the economy, and we expect that acquisition opportunities will become increasingly attractive
- The current environment for private credit is exceptionally attractive for Arena, and provides the best investing environment in its history



Arena has reached an inflection point

- We believe Arena is positioned similar to Skyward Specialty was prior to its IPO, with accelerating business performance coupled with a rapidly improving industry environment
- With Arena management, Westaim is exploring all opportunities to take advantage of Arena's position to accelerate the value creation of the platform that has been built



Westaim is in a position of enviable strength

- Cash, no debt and permanent capital provide Westaim with a significant advantage
- Between our current cash balance and remaining Skyward Specialty shares, Westaim has over \$350 million of liquidity to opportunistically create value for shareholders
- We fully understand the value currently of returning capital to shareholders, and are executing accordingly and poised to become more aggressive as opportunities present



Westaim is committed to continue to grow its intrinsic value per share over the long term



Q & A

