THE WESTAIM CORPORATION

ANNUAL REPORT 2024

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Contents

All currency amounts are in United States dollars, unless otherwise indicated.

WESTAIM

LETTER TO SHAREHOLDERS[1]

March 26, 2025

Dear Fellow Shareholders,

Over its storied history, The Westaim Corporation ("Westaim" or the "Company") has encountered several critical inflection points in its journey to create value for shareholders. While Westaim went public in 1996, the current management team commenced in 2009 with the acquisition of JEVCO Insurance Company in 2010. This was followed by the acquisition of Houston International Insurance Group, Ltd. in 2014, which was subsequently renamed Skyward Specialty Insurance Group, Inc. ("Skyward Specialty") and shortly thereafter, the creation of Arena Investors, LP ("Arena") in 2015. In 2024, we once again reached a significant inflection point with the announcement of the transformational partnership with CC Capital and the indirect acquisition of Ceres Life Insurance Company ("Ceres Life") (collectively, the "Transaction"). We firmly believe the Transaction will position Westaim in the life/annuity insurance and asset management sector for long term value creation for shareholders. We are very excited to close the Transaction soon and launch the new "Westaim" once more.

The precursor to this latest transformation was facilitated by the monetization of our ownership in Skyward Specialty following its highly successful 2023 IPO. On September 10, 2024, Westaim sold its remaining interest in Skyward Specialty completing an effective and tax efficient monetization. After approximately 10 years of ownership, Westaim received total net proceeds of approximately US$455 million (C$620 million), resulting in a gain of approximately US$285 million (C$413 million) and an internal rate of return of 12.8% (US$) and 14.8% (C$). We are delighted with this outcome and the value created for shareholders.

CC Capital Strategic Partnership – A New Chapter

On October 9, 2024, Westaim announced a transformational strategic partnership with CC Capital, including an investment by CC Capital of US$250 million in exchange for common shares and warrants of Westaim, for an approximate 40% ownership interest (assuming the vesting and exercise of all warrants). The Transaction, fueled by CC Capital's aligned investment and expertise, aims to transform Westaim into an integrated insurance and asset management platform. The platform will feature a growing and diversified credit manager and an advantaged, tech-enabled insurance carrier that is expected to provide competitively priced fixed income and multi-year guarantee annuity products to policyholders. This transformation is anticipated to generate strong and sustainable value creation for Westaim shareholders. The Transaction is expected to provide Arena with long-dated insurance assets and better position Arena to increase its third-party assets under management ("AUM"), creating a path to a potential US$10 billion of AUM with just the existing equity capital base.

Ceres Life, recently acquired, will be led by Deanna Mulligan. Ceres Life will continue to develop its advanced technology platform and invest in enhanced distribution and service offerings to provide compelling annuities products to customers. Ceres Life is expected to launch this Spring with access to considerable organic distribution flow through a unique distribution partnership which is expected to significantly accelerate Ceres Life's growth, delivering more assets to Arena and in turn enabling the Ceres Life business to scale and serve a broader range of potential policyholders. With these additional capabilities, Ceres Life is expected to be positioned to leverage the long-standing insurance relationships across CC Capital's and Ceres Life's management teams' networks to opportunistically pursue reinsurance transactions to further accelerate the platform's growth. As part of a combined platform, both Ceres Life and Arena businesses are expected to generate a powerful value creation flywheel, driving continued growth and stability of both the insurance and asset management businesses for Westaim.

The Transaction has received overwhelming support from Westaim's shareholders, with over 99.9% of voting shareholders approving the Transaction. As part of the Transaction, Westaim completed a plan of arrangement on December 31, 2024 pursuant to which it redomiciled from Alberta, Canada to Delaware, USA, and its shares were consolidated on a 6:1 basis. On February 5, 2025, Westaim closed the acquisition of ManhattanLife of America Insurance Company and subsequently renamed the company Ceres Life. We now expect to close these remaining transactions, including the private placement and the Arena reorganization, in early April.

In October 2024 we welcomed Richard DiBlasi, Managing Director at CC Capital, to Westaim as our new Chief Strategy Officer. Upon the closing of the private placement, we will welcome Chinh Chu (CC Capital Senior Managing Director and Founder) as Westaim's Executive Chairman and Matthew Skurbe

1 This Letter to Shareholders contains forward-looking information and should be read in conjunction with the Company's financial statements including the notes thereto and the related MD&A as well as the Company's other public filings. Please also read the Company's cautionary notes on forward-looking information as may be found in the Company's MD&A.

(CC Capital's Senior Managing Director, CFO and COO) as Westaim's new Chief Financial Officer. Additionally, we will welcome six new directors to our expanded board of eleven, adding to the board's expertise and knowledge as the Company embarks on this new and exciting journey.

Looking forward, it is always beneficial to reflect on the achievements accomplished in the past. In that regard, here is the performance of Westaim's common shares since January 1, 2009, through the end of 2024, the period of the current management team's involvement:

This is a very exciting time for Westaim and its shareholders – a new chapter. Westaim's **Annual and Special Shareholders Meeting and Investor Day will be held on June 12, 2025 at 9:00 am ET**. The schedule for the Investor Day will include a business overview and discussion with Westaim, Arena and Ceres Life's management as well as members of CC Capital, followed by a question-and-answer session. We look forward to seeing you there.

Respectfully,

C MacDonald

Cameron MacDonald
President and Chief Executive Officer

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The "Company" in this Management's Discussion and Analysis ("MD&A") refers to The Westaim Corporation ("Westaim") on a consolidated basis. This MD&A, which has been approved by the Board of Directors of Westaim, should be read in conjunction with the Company's audited consolidated financial statements including notes for the years ended December 31, 2024 and 2023 as set out on pages 38 to 59 of this annual report ("Financial Statements"). Financial data in this MD&A has been derived from the Financial Statements and is intended to enable the reader to assess the Company's results of operations for the year ended December 31, 2024 and financial condition as at December 31, 2024. The Company reports its consolidated Financial Statements using generally accepted accounting principles ("GAAP") and accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board. All currency amounts are in United States dollars ("US$"), the functional and presentation currency of the Company, unless otherwise indicated. Canadian dollars are referenced as C$. The following commentary is current as of March 26, 2025. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca. Certain comparative figures have been reclassified to conform to the presentation of the current year, and certain totals, subtotals and percentages may not reconcile due to rounding.

IFRS for Investment Entities
The Company qualifies as an investment entity under IFRS and uses fair value as the key measure to monitor and evaluate its primary investments. The Company reports its financial results in accordance with IFRS applicable to investment entities.

Functional and Presentation Currency
The US$ is the functional and presentation currency of the Company. International Accounting Standard 21 "*The Effects of Changes in Foreign Exchange Rates*" describes functional currency as the currency of the primary economic environment in which an entity operates. A significant majority of the Company's revenues and costs are earned and incurred in US$, respectively.

Non-GAAP Measures
The Company uses both IFRS and non-generally accepted accounting principles ("non-GAAP") measures to assess performance. The Company 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. Management believes these measures allow for a more complete understanding of the underlying business. These measures are used to monitor the Company's results and should not be viewed as a substitute for those determined in accordance with IFRS. Reconciliations of such measures to the most comparable IFRS figures are contained in Section 14, *Non-GAAP Measures* of this MD&A.

Cautionary Statement Regarding the Valuation of Investments in Private Entities
In the absence of an active market for its investments in private entities, fair values for these investments are determined by management using the appropriate valuation methodologies after considering the history and nature of the business, operating results and financial conditions, outlook and prospects, general economic, industry and market conditions, capital market and transaction market conditions, contractual rights relating to the investment, public market comparables, net asset value, discounted cash flow analysis, comparable recent arm's length transactions, private market transaction multiples and, where applicable, other pertinent considerations. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed. The amounts at which the Company's investments in private entities could be disposed of may differ from the fair value assigned and the differences could be material.

Cautionary Statement Regarding Financial Information of the Arena FINCOs and Arena
Supplementary financial measures concerning the Arena FINCOs (as hereinafter defined) and Arena (as hereinafter defined) (the "Arena Supplementary Financial Measures") contained in this MD&A are unaudited and have been derived from the audited consolidated financial statements of Arena and the unaudited consolidated financial statements of Arena FINCOs for the years ended December 31, 2024 and 2023 and the unaudited consolidated financial statements of Arena FINCOs and Arena for the three months ended December 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.

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 Arena Supplementary Financial Measures, its accuracy, completeness or by reason of reliance by any person on any of it.

Forward-Looking Information
This MD&A may contain forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from these forward-looking statements as a result of various factors, including those discussed hereinafter, and in the Company's Annual Information Form for its fiscal year ended December 31, 2023, (as same may be modified or superseded by a subsequently filed Annual Information Form) and the Company's management information circular dated November 19, 2024, both of which are available on SEDAR+ at www.sedarplus.ca. Please refer to Section 15, *Cautionary Note Regarding Forward-Looking Information* of this MD&A.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

1. THE COMPANY

The Westaim Corporation (TSXV: WED) is a United States 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 global financial services industry and grow shareholder value over the long term.

On October 9, 2024, the Company, Wembley Group Partners, LP (the "Investor") (an affiliate of CC Capital Partners, LLC ("CC Capital")), Arena (as defined hereinafter), Daniel Zwirn and Lawrence Cutler entered into an investment agreement (as amended on November 15, 2024) (the "Investment Agreement"). Pursuant to the Investment Agreement, among other things, the Investor agreed to make a $250.0 investment in the Company via a private placement (the "Private Placement") to acquire common shares of the Company ("Common Shares") and warrants to purchase Common Shares. The proposed transactions included in the Investment Agreement (the "Proposed Transactions") have not yet closed.

On December 31, 2024, the Company completed a statutory plan of arrangement under the *Business Corporations Act* (Alberta) (the "Plan of Arrangement") pursuant to which, among other things, it has consolidated its Common Shares on the basis of one post-consolidation Common Share for every six pre-consolidation Common Shares and changed its jurisdiction of incorporation from the Province of Alberta in Canada to the State of Delaware in the United States (the "Redomiciliation"). Unless otherwise indicated all references to Common Shares herein are after giving effect to the Share Consolidation.

The Company's principal investments consist of the Arena FINCOs and Arena. See discussion in Section 3, *Investments* of this MD&A for additional information on these investments.

2. OVERVIEW OF PERFORMANCE

Highlights	Three months ended December 31 2024	2023	Year ended December 31 2024	2023
Revenue and net change in value of investments	$ 1.1	$ 53.3	$ 38.6	$ 212.8
Net expenses	(25.6)	(16.1)	(58.1)	(26.6)
Income taxes recovery (expense)	3.2	(2.1)	3.3	(2.3)
(Loss) profit and comprehensive (loss) income	$ (21.3)	$ 35.1	$ (16.2)	$ 183.9
(Loss) earnings per share – basic	$ (0.99)	$ 1.58	$ (0.75)	$ 7.98
(Loss) earnings per share – diluted	$ (0.99)	$ 1.57	$ (0.75)	$ 7.90
At December 31:				
Shareholders' equity			$ 497.4	$ 518.3
Number of Common Shares outstanding [1]			21,706,501	21,959,548
Book value per fully diluted share – in US$ [2]			$ 22.88	$ 22.98
Book value per fully diluted share – in C$ [3]			$ 32.90	$ 30.48

[1] The Common Shares are listed and posted for trading on the TSX Venture Exchange ("TSXV") under the symbol "WED".
[2] See Section 14, *Non-GAAP Measures* of this MD&A.
[3] Period end exchange rates: 1.43815 at December 31, 2024 and 1.32405 at December 31, 2023.

<u>Three months ended December 31, 2024 and 2023</u>

The Company reported a (loss) profit and comprehensive (loss) income of $(21.3) and $35.1 for the three months ended December 31, 2024 and 2023, respectively.

Revenue and net change in value of investments was a net increase of $1.1 for the three months ended December 31, 2024 (2023 – $53.3), and consisted of interest income of $4.5 (2023 - $1.6), advisory fees of $0.1 (2023 - $0.2), an increase of $nil in the value of the investment in Skyward Specialty Insurance Group, Inc. ("Skyward Specialty") (2023 – $51.9), an increase of $2.4 in the value of the investments in the Arena FINCOs (2023 – decrease of $0.9), the Company's share of Arena's comprehensive loss of $5.9 (2023 – share of Arena's comprehensive income of $0.6) and a decrease in the value of the Company's investment in Arena Special Opportunities Fund, LP ("ASOF LP") of a nominal amount (2023 – $0.1).

Net expenses for the three months ended December 31, 2024 of $25.6 (2023 – $16.1) consisted of salaries, director fees and benefits of $2.6 (2023 - $12.2), general and administrative expenses of $0.3 (2023 - $0.2), other expense of an emigration tax of $4.0 (2023 - $nil), professional fees of $5.1 (2023 - $0.5), share-based compensation expense $14.1 (2023 – $2.9), and a foreign exchange gain of $0.5 (2023 – loss of $0.3).

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

2. OVERVIEW OF PERFORMANCE (continued)

The Company reported income taxes recovery for the three months ended December 31, 2024 of $3.2 (2023 – expense of $2.1).

Years ended December 31, 2024 and 2023

The Company reported a (loss) profit and comprehensive (loss) income of $(16.2) and $183.9 for the years ended December 31, 2024 and 2023, respectively.

Revenue and net change in value of investments was a net increase of $38.6 for the year ended December 31, 2024 (2023 – $212.8), and consisted of interest income of $14.7 (2023 - $3.7), dividend income paid to the Company from the Arena FINCOs of $1.9 (2023 - $4.4), advisory fees of $0.4 (2023 - $0.5), an increase of $19.8 in the value of the investment in Skyward Specialty (2023 – $210.3), an increase of $5.6 in the value of the investments in the Arena FINCOs, which was an increase of $7.5 before dividends paid of $1.9 (2023 – decrease of $10.4, which was a decrease of $6.0 before dividends paid of $4.4), the Company's share of Arena's comprehensive loss of $3.9 (2023 – share of Arena's comprehensive income of $4.5) and an increase in the value of the Company's investment in ASOF LP of $0.1 (2023 – decrease of $0.2).

Net expenses for the year ended December 31, 2024 of $58.1 (2023 – $26.6) consisted of salaries, director fees and benefits of $26.2 (2023 - $16.0), general and administrative expenses of $1.0 (2023 - $0.9), other expense of an emigration tax of $4.0 (2023 - $nil), professional fees of $11.4 (2023 - $1.5), share-based compensation expense $16.2 (2023 – $6.7), a foreign exchange gain of $0.7 (2023 – loss of $0.6), interest on preferred securities of $nil (2023 - $1.0) and an unrealized gain resulting from a change in the fair value of derivative warrants of $nil (2023 - $0.1)

The Company reported income taxes recovery for the year ended December 31, 2024 of $3.3 (2023 – expense of $2.3).

3. INVESTMENTS

The Company's principal investments consisted of its investments in Skyward Specialty, the Arena FINCOs and Arena.

	Place of establishment	Principal place of business	Ownership interest at December 31, 2024	Ownership interest at December 31, 2023
Skyward Specialty	Delaware, U.S.	Texas, U.S.	nil owned by the Company	17.5% owned by the Company
Arena FINCOs	Delaware, U.S.	New York, U.S.	100% owned by the Company	100% owned by the Company
Arena	Delaware, U.S.	New York, U.S.	51% owned the Company	51% owned the Company

For additional information on the Company's corporate structure (as may be superseded by the organizational structure herein), see the Company'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.

Skyward Specialty

The Company had an ownership interest in Skyward Specialty (NASDAQ: SKWD), a U.S. based publicly traded diversified specialty property & casualty insurance holding company that underwrites select property, casualty, surety, and accident and health insurance coverages through its insurance and reinsurance subsidiaries. During the year ended December 31, 2024, the Company fully divested its remaining investment in Skyward Specialty which was recorded under investments in the Company's consolidated financial statements.

Arena FINCOs

The Arena FINCOs are private companies which include specialty finance companies that primarily purchase fundamentals-based, asset-oriented credit and other investments for their own account and a company that primarily facilitates the origination of fundamentals-based, asset-oriented credit investments for its own account and/or possible future sale to specialty finance companies, clients of Arena Investors and/or other third parties. Fundamentals-based, asset-oriented credit investments refer to loans or credit arrangements which are generally secured by assets. Fundamentals-based, asset-oriented lenders and investors manage their risk and exposure by carefully assessing the value of the assets securing the loan or investment, receiving periodic and frequent reports on collateral value and the status of those assets, and tracking the financial performance of borrowers. The Company's investments in the Arena FINCOs are recorded under investments in the Company's consolidated financial statements. Arena FINCOs refers to WOH, AF (as each is defined hereinafter) and each of their respective subsidiaries.

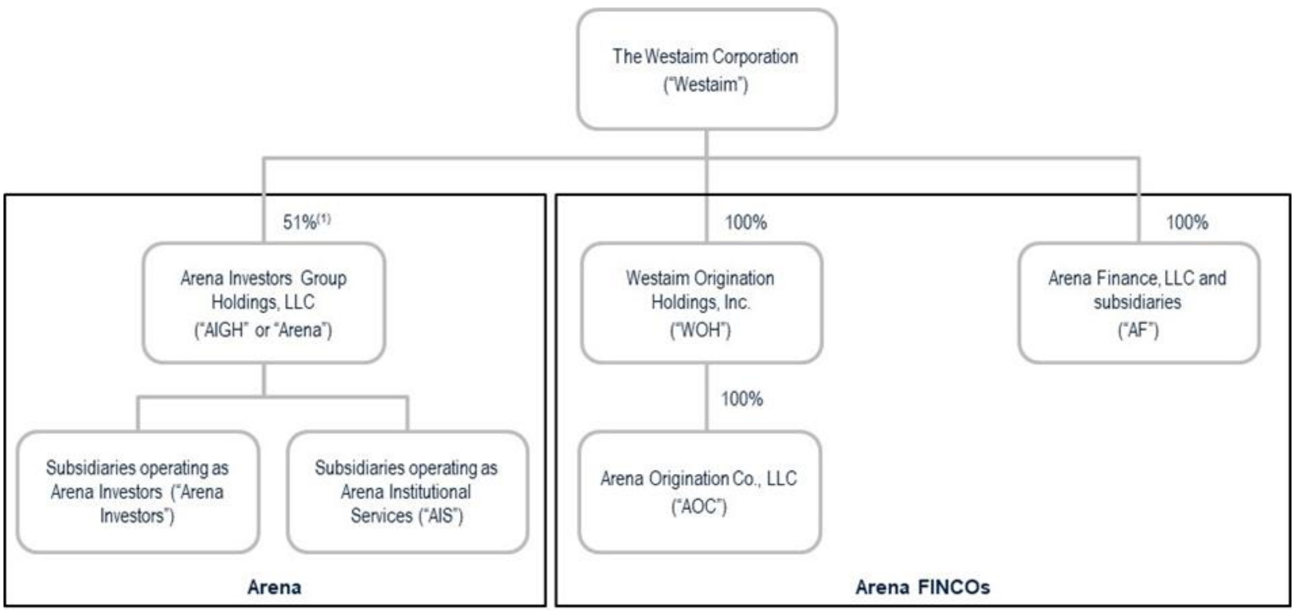
3. INVESTMENTS (continued)

Arena

Arena Investors Group Holdings, LLC ("AIGH" or "Arena"), is a private company, through its wholly-owned subsidiaries and subsidiaries which Arena has a controlling interest. Arena consists of two main business lines, Arena Investors and Arena Institutional Services ("AIS"). Arena Investors operates as a global investment manager offering third-party clients, including the Arena FINCOs, access to fundamentals-based, credit and asset-oriented investments that aim to deliver above-market returns with low volatility. Arena Investors provides investment services primarily to institutional third-party clients consisting of, but not limited to, insurance companies, endowments, foundations, pensions, sovereign funds and other pooled investment vehicles or private investment funds. AIS leverages certain intellectual property to offer third-party services to other entities to assist in the management of their investments.

The Company's investment in Arena is accounted for using the equity method and consists of investments in corporations or limited partnerships where the Company has significant influence and is recorded under investments in the Company's interim consolidated financial statements.

The following chart illustrates a simplified organizational structure of Arena and the Arena FINCOs as of December 31, 2024:



[1] Legal equity ownership and profit percentage are 51%. Ownership and profit percentage are subject to change over time pursuant to the earn-in rights granted to BP LLC described under "Investment in Arena".

On October 4, 2024, Arena Finance Holdings Co, LLC ("AFHC") merged into The Westaim Corporation of America ("WCA"). On December 31, 2024, after the Redomiciliation, WCA was liquidated with its assets and liabilities consumed into Westaim.

For a detailed discussion of the business of Arena and the Arena FINCOs, see the Company'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.

Accounting for the Company's Investments

The Company qualifies as an investment entity under IFRS and uses fair value as the key measure to monitor and evaluate its primary investments. Accordingly, the Company's investments in Skyward Specialty, the Arena FINCOs and ASOF LP are accounted for at fair value through profit or loss ("FVTPL"). The Company's investment in Arena is accounted for using the equity method since the Company does not exercise control but exercises significant influence over Arena. For a detailed description of the accounting and valuation of the Company's investments, see Note 5, *Investments* in the Notes to the Financial Statements.

Dividend income from investments in private entities are reported under "Revenue" in the consolidated statements of (loss) profit and comprehensive (loss) income. Changes in the fair value of the Company's investments in Skyward Specialty, the Arena FINCOs and ASOF LP and the Company's share of Arena's comprehensive (loss) income are reported under "Net results of investments" in the consolidated statements of (loss) profit and comprehensive (loss) income.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

3. INVESTMENTS (continued)

A. Investment in Skyward Specialty

The Company's investment in Skyward Specialty consisted of the following:

Three months ended December 31, 2024	Opening Balance	Skyward Specialty preferred shares converted to common shares	Proceeds from sale of Skyward Specialty common shares	Net increase in value of investment	Ending Balance
Skyward Specialty common shares held by the Company	$ -	$ -	$ -	$ -	$ -

Three months ended December 31, 2023	Opening Balance	Skyward Specialty preferred shares converted to common shares	Proceeds from sale of Skyward Specialty common shares	Net increase (decrease) in value of investment	Dissolution of HIIG Partnership	Ending Balance
HIIG Partnership-Company's share of Skyward Specialty common shares [1]	$ -	$ -	$ -	$ -	$ -	$ -
HIIG Partnership-Company's share of other HIIG Partnership net assets	-	-	-	-	-	-
Skyward Specialty convertible preferred shares held by the Company	-	-	-	-	-	-
Skyward Specialty common shares held by the Company	289.5	-	(104.9)	51.9	-	236.5
	$ 289.5	$ -	$ (104.9)	$ 51.9	$ -	$ 236.5

Year ended December 31, 2024	Opening Balance	Skyward Specialty preferred shares converted to common shares	Proceeds from sale of Skyward Specialty common shares	Net increase in value of investment	Ending Balance
Skyward Specialty common shares held by the Company	$ 236.5	$ -	$ (256.3)	$ 19.8	$ -

Year ended December 31, 2023	Opening Balance	Skyward Specialty preferred shares converted to common shares	Proceeds from sale of Skyward Specialty common shares	Net increase in value of investment	Dissolution of HIIG Partnership	Ending Balance
HIIG Partnership-Company's share of Skyward Specialty common shares [1]	$ 109.2	$ -	$ -	$ 63.3	$ (172.5)	$ -
HIIG Partnership-Company's share of other HIIG Partnership net assets	0.4	-	-	-	(0.4)	-
Skyward Specialty convertible preferred shares held by the Company	109.3	(109.3)	-	-	-	-
Skyward Specialty common shares held by the Company	-	109.3	(192.3)	146.9	172.5	236.5
	$ 218.9	$ -	$ (192.3)	$ 210.3	$ (0.4)	$ 236.5

[1] The Company's share of Skyward Specialty common shares held by the Westaim HIIG Limited Partnership (the "HIIG Partnership").

On January 18, 2023, Skyward Specialty closed its initial public offering (the "IPO"). In connection with the IPO, the Skyward Specialty common shares became listed on the Nasdaq Global Select Market under the ticker symbol "SKWD". Also in connection with the IPO, the Skyward Specialty convertible preferred shares automatically converted into Skyward Specialty common shares, including those owned by the Company which converted into 7,285,359 Skyward Specialty common shares.

On June 12, 2023, Westaim sold 3,987,500 Skyward Specialty common shares at a price to the public of $23.00 per Skyward Specialty common share through a Skyward Specialty secondary offering. The proceeds to Westaim from the 3,987,500 Skyward Specialty common shares it sold, less underwriting commissions of 4.75%, were $87.4.

On July 31, 2023, the HIIG Partnership expired pursuant to the terms of HIIG Partnership's limited partnership agreement, originally made as of March 12, 2014 and amended and restated as of June 27, 2014 and as further amended on November 10, 2022. Accordingly, on July 31, 2023, the HIIG Partnership was dissolved and distributed its net assets to its limited partners, resulting in the Company (in its capacity as a limited partner) receiving 7,281,780 Skyward Specialty common shares valued at $172.5 ($23.69 per Skyward Specialty common share on July 31, 2023) and $0.4 in cash on the dissolution date.

On November 20, 2023, Westaim sold 3,600,000 Skyward Specialty common shares at a price to the public of $30.50 per Skyward Specialty common share through a Skyward Specialty secondary offering. The proceeds to Westaim from the 3,600,000 Skyward Specialty common shares it sold, less underwriting commissions of 4.5%, were $104.9.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

3. INVESTMENTS (continued)

On May 9, 2024, Westaim sold 5,060,000 Skyward Specialty common shares at a price to the public of $36.50 per Skyward Specialty common share through a Skyward Specialty secondary offering. The proceeds to Westaim from the 5,060,000 Skyward Specialty common shares it sold, less underwriting commissions of 4.0%, were $177.3.

In September 2024, Westaim sold its remaining 1,919,639 Skyward Specialty common shares for proceeds, net of commissions, of $79.0 at an average price of $41.16 per Skyward Specialty common share.

Fair Value

At December 31, 2024, the Company no longer had an investment in Skyward Specialty (December 31, 2023 - $236.5 which consisted of 6,979,639 Skyward Specialty common shares at $33.88 per Skyward Specialty common share). See Note 5, *Investment in Skyward Specialty* in the Notes to the Financial Statements.

The Company recorded an increase in the value of its investment in Skyward Specialty of $nil and $19.8 in the three months and year ended December 31, 2024, respectively, and an increase in the value on its investment in Skyward Specialty of $51.9 and $210.3 in the three months and year ended December 31, 2023, respectively.

B. INVESTMENT IN THE ARENA FINCOS

The following table shows a continuity of the carrying value of the Company's investments in the Arena FINCOs included in the Company's investments in private entities.

	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Opening balance	$ 150.4	$ 148.1	$ 147.2	$ 160.1
Capital contribution from the Company	45.0	-	45.0	-
Return of capital to the Company	(23.9)	-	(23.9)	(2.5)
Increase (decrease) in value before dividends	2.4	(0.9)	7.5	(6.0)
Dividends paid to the Company	-	-	(1.9)	(4.4)
Ending balance	$ 173.9	$ 147.2	$ 173.9	$ 147.2

The Arena FINCOs invest in debt, equity, hard assets and real estate owned investments, with an emphasis on debt instruments comprised of multiple investment strategies including, but not limited to, corporate private investments, real estate private investments, commercial & industrial assets, structured finance investments, consumer assets, and other securities. The Arena FINCOs do not have a target range of investment; the size of the loans and/or other credit investments acquired depends on, among other things, any diversity requirements which may be imposed by any lender as well as their own investment policy. In the absence of such requirements, the Arena FINCOs are not subject to concentration limitations but the management of the Arena FINCOs will use their best judgment as to what is prudent in the circumstances.

As part of the Proposed Transactions, the Company has begun to monetize its interest in the Arena FINCOs to provide equity capital for an insurance business. See Note 15, *Subsequent Events* in the Notes to Financial Statements for further information on the Company's investment in ManhattanLife of America Insurance Company on February 4, 2025, made in connection with the Proposed Transactions.

The capital contribution of $45.0 in the three months and year ended December 31, 2024, was required to extinguish the Arena FINCOs debt which then enabled restructuring to facilitate the monetization of the Arena FINCOs. The Arena FINCOs mandate is to capitalize on opportunities in both private as well as public investments subject to approved investment policies. These investment strategies include:

Corporate Private Investments
Senior private corporate debt, bank debt, including, without limitation, secondary market bank debt, distressed debt such as senior secured bank debt before or during a Chapter 11 bankruptcy filing, corporate bonds, including, without limitation, bonds in liquidation or out-of-court exchange offers and trade claims of distressed companies in anticipation of a recapitalization, bridge loans/transition financing, debtor-in-possession ("DIP") financings, junior secured loans, junior capital to facilitate restructurings, equity co-investments or warrants alongside corporate loans.

Real Estate Private Investments
Real property, secured or unsecured mezzanine financings, DIP loans, "A-tranche" loans (senior secured loans) and "B-tranche" loans (junior secured loans) for real estate properties requiring near-term liquidity, structured letters of credit, real estate loans secured by office buildings, retail centres, hotels, land, single family homes, multi-family apartments, condominium towers, hospitality providers, health care service providers, and corporate campuses, leases and lease residuals.

3. INVESTMENTS (continued)

Structured Finance and Assets

Commercial receivables, investments in entities (including, without limitation, start-up businesses) engaged, or to be engaged, in activities or investments such as distressed commercial and industrial loans, commercial and industrial assets such as small-scale asset-based loans, trade claims and vendor puts, specialized or other types of equipment leases and machinery, non-performing loans globally, hard assets (including, without limitation, airplanes and components, industrial machinery), commodities (physical and synthetic), reinsurance and premium finance within life and property casualty insurance businesses, legal-related finance including, without limitation, law firm loans, settled and appellate judgments and probate finance, royalties, trust certificates, intellectual property and other financial instruments that provide for the contractual or conditional payment of an obligation. Thinly traded or less liquid loans and securities backed by mortgages (commercial and residential), other small loans including, without limitation, equipment leases, auto loans, commercial mortgage-backed securities, residential mortgage-backed securities, collateralized loan obligations, collateralized debt obligations, other structured credits and consumer-related assets, aviation and other leased asset securitizations, esoteric asset securitization, revenue interests, synthetics, and catastrophe bonds. Auto and title loans, credit cards, consumer installment loans, charged-off consumer obligations, consumer bills, consumer receivables, product-specific purchase finance, residential mortgages, tax liens, real estate owned homes, other consumer-related assets, retail purchase loans and unsecured consumer loans as well as distressed or charged-off obligations of all of these types, peer-to-peer originated loans of all types, manufactured housing, and municipal consumer obligations.

Corporate and Other Securities

Positions in asset-backed securities, collateralized debt obligations, collateralized loan obligations, residential mortgage backed securities, commercial mortgage backed securities, other securitized bonds or non-bond tranches and liquid positions including, hedged and unhedged investments in public securities (including, without limitation, public real estate and special purpose acquisition companies ("SPACs")), preferred stock, common stock, municipal bonds, senior public corporate debt, other industry relative value, merger arbitrage in transactions such as mergers, hedged investments in regulated utilities, integrated utilities, merchant energy providers, acquisitions, tender offers, spin-offs, recapitalizations and Dutch auctions, limited partnership interests, interests in fund start-ups and investment managers, event-driven relative value equity investments in transactions such as corporate restructurings, strategic block, other clearly defined events, high-yield bonds, credit arbitrage and convertible bond arbitrage, in/post-bankruptcy equities, demutualizations, liquidations and litigation claims, real estate securities, business development companies, master limited partnership interests, royalty trusts, publicly traded partnerships, options and other equity derivatives.

Before acquiring or originating any such loans or other investments, the Arena FINCOs review the nature of the loan, the creditworthiness of the borrower, the nature and extent of any collateral and the expected return on such loan or investment. The Arena FINCOs originate and/or acquire such loans or investments based on their assessment of the fair market value of the investment at the time of purchase.

The primary revenue of the Arena FINCOs consists of interest income, dividend income and investment-related fees earned on the investments that it originates or acquires. The operating results of the Arena FINCOs also include gains and losses on their investments.

(i) Accounting for the Arena FINCOs

The Company's investment in the Arena FINCOs is accounted for at FVTPL. Using net asset value as the primary valuation technique, management determined that 1.0x the book value, or 100% of the shareholder's equity of the Arena FINCOs at December 31, 2024, in the amount of $173.9 approximated the fair value of the Company's investments in the Arena FINCOs. See Note 4, *Investments in the Arena FINCOs* in the Notes to the Financial Statements.

The fair value of the Company's investment in the Arena FINCOs was determined to be $173.9 and $147.2 at December 31, 2024 and 2023, respectively.

The Company recorded an increase in the value of its investments in the Arena FINCOs of $2.4 in the three months ended December 31, 2024, and an increase of $5.6, which was an increase of $7.5 before dividends paid of $1.9 in the year ended December 31, 2024. The Company recorded a decrease in the value of its investments in the Arena FINCOs of $0.9 in the three months ended December 31, 2023, and a decrease of $10.4, which was a decrease of $6.0 before dividends paid to the Company of $4.4 in the year ended December 31, 2023. In addition, the Company contributed additional capital to the Arena FINCOs of $45 in the three months and year ended December 31, 2024. The Arena FINCOs returned capital to the Company of $23.9 in the three months and year ended December 31, 2024 and $nil and $2.5 in the three months and year ended December 31, 2023, respectively.

(ii) Arena FINCOs Supplementary Financial Measures for the three months and year ended December 31, 2024 and 2023

The Company considers certain financial results of the Arena FINCOs to be important measures in assessing the Company's financial position and performance, in particular, the net assets which can be invested to generate investment income, and operating expenses. Supplementary Financial Measures related to the Arena FINCOs set out below is unaudited and has been derived from the unaudited financial statements of WOH and AFHC, the unaudited financial statements of AOC and the unaudited consolidated financial statements of AF and its subsidiaries for the three months and years ended December 31, 2024 and 2023, which have been prepared in accordance with IFRS or US GAAP. AOC financial statements and AF

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

3. INVESTMENTS (continued)

consolidated financial statements are the responsibility of the management of the Arena FINCOs. Readers are cautioned that the financial information has not been reconciled to IFRS and so may not be comparable to the financial information of issuers that present their financial information in accordance with IFRS.

A summary of the net assets of the Arena FINCOs is as follows:

	December 31, 2024	December 31, 2023
Cash and cash equivalents	$ 20.0	$ 27.3
Investments:		
Loans / private assets	120.6	162.3
Other securities	48.7	29.7
Total investments	169.3	192.0
Other net assets	3.4	3.9
Due to brokers, net	(5.8)	(12.1)
Loans payable	(13.0)	-
Senior secured notes payable	-	(44.4)
Revolving credit facility payable	-	(19.5)
Net assets of the Arena FINCOs	$ 173.9	$ 147.2

Due to brokers, net consists of cash balances as well as net amounts due to brokers for unsettled securities transactions. Investment securities are net of short positions. In the normal course of the Arena FINCOs' operations, the Arena FINCOs enter into US$ currency hedges to reduce its non-US$ currency exposure.

In October 2024, the Arena FINCOs used the proceeds from the issuance of an aggregate of $45.0 of units to the Company to extinguish the private placement of $45.0 of 6.75% senior secured notes payable. The Arena FINCOs also had a revolving credit facility with third-party lenders with a commitment amount of $25.0 which expired and was repaid on September 30, 2024.

On October 1, 2024, AOC and Westaim entered into a loan facility agreement of $25.0 (the "AOC Loan", shown in Loans payable on the table above), which had $13.0 drawn and outstanding at December 31, 2024. The AOC Loan bears an interest rate of 7.25% per annum and interest is due at the end of each calendar quarter. See note 3, *Loan Receivable* and note 10, *Related Party Transactions* in the Notes to the Financial Statements.

For additional information on the investments of the Arena FINCOs, see Section 13, *Additional Arena FINCOs Investment Schedules* of this MD&A.

A summary of the operating results of the Arena FINCOs attributable to the Company is as follows:

	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Net operating results of the Arena FINCOs:				
Investment income	$ 2.1	$ 6.0	$ 13.1	$ 6.6
Net gains (losses) on investments	1.8	(4.3)	3.3	(2.7)
Interest expense on loans payable	(0.3)	-	(0.3)	-
Interest expense	(0.3)	(1.3)	(3.9)	(4.8)
Net investment income (loss)	3.3	0.4	12.2	(0.9)
Management and asset servicing fees	(1.1)	(1.0)	(3.9)	(3.9)
Incentive fees recovery (expense)	0.2	-	-	(0.1)
Other operating expenses	-	(0.2)	(0.7)	(0.9)
Net operating results before holding companies' expenses	2.4	(0.8)	7.6	(5.8)
Arena FINCOs holding companies' expenses:				
Advisory fees paid to the Company	-	(0.1)	(0.1)	(0.2)
Net operating results of the Arena FINCOs	$ 2.4	$ (0.9)	$ 7.5	$ (6.0)

The Net Return on the investment portfolios of the Arena FINCOs was +1.3% and +5.0% for the three months and year ended December 31, 2024, respectively, and -0.5% and -3.7% for the three and year ended December 31, 2023, respectively. See Section 14, *Non-GAAP Measures* of this MD&A.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

3. INVESTMENTS (continued)

C. INVESTMENT IN ARENA

Changes in the Company's investment in associates are summarized as follows:

	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Investment in Arena				
Opening balance	$ 28.6	$ 28.8	$ 27.6	$ 26.9
The Company's share Arena's comprehensive (loss) income	(5.9)	0.6	(3.9)	4.5
The Company's share of cash and non-cash distributions from Arena	-	(1.8)	(1.0)	(3.8)
Ending balance	$ 22.7	$ 27.6	$ 22.7	$ 27.6

Arena Investors generates revenues primarily from Management Fees, Incentive Fees and Asset Servicing Fees. "Management Fees" are the fees generally calculated on Arena Investors' various segregated client accounts and private pooled investment vehicles, as a percentage of either committed investing capital inclusive of profits earned, or total assets inclusive of financing, and the fees generally calculated on the Arena FINCOs, as a percentage of committed investing capital inclusive of profits earned but excluding financing. "Incentive Fees" are the fees generally calculated as a percentage of net profits earned by clients of Arena Investors, including the Arena FINCOs, as of the end of each fiscal year or applicable withdrawal date related to client accounts subject to a "high water mark" and loss carryforward provisions for each measurement date. "Asset Servicing Fees" are the fees earned in connection with the management and servicing of the illiquid portion of clients' investment portfolios including the Arena FINCOs. AIS leverages its intellectual capital to provide non-investment advisory services primarily for third parties.

At December 31, 2024, Arena Investors had committed assets under management ("AUM") and programmatic capital of approximately $3.4 billion (December 31, 2023: $3.2 billion). AUM refers to the assets for which Arena Investors provides investment management, advisory or certain other investment-related services. Programmatic capital includes callable capital to discretionary and non-discretionary separately managed accounts. 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. At December 31, 2024, AUM included the net assets of the Arena FINCOs and the Company's investment in ASOF LP of approximately $177 (December 31, 2023: $150).

(i) Rights Granted to BP LLC

On August 31, 2015, agreements were entered into between the Company and BP LLC in respect of AIGH (the "Associate Agreements"). The Associate Agreements set forth the members' respective rights and obligations, as well as BP LLC's right to participate in distributions of the capital and profit of the associates. BP LLC's initial profit sharing percentage was 49%, and under the Associate Agreements, BP LLC has the right to earn-in up to 75% equity ownership percentage in the associates and to thereby share up to 75% of the profit of the associates based on achieving certain AUM and cash flow (measured by the margin of trailing twelve months earnings before interest, income taxes, depreciation and amortization ("EBITDA") to trailing twelve month revenues) thresholds in accordance with the Associate Agreements. At December 31, 2024 and 2023, the Company's equity ownership and profit sharing percentage of Arena was 51%. As part of the Proposed Transactions, the Company will own 100% of the equity interests of Arena after profit sharing distributions are made to BP LLC, CC Capital, and the Company. See Section 1, *The Company* of this MD&A for further information on the Proposed Transactions.

(ii) Accounting for Arena

The Company has a revolving loan to Arena (the "Arena Revolving Loan") with a limit of $35.0 at December 31, 2024 (December 31, 2023 - $35.0) in order to continue funding growth initiatives and working capital needs of Arena. The loan facility bore an interest rate of 5.60% per annum through to March 31, 2023 and increased to 7.25% per annum on April 1, 2023. Arena had drawn down the loan facility by $24.0 at December 31, 2024 (December 31, 2023 - $24.0). The loan facility is secured by all the assets of Arena. See Note 15, *Subsequent Events* in the Notes to the Financial Statements with respect to the 2025 Arena Revolving Loan.

The Company's investment in Arena is accounted for using the equity method. The carrying amount of the Company's investment in Arena was $22.7 and $27.6 at December 31, 2024 and 2023, respectively. The Company's 51% share of Arena's comprehensive (loss) income amounted to $(5.9) and $(3.9) for the three months and year ended December 31, 2024, respectively, and $0.6 and $4.5 for the three months and year ended December 31, 2023, respectively.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

3. INVESTMENTS (continued)

(iii) Arena Supplementary Financial Measures for the three months and year ended December 31, 2024 and 2023

The Company considers certain financial results of Arena to be important measures in assessing the Company's financial position and performance, in particular, revenues from the provision of investment management services, and operating expenses. Supplementary Financial Measures related to Arena set out below is unaudited and has been derived from the audited financial statements of AIGH for the years ended December 31, 2024 and 2023, which have been prepared in accordance with US GAAP. Such statements are the responsibility of the management of Arena. Arena presents their performance results as Arena Investors' fee related earnings ("FRE"), Arena Investors' net incentive fees, and AIS EBITDA. Arena's Supplementary Financial Measures includes EBITDA which is a common measure for operating profitability. Management of the Company concluded that any reconciling items to IFRS are not material.

Supplementary Financial Measures from Arena's Statement of Financial Position

	December 31, 2024	December 31, 2023
Cash and cash equivalents	$ 5.7	$ 8.1
Restricted cash	9.6	16.7
Arena's Revolving Loan from the Company	(24.0)	(24.0)
Other net assets	9.0	10.4
Net assets	0.3	11.2
Less: net assets attributable to non-controlling interests	3.0	4.5
Net (liabilities) assets attributable to Arena	$ (2.7)	$ 6.7
Company's share of Arena's net (liabilities) assets	$ (1.3)	$ 3.6
Arena's Revolving Loan from the Company	24.0	24.0
Carrying amount of the Company's investment in Arena	$ 22.7	$ 27.6

Restricted cash includes deposits received in advance for pre-funded work fees and prepaid deposits primarily from investment loans.

Supplementary Financial Measures from Arena's Statement of (Loss) Income and Other Comprehensive (Loss) Income

	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Arena Investors				
Management fees	$ 6.8	$ 7.6	$ 28.3	$ 30.8
Asset servicing fees	2.6	2.7	10.6	11.0
Other income	0.6	0.4	3.3	1.0
Total recurring revenue	10.0	10.7	42.2	42.8
Operating expenses allocated to recurring revenue	(10.8)	(10.2)	(42.3)	(40.6)
Fee related earnings	**(0.8)**	**0.5**	**(0.1)**	**2.2**
Incentive fees	3.0	3.1	13.8	8.8
Incentive fees compensation expense	(1.5)	(0.6)	(7.7)	(4.5)
Employee profit share	(1.4)	-	(1.4)	-
Net incentive fees	**0.1**	**2.5**	**4.7**	**4.3**
Arena Investors' EBITDA	**(0.7)**	**3.0**	**4.6**	**6.5**
Arena Institutional Services				
AIS revenue	(12.5)	(1.6)	(2.3)	11.5
AIS operating expenses	(1.6)	(0.1)	(3.3)	(1.5)
Employee share of loss (profit)	5.5	0.4	2.0	(4.3)
AIS EBITDA	**(8.6)**	**(1.3)**	**(3.6)**	**5.7**
AIGH general and administrative costs	(0.3)	(0.3)	(1.0)	(0.8)
AIGH other income, and expenses	(0.9)	(0.4)	(1.9)	(1.3)
AIGH costs for Proposed Transactions	(0.4)	-	(3.3)	-
Total Arena EBITDA	**(10.9)**	**1.0**	**(5.2)**	**10.1**
Depreciation	(0.1)	-	(0.4)	(0.3)
Revolving loan interest expense paid to the Company	(0.4)	(0.4)	(1.7)	(1.6)
Taxes	(0.1)	0.5	(0.4)	0.5
Net (loss) income attributable to Arena	**(11.5)**	**1.1**	**(7.7)**	**8.7**
Company's share of Arena's comprehensive (loss) income (51%)	$ (5.9)	$ 0.6	$ (3.9)	$ 4.5

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

3. INVESTMENTS (continued)

D. Investment in ASOF LP

The Company's investment in ASOF LP, an open-ended fund managed by Arena Investors, with a fair value of $3.1 and $3.0 at December 31, 2024 and 2023, respectively, is included under investments in the consolidated statements of financial position. The Company's decrease in the value on its investment in ASOF LP was a nominal amount and an increase of $0.1 in the three months and year ended December 31, 2024, respectively, and a decrease of a $0.1 and $0.2 in the three months and year ended December 31, 2023, respectively.

4. ANALYSIS OF FINANCIAL RESULTS

Details of the Company's operating results are as follows:

	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Revenue				
Interest income	$ 4.5	$ 1.6	$ 14.7	$ 3.7
Dividend income from investments in private entities	-	-	1.9	4.4
Advisory fees	0.1	0.2	0.4	0.5
	4.6	1.8	17.0	8.6
Net results of investments	(3.5)	51.5	21.6	204.2
Net expenses				
Salaries and benefits	(2.6)	(12.2)	(26.2)	(16.0)
General and administrative	(0.3)	(0.2)	(1.0)	(0.9)
Other expense of emigration tax	(4.0)	-	(4.0)	-
Professional fees	(5.1)	(0.5)	(11.4)	(1.5)
Share-based compensation expense	(14.1)	(2.9)	(16.2)	(6.7)
Foreign exchange gain (loss)	0.5	(0.3)	0.7	(0.6)
Interest on preferred securities	-	-	-	(1.0)
Derivative warrant gain	-	-	-	0.1
	(25.6)	(16.1)	(58.1)	(26.6)
(Loss) profit before income taxes	(24.5)	37.2	(19.5)	186.2
Income taxes recovery (expense)	3.2	(2.1)	3.3	(2.3)
(Loss) profit and comprehensive (loss) income	$ (21.3)	$ 35.1	$ (16.2)	$ 183.9

4.1 Revenue

In the three months ended December 31, 2024, the Company earned interest on bank balances of $3.8 (2023 – $1.2), earned interest on loans made to Arena of $0.4 (2023 - $0.4), earned interest on the AOC Loan of $0.3 (2023 - $nil), and earned advisory fees from the Arena FINCOs and Arena of $0.1 (2023 - $0.2).

In the year ended December 31, 2024, the Company earned interest on bank balances of $12.7 (2023 – $2.1), earned interest on loans made to Arena of $1.7 (2023 - $1.6), earned interest on the AOC Loan $0.3 (2023 - $nil), received dividends paid to the Company from the Arena FINCOs of $1.9 (2023 - $4.4), and earned advisory fees from the Arena FINCOs and Arena of $0.4 (2023 - $0.5).

4.2 Net Results of Investments

In the three months ended December 31, 2024, the net results of investments of a decrease of $3.5 (2023 – increase of $51.5) consisted of an increase of $nil in the value of the investment in Skyward Specialty (2023 – $51.9), an increase in the value of the investments in the Arena FINCOs of $2.4 (2023 – decrease of $0.9), the Company's share of Arena's comprehensive loss of $5.9 (2023 – share of Arena's comprehensive income of $0.6) and a decrease in the value of the Company's investment in ASOF LP of a nominal amount (2023 – $0.1).

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

4. ANALYSIS OF FINANCIAL RESULTS (continued)

In the year ended December 31, 2024, the net results of investments of an increase of $21.6 (2023 – $204.2) consisted of an increase of $19.8 in the value of the investment in Skyward Specialty (2023 – $210.3), an increase in the value of the investments in the Arena FINCOs of $5.6, which was an increase of $7.5 before dividends paid of $1.9 (2023 – decrease of $10.4, which was a decrease of $6.0 before dividends paid of $4.4), the Company's share of Arena's comprehensive loss of $3.9 (2023 – share of Arena's comprehensive income of $4.5) and an increase in the value of the Company's investment in ASOF LP of $0.1 (2023 – decrease of $0.2).

See discussion in Section 3, *Investments* of this MD&A.

4.3 *Expenses*

Salaries and benefits in the year ended December 31, 2024 were higher than the prior year primarily due to special bonus accruals and payments to employees related to realized gains in the Skyward Specialty investment and additional director fees related to board members attendance at special committee meetings related to the Proposed Transactions.

General and administrative expenses in the year ended December 31, 2024 were comparable to the corresponding periods in the prior year.

Other expenses in the year ended December 31, 2024, were result of the Redomiciliation and the Company accrued an emigration tax to the Canada Revenue Agency primarily based on the deemed disposition of the net assets that are leaving Canada. See Note 6, *Accounts Payable and Accrued Liabilities* in the Notes to the Financial Statements.

Professional fees in the year ended December 31, 2024 were higher than the prior year primarily due to fees related to engagements with consultants related to the Proposed Transactions.

Share-based compensation expense includes the issuance of restricted share units ("RSUs") in 2023 to certain Westaim management which were expensed over the vesting period to December 31, 2024 and the issuance of deferred share units ("DSUs") to directors in lieu of director fees in each reporting period. Changes in share-based compensation expense from period to period also result from the movement in the Company's share price which affects the per unit valuation of outstanding RSUs, DSUs, SARs, and Options (which can be cash surrendered). See Section 7, *Liquidity and Capital Resources* of this MD&A for additional information on the Company's share-based compensation plans.

The Company, from time to time, holds C$ denominated assets and liabilities and the Company's operating results include foreign exchange gains or losses arising from the revaluation of the Company's C$ denominated net liabilities and revaluation of C$ foreign exchange forward contracts into US$ at period end exchange rates. The following is a breakdown of the major components of the foreign exchange gain (loss) in the three months and years ended December 31, 2024 and 2023:

	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Foreign exchange gains (losses) relating to:				
- Liabilities for RSUs, DSUs, SARs, Options	$ 0.6	$ (0.3)	$ 0.9	$ (0.2)
- Preferred securities	-	-	-	(1.0)
- Canadian dollar currency forward contracts and cash balances	(0.1)	-	(0.2)	0.6
	$ 0.5	$ (0.3)	$ 0.7	$ (0.6)

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

5. ANALYSIS OF FINANCIAL POSITION

The Company's assets, liabilities and shareholders' equity as at the dates indicated below consisted of the following:

	December 31, 2024	December 31, 2023
Assets		
Cash	$ 301.9	$ 135.0
Loan receivable	13.0	-
Income taxes receivable	0.3	0.5
Other assets	2.2	1.0
Investments	199.7	414.3
Deferred tax asset	6.1	1.0
Total assets	523.2	551.8
Liabilities		
Accounts payable and accrued liabilities	25.7	31.3
Income taxes payable	0.1	1.0
Deferred tax liability	-	1.2
	25.8	33.5
Shareholders' equity	497.4	518.3
Total liabilities and shareholders' equity	$ 523.2	$ 551.8

5.1 Cash

At December 31, 2024, the Company had cash of $301.9 (December 31, 2023 - $135.0).

5.2 Loan receivable

At December 31, 2024, the Company had a loan receivable from the AOC Loan of $13.0 (December 31, 2023 - $nil).

5.3 Income taxes receivable

At December 31, 2024, the Company had an income taxes receivable of a $0.3 (December 31, 2023 - $0.5) for its Canadian and certain United States' state income taxes.

5.4 Other Assets

At December 31, 2024, the Company had other assets of $2.2 (December 31, 2023 - $1.0), which consisted of interest receivable on bank balances of $1.2 (December 31, 2023 - $0.6), receivable from the Arena FINCOs of $0.3 (December 31, 2023 - $nil), right of use asset of $nil (December 31, 2023 - $0.1), and other receivables of $0.7 (December 31, 2023 - $0.3). See Note 4, *Other Assets* in the Notes to the Financial Statements.

5.5 Investments

Investments were $199.7 and $414.3 at December 31, 2024 and 2023, respectively, and consisted of the investments in: Skyward Specialty, the Arena FINCOs, Arena, and ASOF LP.

The Company's investment in Skyward Specialty, which is accounted for at FVTPL, was determined to be $nil and $236.5 at December 31, 2024 and 2023, respectively. See discussion in Section 3, *Investment in Skyward Specialty* of this MD&A.

The Company's investment in the Arena FINCOs, which is accounted for at FVTPL, was determined to be $173.9 and $147.2 at December 31, 2024 and 2023, respectively. See discussion in Section 3, *Investment in the Arena FINCOs* of this MD&A.

The Company's investment in Arena, which is accounted for using the equity method, was determined to be $22.7 and $27.6 at December 31, 2024 and 2023, respectively. See discussion in Section 3, *Investment in Arena* of this MD&A.

The Company's investment in ASOF LP, which is accounted for at FVTPL, was determined to be $3.1 and $3.0 at December 31, 2024 and 2023, respectively. See discussion in Section 3, *Investment in ASOF LP* of this MD&A.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

5. ANALYSIS OF FINANCIAL POSITION (continued)

5.6 Deferred Tax Asset

At December 31, 2024, the Company reported a deferred tax asset of $6.1 (December 31, 2023 – $1.0) primarily related to net recognized temporary differences of taxable income and the Company has determined it is probable that taxable profits will be available against which those temporary differences can be utilized. See Note 2(k), *Summary of Material Accounting Policies Income Taxes* and Note 11, *Income Taxes* in the Notes to Financial Statements.

5.7 Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities were $25.7 at December 31, 2024 (December 31, 2023 - $31.3), which consisted of accrued employee bonuses of $0.3 (December 31, 2023 - $13.2), DSUs of $4.5 (December 31, 2023 - $2.9), SARs of $6.5 (December 31, 2023 - $1.9), stock options liability of $5.3 (December 31, 2023 - $nil), emigration tax payable of $4.0 (December 31, 2023, - $nil), lease liability of $nil (December 31, 2023 - $0.1), RSUs of $nil (December 31, 2023 - $9.3), liability for automatic share purchase plan ("ASPP") under the NCIB of $nil (December 31, 2023 - $2.4) and other accrued liabilities of $5.1 (December 31, 2023 - $1.5). See Section 7, *Liquidity and Capital Resources* of this MD&A for additional information on the Company's share-based compensation plans.

5.8 Income Taxes Payable

At December 31, 2024, the Company had an income taxes payable of $0.1 (December 31, 2023 - $1.0) for its United States current year income taxes.

5.9 Deferred Tax Liability

At December 31, 2024, the Company reported a deferred tax liability of $nil (December 31, 2023 – $1.2). See Note 11, *Income Taxes* in the Notes to Financial Statements.

5.10 Shareholders' Equity

The details of shareholders' equity are as follows:

	December 31, 2024	December 31, 2023
Share capital	$ 351.4	$ 353.8
Contributed surplus	11.4	13.7
Accumulated other comprehensive loss	(2.2)	(2.2)
Retained earnings	136.8	153.0
Shareholders' equity	$ 497.4	$ 518.3

5.11 Share Capital

Westaim had 21,706,501 Common Shares outstanding at December 31, 2024 and 21,959,548 Common Shares outstanding at December 31, 2023. In the year ended December 31, 2024, Westaim acquired and canceled 597,735 Common Shares, at a cost of $9.7. In the year ended December 31, 2024, Westaim issued 194,393 Common Shares to stock option holders through the exercise and net exercise of 464,389 of the Company's stock options for proceeds of $0.1 with an options liability fair value of $4.1 which increased share capital and decreased stock options liability. In the year ended December 31, 2024, Westaim issued 150,295 Common Shares to RSU holders through the exercise of 150,295 RSUs with a fair value of $3.2 which increased share capital and decreased RSUs liability. As a result of the net fair value of the Common Shares acquired and cancelled less Common Shares issued, the Company recorded a decrease in share capital of $0.1 for the Canadian public company 2% net share buy-back Canadian federal tax. In the year ended December 31, 2023, Westaim acquired and cancelled 1,649,363 Common Shares that it had acquired at a cost of $26.4 through its NCIBs. In the year ended December 31, 2023, the Company issued 44,458 Common Shares through the exercise and net exercise of 463,230 of the Company's stock options increasing share capital by $1.7 and decreasing contributed surplus by $1.6. See discussion in Section 7, *Liquidity and Capital Resources, Share-based Compensation Plans* of this MD&A and Note 8, *Share Capital* in the Notes to the Financial Statements.

5.12 Contributed Surplus

The Company had $11.4 in contributed surplus at December 31, 2024 and $13.7 at December 31, 2023. A decrease of $2.3 in the year ended December 31, 2024 was the result of: a decrease of $4.7 by establishing a stock options liability following approved changes to the stock option plan on May 16, 2024, which now gives option holders the right to receive a cash settlement of the in-the-money value of their options at the time of exercise (also referred to herein as a "cash surrender"), offset by an increase of $2.4 from the change in value of the ASPP liability.

5. ANALYSIS OF FINANCIAL POSITION (continued)

5.13 Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss of $2.2 at each of December 31, 2024 and 2023, was comprised of the cumulative exchange differences from currency translation as a result of a change in presentation currency from the C$ to the US$ on August 31, 2015.

5.14 Retained Earnings

The decrease in the retained earnings to $136.8 at December 31, 2024 from $153.0 at December 31, 2023 is the result of the (loss) profit and comprehensive (loss) income for the year ended December 31, 2024.

6. OUTLOOK

With the continued development of the Arena platform (product suite, geographies, IT systems, investment capability), its more than 180 people across eight global offices and operating in twenty countries are poised to deploy committed capital within Arena Investors and intellectual capital within Arena Institutional Services to grow Arena's earnings.

The Company continues to work towards closing the Proposed Transactions and create shareholder value through partnering with other aligned and experienced management teams to build profitable businesses that generate attractive returns to the Company's shareholders over the long term. See Note 15, *Subsequent Events* in the Notes to the Financial Statements with respect to the investment in ManhattanLife of America Insurance Company as part of the Proposed Transactions.

7. LIQUIDITY AND CAPITAL RESOURCES

Capital Management Objectives

The Company's capital currently consists of common shareholders' equity.

The Company's guiding principles for capital management are to maintain the stability and safety of the Company's capital for its stakeholders through an appropriate capital mix and a strong balance sheet.

The Company utilizes internal metrics and monitors the mix and adequacy of its capital on a continuous basis. The capital of the Company is not subject to any restrictions.

Share Capital

Westaim's authorized share capital consists of an unlimited number of Common Shares, Class A preferred shares and Class B preferred shares.

At December 31, 2024, Westaim had 21,706,501 Common Shares outstanding (December 31, 2023 – 21,959,548), with a stated capital of $351.4 (December 31, 2023 - $353.8).

There were no Class A or Class B preferred shares outstanding at December 31, 2024 or 2023. See Note 8, *Share Capital* in the Notes to the Financial Statements.

Dividends

No dividends were paid by the Company in the years ended December 31, 2024 and 2023.

Share-based Compensation Plans

Westaim's long-term equity incentive plan (the "Incentive Plan") provides for grants of RSUs, DSUs, SARs, stock options and other share-based awards. Westaim also has a stand-alone legacy incentive stock option plan (the "Legacy Option Plan").

The aggregate number of Common Shares which may be reserved for issuance upon exercise of all stock option under the Incentive Plan (and all other security based compensation arrangements, including the Legacy Option Plan) is limited to not more than 10% of the aggregate number of Common Shares outstanding at the time of grant. Additionally, under the Incentive Plan, the aggregate number of Common Shares which may be reserved for issuance upon the exercise or redemption of all security based compensation awards, other than stock options, granted under the Incentive Plan (and all other security based compensation arrangements) shall not exceed 2,136,206 Common Shares, subject to increase to

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

7. LIQUIDITY AND CAPITAL RESOURCES (continued)

3,334,189 Common Shares upon closing of the Proposed Transactions. As the DSUs and SARs are settled solely in cash, they are not included in the limitations contemplated above.

Westaim had 615,000 stock options outstanding at December 31, 2024 at a strike price of C$18.60 (December 31, 2023 – 1,266,252 stock options outstanding at strike prices of C$18.00 and C$18.60). During the year ended December 31, 2024, 34,294 stock options were forfeited, 5,000 stock options were exercised and the Company received $0.1 and issued 5,000 Common Shares to the stock option holder, 459,389 stock options were net exercised and the Company issued 189,393 Common Shares to the stock option holders, and 152,569 stock options were cash surrendered and the Company paid $1,419 to the stock option holders. During the year ended December 31, 2023, 463,230 stock options were exercised or net exercised and the Company received $0.1 and issued 44,458 Common Shares to the option holders. Also, during the year ended December 31, 2023, 8,574 stock options were forfeited by a former employee. The stock options, at the election of the holder, can be exercised or net exercised for Common Shares or cash surrendered, per the amended and restated option plan approved by shareholders on May 16, 2024.

Westaim had no RSUs outstanding at December 31, 2024 (December 31, 2023 – 575,866 RSUs). There were no RSUs issued in the year ended December 31, 2024. In December 2024, 150,295 RSUs were exercised and the Company issued 150,295 Common Shares with a value of $3.2. As part of the Plan of Arrangements on December 31, 2024, the remaining 425,571 RSUs were surrendered and the Company issued cash settlements of $9,058 to the RSU holders. As a result, there were no RSUs outstanding at December 31, 2024. In the year ended December 31, 2023, 80,000 RSUs were issued to certain members of the Company's management and no RSUs were settled. The RSUs, at the election of the holder, could have been settled in Common Shares or cash based on the prevailing market price of the Common Shares on the settlement date.

At December 31, 2024, 209,547 DSUs were vested and outstanding (December 31, 2023 – 171,264 DSUs). DSUs are issued to certain directors in lieu of director fees, at their election, at the market value of Common Shares at the date of grant.

With respect to the DSUs that are outstanding, they are paid out solely in cash no later than the end of the calendar year following the year the participant ceases to be a director. In the year ended December 31, 2024, no DSUs were settled. In the year ended December 31, 2023, 80,965 DSUs were settled for $1.2 in cash paid to a former director of the Company.

At December 31, 2024, 1,298,954 SARs were vested and outstanding (December 31, 2023 – 723,088 SARs). These SARs were issued to certain management of Westaim which vested immediately and will be paid out solely in cash for the amount that the Westaim trading price at the time of exercise, if any, is in excess of the SARs strike prices.

At December 31, 2024, accounts payable and accrued liabilities included amounts related to stock options liability of $5.3 (December 31, 2023 - $nil), RSUs of $nil (December 31, 2023 - $9.3), DSUs of $4.5 (December 31, 2023 - $2.9) and SARs of $6.5 (December 31, 2023 - $1.9).

See Note 9, *Share-based Compensation* in the Notes to the Financial Statements.

Cash Flow Objectives

The Company manages its liquidity with a view to ensuring that there is sufficient cash to meet all financial commitments and obligations as they fall due including having access to liquidity from dividends from the Arena FINCOs. The Company has sufficient funds to meet its financial obligations. As part of pursuing one or more new opportunities, the Company may from time to time issue shares from treasury.

The following tables illustrate the duration of the financial assets of the Company compared to its financial obligations:

December 31, 2024	One year or less	One to five years	No specific date / later than five years	Total
Financial assets:				
Cash	$ 301.9	$ -	$ -	$ 301.9
AOC Loan	13.0	-	-	13.0
Other assets	2.5	-	-	2.5
Investments	-	24.0	175.7	199.7
Total financial assets	317.4	24.0	175.7	517.1
Financial obligations:				
Other liabilities	14.8	6.5	4.5	25.8
Total financial obligations	14.8	6.5	4.5	25.8
Net financial assets	$ 302.6	$ 17.5	$ 171.2	$ 491.3

See Note 15, *Subsequent Events* in the Notes to the Financial Statements with respect to the investment in ManhattanLife of America Insurance Company and with respect to the 2025 Arena Revolving Loan.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

7. LIQUIDITY AND CAPITAL RESOURCES (continued)

December 31, 2023	One year or less	One to five years	No specific date / later than five years	Total
Financial assets:				
Cash	$ 135.0	$ -	$ -	$ 135.0
Other assets (excluding capital, right-of-use and deferred tax assets)	1.4	-	-	1.4
Investments	-	24.0	390.3	414.3
Total financial assets	136.4	24.0	390.3	550.7
Financial obligations:				
Other liabilities (excluding lease, ASPP and deferred tax liabilities)	15.7	1.9	12.2	29.8
Total financial obligations	15.7	1.9	12.2	29.8
Net financial assets	$ 120.7	$ 22.1	$ 378.1	$ 520.9

The Company's investment guidelines stress preservation of capital and market liquidity to support payment of liabilities. The duration of financial assets and liabilities is monitored with a view to ensuring that all obligations will be met.

8. RELATED PARTY TRANSACTIONS

Related parties include key management personnel and directors, close family members of key management personnel and entities which are, directly or indirectly, controlled by, jointly controlled by or significantly influenced by key management personnel or their close family members. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include executive officers and directors of the Company.

See Note 10, *Related Party Transactions* in the Notes to the Financial Statements.

9. MATERIAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions, some of which relate to matters that are uncertain. As more information becomes known, these estimates and assumptions could change and thus have a material impact on the Company's financial condition and results of operations in the future. The Company has established detailed policies and control procedures that are intended to ensure that management's judgments and estimates are well controlled, independently reviewed and consistently applied from period to period. Management believes that its estimates for determining the valuation of the Company's assets and liabilities are appropriate.

Management understands that the management of Arena values the underlying assets and liabilities of Arena FINCOs and ASOF LP at fair value, and thus management has concluded that utilizing the net asset value of these entities as the primary valuation technique is appropriate in determining the fair value of the Company's investment in the Arena FINCOs and ASOF LP at December 31, 2024. Management determined that this valuation technique produced the best indicator of the fair value of the Company's investments measured at FVTPL at December 31, 2024. The significant unobservable inputs used in the valuation of the Arena FINCOs at December 31, 2024 was the equity of the entities at December 31, 2024 and the multiple applied to net assets of the Arena FINCOs. For a detailed description of the valuation of the Company's investments in private entities, see Note 5, *Investments* in the Notes to the Financial Statements. Due to the inherent uncertainty of valuation, and its reliance on Arena to determine the net asset value of Arena FINCOs and ASOF LP, management's estimated values may differ significantly from the values that would have been used had an active market for the investment existed, and the differences could be material.

Other key estimates include the Company's fair value of share-based compensation, deferred tax assets and deferred tax liabilities. Details of these items are disclosed in Note 9 and Note 11, respectively, to the Company's consolidated financial statements for the years ended December 31, 2024 and 2023.

10. MATERIAL ACCOUNTING POLICIES AND RECENTLY ADOPTED AND PENDING ACCOUNTING PRONOUNCEMENTS

A description of the Company's accounting policies is disclosed in Note 2, *Summary of Material Accounting Policies* in the Notes to the Financial Statements.

At December 31, 2024, there were no new pronouncements that had a material impact on adoption.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

11. QUARTERLY FINANCIAL INFORMATION

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Revenue	$ 4.6	$ 6.6	$ 3.5	$ 2.3	$ 1.8	$ 1.1	$ 3.3	$ 2.4
(Decrease) increase in value of investments, less dividends	(3.5)	4.8	(6.2)	26.5	51.5	23.7	32.6	96.4
Net expenses	(25.6)	(12.5)	(18.2)	(1.8)	(16.1)	(1.8)	(4.7)	(4.0)
Income taxes recovery (expense)	3.2	-	3.8	(3.7)	(2.1)	-	0.1	(0.3)
(Loss) profit and comprehensive (loss) income	$ (21.3)	$ (1.1)	$ (17.1)	$ 23.3	$ 35.1	$ 23.0	$ 31.3	$ 94.5

The Company's quarterly financial results do not follow any special trends and are not generally subject to seasonal variation but are instead impacted by general market and economic conditions, regulatory risks and foreign exchange fluctuations. In addition, share-based compensation is impacted by fluctuations in the trading price of the Company's shares, discount rates, and foreign exchange fluctuations.

12. RISKS

The Company is subject to a number of risks which could affect its business, prospects, financial condition, results of operations and cash flows, including risks relating to lack of significant revenues, regulatory risks, foreign exchange risks and risks relating to the businesses of the Arena FINCOs, Arena and the Proposed Transactions. A detailed description of the risk factors associated with the Company and its business is contained in the Company's Annual Information Form for its fiscal year ended December 31, 2023 (as same may be modified or superseded by a subsequently filed Annual Information Form) and the Company's management information circular dated November 19, 2024, both of which are available on SEDAR+ at www.sedarplus.ca.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

13. ADDITIONAL ARENA FINCOs' INVESTMENT SCHEDULES

The investments of the Arena FINCOs shown by investment strategy is as follows:

Investments by Strategy						**December 31, 2024**
	Number of positions	Cost	Fair value	Percentage of investments at fair value	% Debt investments	% Equity, hard assets and real estate owned investments
Corporate Private Investments	19	$ 42.3	$ 38.8	22.9%	2.7%	20.2%
Real Estate Private Investments	38	45.0	46.2	27.3%	12.6%	14.7%
Structured Finance and Assets	40	35.0	35.6	21.0%	17.4%	3.6%
Other Securities	108	44.9	48.7	28.8%	6.5%	22.3%
	205	$ 167.2	$ 169.3	100.0%	39.2%	60.8%

Investments by Strategy						**December 31, 2023**
	Number of positions	Cost	Fair value	Percentage of investments at fair value	% Debt investments	% Equity, hard assets and real estate owned investments
Corporate Private Investments	25	$ 49.8	$ 52.9	27.6%	6.3%	21.3%
Real Estate Private Investments	40	50.8	53.3	27.8%	20.2%	7.6%
Structured Finance and Assets	47	56.8	56.1	29.2%	22.5%	6.7%
Other Securities	109	38.1	29.7	15.4%	6.4%	9.0%
	221	$ 195.5	$ 192.0	100.0%	55.4%	44.6%

Investments in Corporate Private Investments, Real Estate Private Investments, and Structured Finance relate to loans issued to privately held entities. Investments in Other Securities are net of short positions and comprise publicly traded corporate bonds, equity securities, bank debt, structured convertible notes and derivatives.

The investments of the Arena FINCOs shown by geographic breakdown is as follows:

Investments by Geographic Breakdown	**December 31, 2024**			**December 31, 2023**		
	Cost	Fair value	Percentage of investments at fair value	Cost	Fair value	Percentage of investments at fair value
Loans / Private Assets						
North America	$ 71.4	$ 69.4	41.0%	$ 104.9	$ 105.2	54.8%
Europe	34.8	39.5	23.3%	35.6	42.7	22.2%
Asia/Pacific	14.5	9.9	5.8%	14.7	12.0	6.3%
Latin America	1.6	1.8	1.1%	2.2	2.4	1.3%
	122.3	120.6	71.2%	157.4	162.3	84.6%
Other Securities [1]						
North America	30.4	30.6	18.1%	25.6	21.0	10.9%
Europe	12.5	15.2	9.0%	9.9	7.0	3.6%
Asia/Pacific	2.0	2.9	1.7%	2.5	1.8	0.9%
Latin America	-	-	0.0%	0.1	(0.1)	0.0%
	44.9	48.7	28.8%	38.1	29.7	15.4%
	$ 167.2	$ 169.3	100.0%	$ 195.5	$ 192.0	100.0%

[1] Net of short positions.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

13. ADDITIONAL ARENA FINCOs' INVESTMENT SCHEDULES (continued)

The investments of the Arena FINCOs shown by industry is as follows:

Investments by Industry	**December 31, 2024**			**December 31, 2023**		
	Cost	Fair value	Percentage of investments at fair value	Cost	Fair value	Percentage of investments at fair value
Loans / Private Assets						
Corporate Private Investments						
Business Services	$ 8.1	$ 4.8	2.8%	$ 9.4	$ 6.8	3.6%
Consumer Products	2.7	3.1	1.8%	2.4	2.9	1.5%
Financial Services	1.5	0.9	0.5%	1.4	0.8	0.4%
Oil and Gas [1]	15.1	12.1	7.2%	20.2	22.3	11.6%
Other Assets	14.4	179.	10.6%	14.2	17.6	9.2%
Retail	-	-	0.0%	2.2	2.5	1.3%
	42.3	38.8	22.9%	49.8	52.9	27.6%
Real Estate Private Investments						
Commercial	1.3	1.0	0.6%	2.6	2.8	1.4%
Hospitality	15.9	16.9	10.0%	17.4	19.9	10.4%
Industrial	1.0	1.1	0.7%	-	-	0.0%
Land - Commercial Development	5.4	7.6	4.5%	5.9	7.5	3.9%
Land - Multi-Family Development	1.2	1.2	0.7%	5.6	3.6	1.9%
Land - Single-Family Development	4.1	2.5	1.5%	4.1	3.4	1.8%
Multi-Family	3.3	2.9	0.7%	0.3	0.3	0.2%
Retail	4.8	4.8	2.8%	5.1	5.1	2.6%
Residential	8.0	8.2	4.8%	9.8	10.7	5.6%
	45.0	46.2	27.3%	50.8	53.3	27.8%
Structured Finance and Assets						
Consumer Assets	14.3	10.9	6.4%	16.3	15.0	7.8%
Lease/Equipment	0.4	0.8	0.5%	0.5	1.1	0.6%
Other Assets	20.3	23.9	14.1%	40.0	40.0	20.8%
	35.0	35.6	21.0%	56.8	56.1	29.2%
Total Loans / Private Assets	122.3	120.6	71.2%	157.4	162.3	84.6%
Other Securities [(2)]						
Biotechnology	2.5	3.0	1.8%	1.5	2.2	1.2%
Business Services	3.1	4.6	2.7%	3.4	3.7	1.9%
Consumer Products	8.0	6.0	3.6%	9.2	5.7	2.9%
Diversified	0.2	0.2	0.1%	2.0	2.1	1.1%
Education	0.1	0.1	0.1%	-	-	0.0%
Energy	0.8	1.3	0.7%	-	-	0.0%
Financial Services	5.5	5.4	3.2%	2.7	2.6	1.4%
Foreign Exchange Forwards/Options	-	2.1	1.2%	-	(1.2)	(0.6)%
Fund Investment	2.9	3.8	2.2%	3.0	3.7	1.9%
Healthcare Services	4.2	4.6	2.7%	1.6	1.8	0.9%
Industrial	3.6	2.2	1.3%	4.8	4.3	2.2%
Information Technology	-	-	0.0%	0.3	-	0.0%
Interest Rate Derivatives	0.1	(0.1)	0.0%	0.4	0.1	0.1%
Media	0.1	0.1	0.1%	-	-	0.0%
Mining	3.4	4.1	2.4%	0.1	0.1	0.0%
Oil and Gas	7.1	7.5	4.4%	1.1	1.3	0.7%
Other Assets	-	-	0.0%	-	0.1	0.0%
Real Estate	1.1	1.6	0.9%	0.6	0.8	0.4%
Technology	1.8	1.9	1.1%	7.0	2.0	1.1%
Telecommunications	0.4	0.5	0.3%	0.4	0.4	0.2%
	44.9	48.7	28.8%	38.1	29.7	15.4%
	$ 167.2	$ 169.3	100.0%	$ 195.5	$ 192.0	100.0%

[1] The Arena FINCOs' exposure to commodity price risk in its private loans is generally mitigated as borrowers are typically required to hedge the commodity price risk by selling product forward and/or employing the use of other derivatives to substantially reduce all risk.

[2] Net of short positions.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

13. ADDITIONAL ARENA FINCOs' INVESTMENT SCHEDULES (continued)

Details of the Loan and Private Asset positions of the Arena FINCOs are as follows:

Details of Loan and Private Asset Positions — **December 31, 2024**

Ref. no.	Investments by industry	Principal [1]	Investments at cost	Investments at fair value	Geographic location	Collateral	Total coupon (including PIK) [2]	LTV [3]
Corporate Private Investments								
CPC-2209	Other Assets	$ 13.2	$ 14.4	$ 17.9	Europe	Equity	n/a [4]	n/a [4]
CPC-3222	Oil & Gas	0.1	14.1	11.3	North America	Equity	n/a [4]	n/a [4]
CPC-3349	Business Services	6.5	6.5	2.9	Asia Pacific	Equity	n/a [4]	n/a [4]
CPC-7277	Consumer Products	2.0	2.0	2.7	Asia Pacific	1st Lien	6.49%	n/a [11]
CPC-7312	Business Services	1.0	1.0	1.0	North America	1st Lien	12.00%	82.0%
CPC-2170	Oil & Gas	1.1	0.8	0.6	North America	Equity	n/a [4]	n/a [4]
CPC-2397	Financial Services	1.2	1.1	0.5	North America	Equity	n/a [4]	n/a [4]
CPC-7677	Financial Services	0.4	0.4	0.4	North America	1st Lien	18.55%	90.0%
CPC-5889	Consumer Products	0.6	0.7	0.4	North America	1st Lien	14.00%	100%+
CPC-7312EQY	Business Services	0.4	0.4	0.2	North America	Equity	n/a [4]	n/a [4]
CPC-6374	Business Services	0.0	0.2	0.2	Europe	Equity	n/a [4]	n/a [4]
CPC-1010	Oil & Gas	0.2	0.2	0.2	North America	Legal Claim	n/a [4]	n/a [4]
CPC-5830	Business Services	0.2	0.2	0.2	Europe	Equity	n/a [4]	n/a [4]
CPC-9140	Business Services	0.2	0.2	0.2	North America	Equity	15.75%	n/a [4]
CPC-5914	Business Services	0.1	0.1	0.1	Europe	Equity	n/a [4]	n/a [4]
CPC-5834	Business Services	0.0	0.0	0.0	Europe	Equity	n/a [4]	n/a [4]
CPC-6373	Business Services	0.0	0.0	0.0	Europe	Equity	n/a [4]	n/a [4]
CPC-7018	Business Services	0.0	0.0	0.0	Europe	Equity	n/a [4]	n/a [4]
CPC-6677	Business Services	0.0	0.0	0.0	Europe	Equity	n/a [4]	n/a [4]
CPC-7167	Business Services	0.0	0.0	0.0	North America	Equity	n/a [4]	n/a [4]
Subtotal / Weighted average %		$ 27.2	$ 42.3	$ 38.8			9.81%	91.4%

Ref. no.	Investments by industry	Principal [1]	Investments at cost	Investments at fair value	Geographic location	Collateral	Total coupon (including PIK) [2]	LTV [3]
Real Estate Private Investments								
RECPC-6932	Hospitality	$ 6.9	$ 9.2	$ 10.3	Europe	Real Property	n/a [6]	n/a [6]
RECPC-2277	Land - Commercial Development	3.5	3.5	5.8	North America	1st Mortgage	24.00%	91.0%
RECPC-8192	Retail	4.5	4.5	4.5	North America	1st Mortgage	10.75%	52.5%
RECPC-8135	Hospitality	2.2	2.8	2.6	Europe	Real Property	n/a [6]	n/a [6]
RECPC-4220	Residential	2.5	2.5	2.2	North America	Real Property	n/a [6]	n/a [6]
RECPC-6735	Multi-Family	3.6	2.7	2.2	North America	Real Property	n/a [6]	n/a [6]
RECPC-7488	Residential	0.0	2.0	1.9	Asia Pacific	1st Mortgage	13.00%	100%+
RECPC-8825	Hospitality	4.3	1.4	1.6	North America	1st Mortgage	11.05%	50.0%
RECPC-9232	Residential	1.1	1.2	1.4	Europe	Real Property	n/a [6]	n/a [6]
RECPC-8795	Land - Multi-Family Development	1.1	1.1	1.2	North America	1st Mortgage	25.00%	95.0%
RECPC-5905	Land - Commercial Development	1.2	1.2	1.1	North America	1st Mortgage	9.38%	70.2%
RECPC-9706	Industrial	2.5	1.0	1.1	North America	1st Mortgage	11.10%	69.2%
RECPC-7027	Hospitality	0.7	1.0	1.0	Europe	Real Property	n/a [6]	n/a [6]
RECPC-6506TL1	Land - Single-Family Development	0.0	1.7	1.0	Asia Pacific	1st Mortgage	11.35%	100%+
RECPC-8031	Commercial	1.0	1.2	0.9	Europe	Real Property	n/a [6]	n/a [6]
RECPC-8433	Hospitality	0.5	1.0	1.0	Europe	Real Property	n/a [6]	n/a [6]
RECPC-6996	Land - Single-Family Development	0.0	1.0	0.9	Asia Pacific	1st Mortgage	18.00%	98.6%
RECPC-8682	Residential	0.5	0.6	0.7	Europe	Real Property	n/a [6]	n/a [6]
RECPC-2592	Land - Commercial Development	0.5	0.5	0.6	North America	Legal Claim	n/a [4]	n/a [4]
RECPC-9390	Residential	0.5	0.5	0.6	Europe	Real Property	n/a [6]	n/a [6]
RECPC-6242	Land - Single-Family Development	1.2	1.1	0.4	Asia Pacific	1st Mortgage	24.84%	100%+
RECPC-9227	Residential	0.3	0.3	0.4	Europe	Real Property	n/a [6]	n/a [6]
RECPC-6129	Hospitality	0.6	0.5	0.4	North America	Legal Claim	n/a [4]	n/a [4]
RECPC-9563	Multi-Family	1.3	0.3	0.4	North America	1st Mortgage	10.52%	67.5%
RECPC-9006	Residential	0.3	0.3	0.4	Europe	1st Mortgage	21.00%	70.0%
RECPC-9809	Retail	1.2	0.3	0.3	North America	1st Mortgage	10.30%	70.9%
RECPC-7826	Multi-Family	0.2	0.3	0.3	Europe	Real Property	n/a [6]	n/a [6]
RECPC-7390	Residential	0.3	0.3	0.3	North America	1st Mortgage	20.00%	100%+
RECPC-8040	Land - Single-Family Development	0.2	0.2	0.2	North America	1st Mortgage	24.00%	96.7%
RECPC-9087	Residential	0.2	0.2	0.2	Europe	Real Property	n/a [6]	n/a [6]
RECPC-10131EQ	Residential	0.0	0.1	0.1	Asia Pacific	1st Mortgage	16.00%	80.0%
RECPC-8843	Commercial	0.1	0.1	0.1	Europe	1st Mortgage	20.88%	80.0%
RECPC-1047	Land - Commercial Development	0.1	0.1	0.1	North America	Real Property	n/a [6]	n/a [6]
RECPC-1015	Land - Commercial Development	0.2	0.1	0.0	North America	Real Property	n/a [6]	n/a [6]
RECPC-8118	Land - Single-Family Development	0.0	0.1	0.0	Asia Pacific	1st Mortgage	13.80%	100%+
RECPC-2560	Land - Multi-Family Development	0.1	0.1	0.0	North America	Real Property	n/a [6]	n/a [6]
RECPC-7586	Residential	0.0	0.0	0.0	Europe	Real Property	n/a [6]	n/a [6]
Subtotal / Weighted average %		$ 43.4	$ 45.0	$ 46.2			16.41%	86.5%

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

13. ADDITIONAL ARENA FINCOs' INVESTMENT SCHEDULES (continued)

Details of the Loan and Private Asset positions of the Arena FINCOs are as follows:

Details of Loan and Private Asset Positions (continued) — December 31, 2024

Ref. no.	Investments by industry	Principal (1)	Investments at cost	Investments at fair value	Geographic location	Collateral	Total coupon (including PIK) (2)	LTV (3)
Structured Finance and Assets								
SF-2239	Other Assets	$ 3.9	$ 4.6	$ 4.5	North America	1st Lien	n/a (7)	23.1%
CI-8707	Other Assets	2.4	2.4	4.1	North America	Asset Pool	n/a (7)	n/a (7)
CA-7474	Consumer	2.0	2.0	2.7	North America	Asset Pool	n/a (7)	n/a (7)
SF-8578	Other Assets	1.5	1.5	2.3	North America	1st Lien	17.59%	18.0%
CA-8621	Consumer	2.3	2.3	2.2	North America	Asset Pool	n/a (7)	n/a (7)
CA-4946	Consumer	1.9	1.9	1.9	North America	1st Lien	19.59%	88.9%
CA-6444	Consumer	1.6	1.6	1.8	Latin America	Asset Pool	n/a (7)	n/a (7)
CI-3045	Other Assets	0.9	0.9	1.6	North America	Asset Pool	n/a (7)	n/a (7)
SF-7254	Other Assets	2.7	1.6	1.6	North America	1st Lien	21.00%	90.0%
CI-5177	Other Assets	0.8	0.8	1.6	North America	Hard Asset	n/a (4)	n/a (4)
CI-5554A	Other Assets	1.3	1.3	1.3	North America	1st Lien	10.00%	75.9%
CPC-7227EQY	Other Assets	1.2	1.2	1.1	North America	Equity	n/a (4)	n/a (4)
CA-7372	Consumer	0.9	0.9	0.9	North America	1st Lien	16.75%	91.1%
CI-2651	Other Assets	1.2	1.3	0.9	North America	Hard Asset	n/a (4)	n/a (4)
CI-6750	Other Assets	1.0	0.9	0.9	Europe	1st Lien	18.80%	100%+
CA-5596C	Consumer	0.8	0.8	0.8	North America	Asset Pool	n/a (7)	45.5%
CI-2201	Lease/Equipment	0.4	0.4	0.8	North America	Hard Asset	n/a (12)	n/a (12)
CI-6328	Other Assets	0.5	0.5	0.5	North America	1st Lien	12.00%	100.0%
CI-7442	Other Assets	0.4	0.4	0.5	North America	Hard Asset	n/a (4)	n/a (4)
SF-8411	Other Assets	0.5	0.5	0.5	North America	1st Lien	13.75%	51.0%
CI-2064	Other Assets	0.0	0.0	0.4	North America	Equity	n/a (4)	n/a (4)
CI-1520	Other Assets	0.1	0.1	0.4	North America	1st Lien	n/a (8)	n/a (8)
CI-8399	Other Assets	0.3	0.3	0.3	North America	1st Lien	13.05%	90.0%
CA-6154	Consumer	0.0	0.3	0.3	Europe	1st Lien	18.50%	55.0%
CI-1035	Other Assets	0.4	0.4	0.3	North America	Legal Claim	n/a (4)	n/a (4)
CA-6288	Consumer	0.2	0.2	0.2	North America	1st Lien	10.00%	34.0%
CI-7985	Other Assets	0.2	0.2	0.2	North America	1st Lien	18.80%	100.0%
CI-7166	Other Assets	0.1	0.1	0.2	North America	Hard Asset	n/a (4)	n/a (4)
CI-1999EQ	Other Assets	0.4	0.4	0.2	North America	Equity	n/a (4)	n/a (4)
CI-10470	Other Assets	0.2	0.2	0.2	North America	1st Lien	10.00%	90.3%
CI-4967	Other Assets	0.1	0.1	0.1	North America	Hard Asset	n/a (4)	n/a (4)
CA-4718	Consumer	0.2	0.2	0.1	North America	Asset Pool	n/a (7)	n/a (7)
CI-8048	Other Assets	0.1	0.1	0.1	North America	Hard Asset	n/a (4)	n/a (4)
CI-7492	Other Assets	0.0	0.0	0.1	North America	Hard Asset	n/a (4)	n/a (4)
CA-8720	Consumer	0.0	0.0	0.0	North America	Asset Pool	n/a (7)	n/a (7)
CI-10013	Lease/Equipment	0.0	0.0	0.0	North America	Hard Asset	n/a (12)	n/a (12)
CI-2686	Other Assets	0.5	0.5	0.0	North America	Equity	n/a (4)	n/a (4)
CA-7092	Consumer	0.0	0.0	0.0	North America	Equity	n/a (4)	n/a (4)
CA-7573	Consumer	0.0	0.0	0.0	Asia Pacific	Asset Pool	n/a (7)	n/a (7)
CI-7721	Other Assets	0.0	0.0	0.0	North America	Legal Claim	n/a (4)	n/a (4)
CA-1052F	Consumer	2.6	2.6	0.0	North America	1st Lien	12.00%	n/a (7)
CA-1052S	Consumer	1.5	1.5	0.0	North America	1st Lien	12.00%	n/a (7)
Subtotal / Weighted average %		35.1	35.0	35.6			16.77%	56.9%
Total / Weighted average %		$ 105.7	$ 122.3	$ 120.6			15.67%	74.5%

13. ADDITIONAL ARENA FINCOs' INVESTMENT SCHEDULES (continued)

Details of the Loan and Private Asset positions of the Arena FINCOs are as follows:

[1] Principal represents the total funding commitment of a loan which, if applicable, is inclusive of any unfunded portion of the commitment at the end of the reporting period. Where a loan is issued at a discount, the cost amount includes the accreted discount as of the end of the reporting period. A loan may also be acquired at a cost lower than the par value of the principal outstanding.

[2] Some investments bear interest at a rate that may be determined by reference to SOFR or Prime which reset daily, monthly, quarterly, or semi-annually and may be subject to a floor. For each, the Company has provided the current contractual interest rate in effect at December 31, 2024. Interest rates listed are inclusive of payments in kind ("PIK"), where applicable. PIK is interest paid in kind through an increase in the principal amount of the loan. The internal rate of return for many investments is generally greater than or equal to the total coupon (additional yield resulting from original issue discounts and/or some form of profit sharing, e.g. warrants). In the event that the internal rate of return on the investment is less than the stated rate, the lower rate is noted.

[3] Loan to value ("LTV") represents the value of the outstanding loan as a percentage of the estimated fair value of the underlying collateral as of December 31, 2024.

[4] Investment is not a loan. Stated coupon and LTV are not applicable.

[5] Interest not accrued on loans purchased as non-performing.

[6] Investment represents owned real estate either purchased or acquired through a lender default. Metric is not available.

[7] Investment represents an unsecured credit pool purchase with no stated interest rate and no LTV.

[8] This investment represents a claim against proceeds subject to a litigation result whereby the FINCOs are not accruing interest.

[9] Investment is an equity investment. Stated coupon and LTV are not applicable.

[10] Investment is in maturity default where the Company and its partners acquired the borrower in bankruptcy. Metric is not applicable.

[11] State coupon and/or LTV are not applicable.

[12] Investment is an aircraft purchase and is not a loan.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

13. ADDITIONAL ARENA FINCOs' INVESTMENT SCHEDULES (continued)

Details of the Loan and Private Asset positions of the Arena FINCOs are as follows:

Details of Loan and Private Asset Positions — **December 31, 2023**

Ref. no.	Investments by industry	Principal [1]	Investments at cost	Investments at fair value	Geographic location	Collateral	Total coupon (including PIK) [2]	LTV [3]
Corporate Private Investments								
CPC-2209	Other Assets	$ 13.8	$ 14.2	$ 17.6	Europe	Equity	n/a [4]	n/a [4]
CPC-3222	Oil & Gas	11.5	11.7	16.2	North America	Equity	n/a [4]	n/a [4]
CPC-3349	Business Services	6.1	6.1	2.9	Asia Pacific	Equity	n/a [4]	n/a [4]
CPC-5143EQY	Oil & Gas	2.6	2.6	2.5	North America	Hard Asset	n/a [4]	n/a [4]
CPC-7277	Consumer Products	2.0	2.0	2.4	Asia Pacific	1st Lien	6.47%	n/a [11]
CPC-7871	Retail	2.1	1.4	1.7	North America	1st Lien	16.35%	49.3%
CPC-4985	Oil & Gas	1.3	1.3	1.7	North America	1st Lien	10.00%	76.5%
CPC-6859	Business Services	1.1	1.1	1.4	Asia Pacific	1st Lien	12.00%	22.7%
CPC-5325	Oil & Gas	3.2	3.2	1.0	North America	1st Lien	12.00%	40.9%
CPC-9129	Retail	0.8	0.8	0.8	Europe	1st Lien	14.50%	50.1%
CPC-7312	Business Services	0.9	0.6	0.8	North America	1st Lien	15.85%	37.7%
CPC-2170	Oil & Gas	1.7	1.2	0.7	North America	1st Lien	8.75%	45.7%
CPC-5889	Consumer Products	0.6	0.4	0.5	North America	1st Lien	14.00%	53.7%
CPC-2397	Financial Services	1.1	1.0	0.4	North America	Equity	n/a [4]	n/a [4]
CPC-7677	Financial Services	0.4	0.4	0.4	North America	1st Lien	19.35%	100%+
CPC-6677	Business Services	0.3	0.3	0.3	Europe	1st Lien	10.00%	1.8%
CPC-7312EQY	Business Services	0.3	0.3	0.3	North America	Equity	n/a [4]	n/a [4]
CPC-5914	Business Services	0.2	0.2	0.2	Europe	1st Lien	10.00%	0.3%
CPC-5913	Business Services	0.2	0.2	0.2	Europe	1st Lien	10.00%	0.9%
CPC-5830	Business Services	0.2	0.2	0.2	Europe	Equity	n/a [4]	n/a [4]
CPC-1010	Oil & Gas	0.2	0.2	0.2	North America	1st Lien	n/a [11]	43.0%
CPC-6374	Business Services	0.0	0.1	0.2	Europe	Equity	n/a [4]	n/a [4]
CPC-9140	Business Services	0.2	0.1	0.1	North America	Equity	n/a [4]	n/a [4]
CPC-6373	Business Services	0.1	0.1	0.1	Europe	1st Lien	10.00%	0.8%
CPC-5856	Business Services	0.1	0.1	0.1	Europe	1st Lien	12.00%	3.8%
CPC-3083	Business Services	0.0	0.0	0.0	North America	Equity	n/a [9]	n/a [9]
Subtotal / Weighted average %		$ 51.0	$ 49.8	$ 52.9			11.64%	43.5%

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

13. ADDITIONAL ARENA FINCOs' INVESTMENT SCHEDULES (continued)

Details of the Loan and Private Asset positions of the Arena FINCOs are as follows:

Details of Loan and Private Asset Positions (continued)								**December 31, 2023**
Ref. no.	Investments by industry	Principal (1)	Investments at cost	Investments at fair value	Geographic location	Collateral	Total coupon (including PIK) (2)	LTV (3)
Real Estate Private Investments								
RECPC-6932	Hospitality	$ 5.4	$ 6.4	$ 8.1	Europe	1st Mortgage	18.49%	100%+
RECPC-9082	Hospitality	4.9	4.9	4.9	North America	1st Mortgage	12.10%	53.9%
RECPC-2277	Land - Commercial Development	3.3	3.3	4.9	North America	1st Mortgage	24.00%	100%+
RECPC-8192	Retail	4.5	4.5	4.5	North America	1st Mortgage	10.82%	52.5%
RECPC-7586	Residential	2.4	2.4	2.9	Europe	1st Mortgage	12.50%	88.2%
RECPC-8135	Hospitality	2.3	2.2	2.7	Europe	Real Property	n/a (6)	n/a (6)
RECPC-2683	Land - Multi-Family Development	4.5	4.5	2.5	North America	Real Property	n/a (6)	n/a (6)
RECPC-7488	Residential	1.3	1.7	2.2	Asia Pacific	1st Mortgage	13.00%	81.7%
RECPC-4220	Residential	2.5	2.5	2.1	North America	Real Property	n/a (6)	n/a (6)
RECPC-8031	Commercial	1.2	1.4	1.4	Europe	Real Property	n/a (6)	n/a (6)
RECPC-5905	Land - Commercial Development	1.2	1.2	1.2	North America	1st Mortgage	19.92%	67.6%
RECPC-9232	Residential	1.1	1.1	1.2	Europe	Real Property	n/a (6)	n/a (6)
RECPC-8795	Land - Multi-Family Development	1.1	1.1	1.1	North America	1st Mortgage	25.00%	42.5%
RECPC-6996	Land - Single-Family Development	1.0	0.9	1.1	Asia Pacific	1st Mortgage	19.80%	68.8%
RECPC-6592	Hospitality	0.9	0.9	1.1	North America	1st Mortgage	11.82%	30.1%
RECPC-2560	Hospitality	1.4	1.4	0.9	North America	Real Property	n/a (6)	n/a (6)
RECPC-6506TL1	Land - Single-Family Development	1.2	1.2	0.9	Asia Pacific	1st Mortgage	8.00%	100%+
RECPC-6854	Residential	0.7	0.7	0.9	Europe	1st Mortgage	17.87%	60.4%
RECPC-7027	Hospitality	0.7	0.7	0.9	Europe	Real Property	n/a (6)	n/a (6)
RECPC-8888	Land - Commercial Development	0.8	0.8	0.8	North America	1st Mortgage	15.34%	34.5%
RECPC-7554	Commercial	0.6	0.7	0.8	Europe	Real Property	n/a (6)	n/a (6)
RECPC-8433	Hospitality	0.5	0.5	0.8	Europe	Real Property	n/a (6)	n/a (6)
RECPC-7654	Retail	0.6	0.6	0.6	North America	1st Mortgage	11.50%	12.1%
RECPC-9390	Residential	0.5	0.5	0.5	Europe	Real Property	n/a (6)	n/a (6)
RECPC-6995	Land - Single-Family Development	0.5	0.5	0.5	Asia Pacific	1st Mortgage	12.00%	51.4%
RECPC-6129	Hospitality	0.6	0.4	0.5	North America	1st Mortgage	14.00%	73.2%
RECPC-2592	Land - Commercial Development	0.4	0.4	0.5	North America	1st Mortgage	n/a (6)	n/a (6)
RECPC-6384EQ	Commercial	0.3	0.3	0.4	North America	Asset Pool	n/a (4)	n/a (4)
RECPC-9006	Residential	0.3	0.3	0.3	Europe	1st Lien	16.55%	59.2%
RECPC-8040	Land - Single-Family Development	0.3	0.3	0.3	North America	1st Mortgage	16.31%	48.1%
RECPC-7826	Multi-Family	0.3	0.3	0.3	Europe	Real Property	n/a (6)	n/a (6)
RECPC-7390	Residential	0.3	0.3	0.3	North America	1st Mortgage	20.00%	100%+
RECPC-6505	Land - Single-Family Development	0.5	0.5	0.2	Asia Pacific	1st Mortgage	12.00%	51.4%
RECPC-6242	Land - Single-Family Development	0.5	0.5	0.2	Asia Pacific	1st Mortgage	13.63%	100%+
RECPC-8843	Commercial	0.2	0.2	0.2	Europe	1st Lien	18.90%	55.6%
RECPC-9087	Residential	0.2	0.2	0.2	Europe	Real Property	n/a (6)	n/a (6)
RECPC-8118	Land - Single-Family Development	0.2	0.2	0.2	Asia Pacific	1st Mortgage	15.12%	100%+
RECPC-8682	Residential	0.1	0.1	0.1	Europe	Real Property	n/a (6)	n/a (6)
RECPC-1047	Land - Commercial Development	0.1	0.1	0.1	North America	1st Mortgage	15.00%	53.0%
RECPC-1015	Land - Commercial Development	0.1	0.1	0.0	North America	Real Property	n/a (6)	n/a (6)
RECPC-8417	Residential	0.0	0.0	0.0	Asia Pacific	1st Mortgage	12.00%	51.4%
RECPC-9238	Land - Single-Family Development	0.0	0.0	0.0	Asia Pacific	1st Lien	n/a (11)	51.4%
RECPC-9372	Land - Single-Family Development	0.0	0.0	0.0	Asia Pacific	1st Lien	13.63%	100%+
Subtotal / Weighted average %		$ 49.5	$ 50.8	$ 53.3			16.09%	78.2%

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

13. ADDITIONAL ARENA FINCOs' INVESTMENT SCHEDULES (continued)

Details of the Loan and Private Asset positions of the Arena FINCOs are as follows:

Details of Loan and Private Asset Positions (continued)								**December 31, 2023**
Ref. no.	Investments by industry	Principal (1)	Investments at cost	Investments at fair value	Geographic location	Collateral	Total coupon (including PIK) (2)	LTV (3)
Structured Finance and Assets								
SF-2239	Other Assets	$ 4.4	$ 5.1	$ 5.3	North America	1st Lien	n/a (11)	8.6%
CI-4898	Other Assets	4.0	4.0	4.1	North America	1st Lien	18.37%	41.5%
CI-8707	Other Assets	2.3	2.3	3.5	North America	Asset Pool	n/a (7)	n/a (7)
CA-5898	Consumer	2.7	2.6	3.2	North America	Asset Pool	n/a (7)	n/a (7)
CI-6785	Other Assets	3.3	3.0	3.0	North America	1st Lien	13.50%	70.1%
CI-2651	Other Assets	4.0	4.3	2.8	North America	Hard Asset	n/a (4)	n/a (4)
CA-7474	Consumer	1.8	1.8	2.4	North America	Asset Pool	n/a (7)	n/a (7)
CA-4946	Consumer	2.1	2.1	2.1	North America	1st Lien	20.39%	100%+
CA-6444	Consumer	1.9	1.9	2.1	Latin America	Asset Pool	n/a (7)	n/a (7)
SF-8578	Other Assets	1.6	1.5	2.1	North America	1st Lien	18.66%	17.6%
CI-3045	Other Assets	1.0	1.0	2.0	North America	Asset Pool	n/a (11)	63.3%
CI-5177	Other Assets	0.8	0.8	1.7	North America	Hard Asset	n/a (4)	n/a (4)
CI-1999EQ	Other Assets	3.0	3.0	1.5	North America	Equity	n/a (14)	n/a (14)
CI-5554A	Other Assets	1.7	1.3	1.4	North America	1st Lien	10.00%	73.6%
CPC-7227EQY	Other Assets	1.3	1.3	1.4	North America	Equity	n/a (4)	n/a (4)
CI-8399	Other Assets	1.2	1.2	1.2	North America	1st Lien	13.85%	58.3%
SF-7254	Other Assets	1.1	1.1	1.1	North America	1st Lien	27.00%	82.2%
CA-5596C	Consumer	1.1	1.1	1.1	North America	Asset Pool	n/a (7)	n/a (7)
CI-2201	Lease/Equipment	0.5	0.5	1.0	North America	Hard Asset	n/a (12)	n/a (12)
CI-6750	Other Assets	0.9	0.9	0.9	Europe	1st Lien	24.00%	62.2%
CI-3978	Other Assets	1.8	1.8	0.8	North America	Hard Asset	n/a (12)	n/a (12)
CA-6154	Consumer	0.8	0.8	0.8	Europe	1st Lien	18.50%	61.8%
CI-6648TL	Other Assets	0.8	0.8	0.8	North America	1st Lien	16.20%	62.2%
SF-7242	Other Assets	0.8	0.8	0.8	North America	1st Lien	17.38%	79.7%
CA-4718	Consumer	0.4	0.4	0.8	North America	Asset Pool	n/a (7)	n/a (7)
CI-2000	Other Assets	1.0	1.0	0.7	North America	Equity	n/a (9)	n/a (9)
CI-7442	Other Assets	0.7	0.7	0.7	North America	Hard Asset	n/a (4)	n/a (4)
CI-8104	Other Assets	0.6	0.6	0.7	North America	Hard Asset	n/a (4)	n/a (4)
CA-7092	Consumer	0.6	0.6	0.7	North America	1st Lien	9.00%	73.4%
CI-6565	Other Assets	0.5	0.5	0.5	North America	1st Lien	18.00%	62.2%
CA-7491	Consumer	0.2	0.0	0.5	North America	Asset Pool	n/a (7)	n/a (7)
CI-1520	Other Assets	0.2	0.2	0.4	North America	1st Lien	n/a (8)	47.8%
CI-1035	Other Assets	0.4	0.4	0.3	North America	1st Lien	0.00%	100.0%
CI-6004	Other Assets	0.3	0.3	0.3	Latin America	Hard Asset	n/a (4)	n/a (4)
CA-5596	Consumer	0.3	0.3	0.3	North America	Asset Pool	n/a (7)	n/a (7)
CI-4967	Other Assets	0.3	0.3	0.3	North America	Hard Asset	n/a (4)	n/a (4)
CA-6288	Consumer	0.2	0.2	0.3	North America	1st Lien	10.00%	31.2%
CI-7166	Other Assets	0.2	0.2	0.3	North America	Hard Asset	n/a (4)	n/a (4)
CI-7492	Other Assets	0.2	0.2	0.3	North America	Hard Asset	n/a (4)	n/a (4)
CI-2064	Other Assets	0.0	0.0	0.3	North America	Equity	n/a (4)	n/a (4)
CA-8621	Consumer	0.2	0.2	0.2	North America	Asset Pool	n/a (7)	n/a (7)
CI-6253	Other Assets	0.2	0.2	0.2	North America	1st Lien	7.88%	100%+
CI-7985	Other Assets	0.2	0.2	0.2	North America	1st Lien	15.00%	62.2%
SF-5396	Other Assets	0.2	0.2	0.2	North America	1st Lien	18.66%	87.0%
CA-6328	Other Assets	0.2	0.2	0.2	North America	1st Lien	12.00%	83.1%
CA-8720	Consumer	0.1	0.1	0.2	North America	Asset Pool	n/a (7)	n/a (7)
CA-4727	Consumer	0.1	0.0	0.2	North America	1st Lien	29.00%	66.0%
CA-2729	Consumer	0.1	0.1	0.1	North America	1st Lien	n/a (11)	100.0%
CI-6006	Lease/Equipment	0.0	0.0	0.1	North America	1st Lien	13.97%	91.1%
CA-1052F	Consumer	2.6	2.6	0.0	North America	1st Lien	15.00%	100.0%
CA-1052S	Consumer	1.5	1.5	0.0	North America	1st Lien	n/a (5)	100.0%
CI-2686	Other Assets	0.4	0.4	0.0	North America	Equity	n/a (4)	n/a (4)
CI-1018	Other Assets	0.2	0.2	0.0	North America	1st Lien	0.00%	100.0%
CI-8048	Other Assets	0.0	0.0	0.0	North America	Hard Asset	n/a (4)	n/a (4)
CA-7573	Consumer	0.0	0.0	0.0	Asia Pacific	Asset Pool	n/a (7)	n/a (7)
CI-7721	Other Assets	0.0	0.0	0.0	North America	1st Lien	7.88%	100%+
CI-1999	Other Assets	0.0	0.0	0.0	North America	1st Lien	n/a (10)	n/a (10)
Subtotal / Weighted average %		57.0	56.8	56.1			16.91%	54.0%
Total / Weighted average %		$ 157.5	$ 157.4	$ 162.3			15.57%	64.7%

13. ADDITIONAL ARENA FINCOs' INVESTMENT SCHEDULES (continued)

Details of the Loan and Private Asset positions of the Arena FINCOs are as follows:

[1] Principal represents the total funding commitment of a loan which, if applicable, is inclusive of any unfunded portion of the commitment at the end of the reporting period. Where a loan is issued at a discount, the cost amount includes the accreted discount as of the end of the reporting period. A loan may also be acquired at a cost lower than the par value of the principal outstanding.

[2] Some investments bear interest at a rate that may be determined by reference to SOFR or Prime which reset daily, monthly, quarterly, or semi-annually and may be subject to a floor. For each, the Company has provided the current contractual interest rate in effect at December 31, 2023. Interest rates listed are inclusive of PIK, where applicable. PIK is interest paid in kind through an increase in the principal amount of the loan. The internal rate of return for many investments is generally greater than or equal to the total coupon (additional yield resulting from original issue discounts and/or some form of profit sharing, e.g. warrants). In the event that the internal rate of return on the investment is less than the stated rate, the lower rate is noted.

[3] Loan to value ("LTV") represents the value of the outstanding loan as a percentage of the estimated fair value of the underlying collateral as of December 31, 2023.

[4] Investment is not a loan. Stated coupon and LTV are not applicable.

[5] Interest not accrued on loans purchased as non-performing.

[6] Investment represents owned real estate either purchased or acquired through a lender default. Metric is not available.

[7] Investment represents an unsecured credit pool purchase with no stated interest rate and no LTV.

[8] This investment represents a claim against proceeds subject to a litigation result whereby the FINCOs are not accruing interest.

[9] Investment is an equity investment. Stated coupon and LTV are not applicable.

[10] Investment is in maturity default where the Company and its partners acquired the borrower in bankruptcy. Metric is not applicable.

[11] State coupon and/or LTV are not applicable.

[12] Investment is an aircraft purchase and is not a loan.

(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

14. NON-GAAP MEASURES

(a) Book value per share

Book value per share is computed as book value divided by the adjusted number of Common Shares. The table below provides the reconciliation of the Company's shareholders' equity at the end of the period, determined on an IFRS basis, to book value, and the number of Common Shares outstanding at the end of the period to the adjusted number of Common Shares:

	December 31, 2024	December 31, 2023
Book value:		
Shareholders' equity per IFRS	$ 497.4	$ 518.3
Adjustments:		
RSU liability [1]	-	9.3
ASPP liability [2]	-	2.4
Stock options liability [3]	5.3	-
Assumed proceeds of exercised in-the-money options [3]	8.0	17.5
	$ 510.7	$ 547.5
Number of Common Shares:		
Number of Common Shares outstanding	21,706,501	21,959,548
Adjustments for assumed exercise of:		
Outstanding RSUs [1]	-	575,866
In-the-money options [3]	615,000	1,266,252
Adjusted number of Common Shares	22,321,501	23,801,666
Book value per share - in US$	$ 22.88	$ 22.98
Book value per share - in C$ [4]	$ 32.90	$ 30.48
Westaim TSXV closing share price - in C$	$ 31.02	$ 22.56

1 See Note 9, *Share-based Compensation* in the Notes to the Financial Statements. Liability related to RSUs converted from C$ to US$ at period end exchange rates. RSUs were exercisable for Common Shares or cash at no cost to the holders. Adjustment was made to reflect a reclassification of the RSU liability to shareholders' equity assuming all outstanding RSUs were exercised for Common Shares.

2 Shareholders' equity per IFRS was reduced by the liability required for the maximum amount that would be required to settle the ASPP.

3 See Note 9, *Share-based Compensation* in the Notes to the Financial Statements. Adjustments were made for all of the options outstanding at December 31, 2024 and 2023, since they were in-the-money. The exercise of in-the-money options is assumed to have resulted in an infusion of capital to the Company and a reduction of the stock options liability to $nil.

4 Book value per share converted from US$ to C$ at period end exchange rates. Period end exchange rates: 1.43815 at December 31, 2024 and 1.32405 at December 31, 2023.

(b) Net returns on the Arena FINCOs investment portfolios

Net Return 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.

15. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain portions of this MD&A, as well as other public statements by the Company, contain forward-looking statements information which reflect the current expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. In particular, the words "strategy", "may", "will", "continue", "developed", "objective", "potential", "exploring", "could", "expect", "expected", "expects", "tends", "indicates", and words and expressions of similar import, are intended to identify forward-looking statements. Such forward-looking statements include but are not limited to statements concerning: strategies, alternatives and objectives to maximize value for shareholders; expectations and assumptions relating to the Company's business plan; expectations and assumptions relating to the business and operations of the Arena FINCOs and Arena; expectations regarding the Company's assets and liabilities; the Company using the proceeds of its investments to acquire Common Shares and the completions and effects of the Proposed Transactions.

These statements are based on current expectations that are subject to risks, uncertainties and assumptions and the Company can give no assurance that these expectations are correct.

The Company's actual results or financial position could differ materially from those anticipated by these forward-looking statements for various reasons generally beyond the Company's control, including, without limitation, the following factors: risks inherent in acquisitions generally; the Company's cash flow; liquidity and financing risks; the Company's ability to raise additional capital; market turmoil, risk of volatile markets and market disruption risk; exposure to epidemics and/or pandemics; Company employee error or misconduct; cybersecurity risks; the condition of the global financial markets and economic and geopolitical conditions affecting Arena's business; the variable nature of Arena Investors' revenues, results of operations and cash flows; the effect of rapid changes and growth in AUM on Arena; Arena's ability to mitigate operational and due diligence risks; the subjective nature of the valuation of the Arena FINCOs' investments; changes in the investment management industry; Arena's ability to mitigate litigation-related and other legal-related risks; Arena's ability to find appropriate investment opportunities; Arena's ability to successfully navigate and secure compliance with regulations applicable to it and its business; Arena's ability to manage conflicts of interest; the investment performance of Arena Investors; the effects of a decrease in revenues as a result of significant redemptions in AUM on Arena Investors' business; Arena Investors' investment in illiquid investments; Arena's ability to implement effective risk management systems; Arena's ability to retain qualified management staff; Arena's ability to mitigate the risk of employee misconduct and employee error; competitive pressures faced by Arena Investors; Arena Investors' conflicts of interest with Arena FINCOs; Arena's loan concentration; the effect of epidemics, pandemics, outbreaks of disease and public health issues on Arena's business; effect of market conditions on the Arena FINCOs; exposure to Arena's risk management processes and systems; dependence by the Arena FINCOs on the creditworthiness of borrowers; the ability of the Arena FINCOs to mitigate the risk of default by and bankruptcy of a borrower; the ability of the Arena FINCOs to adequately obtain, perfect and secure loans; the ability of the Arena FINCOs to limit the need for enforcement or liquidation procedures; the ability of the Arena FINCOs to protect against fraud; the Arena FINCOs' ability to realize profits; the Arena FINCOs' investment in illiquid investments; Arena FINCO investments in businesses it does not control; valuation of the Arena FINCO investments will be subject to significant subjectivity; Arena FINCO's loan concentration; operations of the Arena FINCOs are largely unregulated; changes to the regulation of the asset-based lending industry; United States tax law implications relating to the conduct of a U.S. trade or business; the Arena FINCOs' use of leverage; the ability to complete the conditions precedent to the Proposed Transactions on the terms currently contemplated or at all, the Investment Agreement may be terminated in accordance with its terms, the costs incurred by the Company in efforts to complete the Proposed Transactions; assuming completion of the Proposed Transactions, then the ability of the Company to maintain a positive working relationship with CC Capital; the effect of the Company having a significant shareholder on its business, including effects on the liquidity of the Common Shares; the Company's ability to realize certain benefits of the Proposed Transactions; Ceres Life Insurance Company's ("Ceres Life") exposure to risks inherent in the establishment of a new venture and in the insurance and annuity market; the ability of the Company, Ceres Life and Arena to achieve anticipated synergies associated with the integration of insurance and asset management platforms; the ability to attract and retain key personnel to support the integration of the insurance and asset management platforms; Ceres Life's operating in a highly regulated space and other risk factors set forth herein or in the Company's annual report or other public filings.

The Company disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments or otherwise except as required by law. All forward-looking statements are expressly qualified in their entirety by this cautionary statement.

WESTAIM

March 26, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The accompanying consolidated financial statements including the notes thereto have been prepared by, and are the responsibility of, the management of The Westaim Corporation. This responsibility includes selecting appropriate accounting policies and making estimates and informed judgments based on the anticipated impact of current transactions, events and trends, consistent with International Financial Reporting Standards. The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. In meeting our responsibility for the reliability and timeliness of financial information, the Company maintains and relies upon a comprehensive system of internal controls including organizational, procedural and disclosure controls. The Audit Committee, which is comprised of three Directors, all of whom are independent, meets with management as well as the external auditors to satisfy itself that management is properly discharging its financial reporting responsibilities and to review the consolidated financial statements and the report of the auditors. It reports its findings to the Board of Directors who approve the consolidated financial statements.

The accompanying consolidated financial statements have been audited by Deloitte LLP, the independent auditors, in accordance with Canadian generally accepted auditing standards. The auditors have full and unrestricted access to the Audit Committee.

J. Cameron MacDonald
President and Chief Executive Officer

Glenn G. MacNeil
Chief Financial Officer

Deloitte LLP
Bay Adelaide East
8 Adelaide Street West
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Toronto ON M5H 0A9
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Independent Auditor's Report

To the Shareholders and the Board of Directors of
The Westaim Corporation

Opinion

We have audited the consolidated financial statements of The Westaim Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of (loss) profit and comprehensive (loss) income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Investments— Refer to Notes 2 and 5 to the financial statements

Key Audit Matter Description

The Company's investment portfolio includes private investments for which reliable quotations are not readily available, or for which there is no closing bid price. Management uses various valuation methodologies with unobservable market inputs in its determination of the fair value of private investments. The valuation methodologies used in estimating the fair value of these private investments vary based on the specific characteristics of the private investments.

The valuation of the private investments is inherently subjective and involves the use of significant management judgment and unobservable market inputs. As a result, the procedures related to the valuation methodologies and unobservable market inputs required a high degree of auditor judgment and increased audit effort, including the use of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

With the assistance of fair value specialists, our audit procedures related to the valuation methodologies and unobservable market inputs used by management to estimate the fair value of the private investments included the following, among others:

- Evaluated the appropriateness of the methodologies used in the valuation of private investments and the reasonableness of any significant changes in valuation methodologies or significant unobservable market inputs;
- Reviewed relevant internal and external information, including industry information, to assess the reasonability of unobservable market inputs in instances where these inputs were more subjective; and
- Evaluated significant judgments and estimates at the underlying private investments through oversight of the auditors of the private investments and assessing financial information from the auditors to understand significant judgments and estimates, significant findings or issues identified, actions taken to address them, and conclusions reached.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Eric Leopold.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 26, 2025

The Westaim Corporation

Consolidated Statements of Financial Position

(thousands of United States dollars)		December 31 2024		December 31 2023
ASSETS				
Cash	$	301,907	$	135,032
Loan receivable (note 3)		13,000		-
Income taxes receivable		307		494
Other assets (note 4)		2,183		988
Investments				
Investment in Skyward Specialty		-		236,470
Investment in Arena FINCOs (note 5)		173,852		147,234
Investment in Arena (note 5)		22,694		27,536
Investment in ASOF LP (note 5)		3,113		3,024
		199,659		414,264
Deferred tax asset (note 11)		6,160		1,043
	$	523,216	$	551,821
LIABILITIES				
Accounts payable and accrued liabilities (note 6)	$	25,748	$	31,269
Income taxes payable		57		1,004
Deferred tax liability		-		1,202
		25,805		33,475
Commitments and contingent liabilities (note 7)				
SHAREHOLDERS' EQUITY				
Share capital (note 8)		351,403		353,843
Contributed surplus (note 2m)		11,427		13,745
Accumulated other comprehensive loss (note 2n)		(2,227)		(2,227)
Retained earnings		136,808		152,985
		497,411		518,346
	$	523,216	$	551,821

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board

Ian W. Delaney
Director

John W. Gildner
Director

The Westaim Corporation

Consolidated Statements of (Loss) Profit and Comprehensive (Loss) Income

(thousands of United States dollars except share and per share data)	Year Ended December 31 2024	2023
Revenue		
Interest income (note 10)	$ 14,714	$ 3,754
Dividend income from investment in Arena FINCOs (notes 5 and 10)	1,900	4,400
Fee income (note 10)	425	473
	17,039	8,627
Net results of investments		
Increase in value of investment in Skyward Specialty (note 5)	19,852	210,255
Increase (decrease) in value of investment in Arena FINCOs, less dividends (note 5)	5,480	(10,379)
Share of (loss) income from investment in Arena (note 5)	(3,909)	4,437
Increase (decrease) in value of investment in ASOF LP (note 5)	89	(155)
	21,512	204,158
Net expenses		
Salaries and benefits	26,151	15,914
General and administrative	964	930
Other expenses (note 6)	4,000	-
Professional fees	11,413	1,445
Share-based compensation (note 9)	16,181	6,703
Foreign exchange (gain) loss	(675)	600
Interest on preferred securities	-	1,010
Derivative warrant gain	-	(98)
	58,034	26,504
(Loss) profit before income taxes	(19,483)	186,281
Income taxes recovery (expense) (note 11)	3,306	(2,299)
(Loss) profit and comprehensive (loss) income	$ (16,177)	$ 183,982
(Loss) earnings per share (note 12)		
Basic	$ (0.75)	$ 7.98
Diluted	$ (0.75)	$ 7.90
Weighted average common shares outstanding - basic	21,462,334	23,049,933
Weighted average common shares outstanding - diluted	21,462,334	23,732,445

The accompanying notes are an integral part of these consolidated financial statements.

The Westaim Corporation

Consolidated Statements of Changes in Equity

Year ended December 31, 2024 (thousands of United States dollars)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
Balance at January 1, 2024	$ 353,843	$ 13,745	$ (2,227)	$ 152,985	$ 518,346
Cancellation of common shares (note 8)	(9,779)	-	-	-	(9,779)
Change in automatic stock purchase plan ("ASPP") liability (note 6)	-	2,426	-	-	2,426
Change in stock option liability (note 9)	-	(4,744)	-	-	(4,744)
Shares issued from exercise of stock options and RSUs (note 8)	7,339	-	-	-	7,339
Loss and comprehensive loss	-	-	-	(16,177)	(16,177)
Balance at December 31, 2024	$ 351,403	$ 11,427	$ (2,227)	$ 136,808	$ 497,411

Year ended December 31, 2023 (thousands of United States dollars)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Total Equity
Balance at January 1, 2023	$ 378,563	$ 17,735	$ (2,227)	$ (30,997)	$ 363,074
Cancellation of common shares (note 8)	(26,386)	-	-	-	(26,386)
Change in automatic stock purchase plan ("ASPP") liability (note 6)	-	(2,426)	-	-	(2,426)
Shares issued from exercise of stock options (note 8)	102				102
Exercise and net exercise of stock options (note 8)	1,564	(1,564)			-
Profit and comprehensive income	-	-	-	183,982	183,982
Balance at December 31, 2023	$ 353,843	$ 13,745	$ (2,227)	$ 152,985	$ 518,346

The accompanying notes are an integral part of these consolidated financial statements.

The Westaim Corporation

Consolidated Cash Flow Statements

(thousands of United States dollars)		Year Ended December 31 2024		2023
Operating activities				
(Loss) profit	$	(16,177)	$	183,982
Increase in value of investment in Skyward Specialty (note 5)		(19,852)		(210,255)
(Increase) decrease in value of investment in Arena FINCOs, less dividends (note 5)		(5,480)		10,379
Share of loss (income) from investment in Arena (note 5)		3,909		(4,437)
(Increase) decrease in value of investment in ASOF LP (note 5)		(89)		155
Share-based compensation expense (note 9)		16,181		6,703
Share-based compensation payments (note 9)		(10,478)		(1,187)
Depreciation and amortization		124		137
Unrealized foreign exchange (gain) loss		(910)		688
Derivative warrant gain		-		(98)
Change in income taxes receivable, payable and deferred (note 11)		(7,079)		734
Net changes in other non-cash balances				
Change in other assets		(1,324)		(571)
Change in other accounts payable and accrued liabilities		(5,391)		10,678
Cash used in operating activities		(46,566)		(3,092)
Investing activities				
Receipt from dissolution of HIIG Partnership		-		449
Loans made to subsidiaries (note 3)		(25,000)		-
Repayment of loans made to subsidiaries (note 3)		12,000		-
Purchase of capital assets		(8)		-
Proceeds from sale of Skyward Specialty common shares (note 5)		256,322		192,215
Capital contribution to investments in Arena FINCOs (note 10)		(45,000)		-
Return of capital from investments in Arena FINCOs (note 10)		23,862		2,500
Distribution received from Arena		933		3,726
Cash provided from investing activities		223,109		198,890
Financing activities				
Settlement of Preferred Securities		-		(37,916)
Purchase and cancellation of Common Shares (note 8)		(9,731)		(26,386)
Proceeds from exercise of options and issuance of Common Shares (note 8)		63		102
Cash used in financing activities		(9,668)		(64,200)
Net increase in cash		166,875		131,598
Cash, beginning of year		135,032		3,434
Cash, end of year	$	301,907	$	135,032
Supplemental disclosure of cash flow information:				
Interest paid	$	-	$	1,476

The accompanying notes are an integral part of these consolidated financial statements.

1 Nature of Operations

The Westaim Corporation ("Westaim") was incorporated on May 7, 1996 by articles of incorporation under the *Business Corporations Act* (Alberta) ("ABCA") and on of December 31, 2024, Westaim changed its jurisdiction of incorporation to the state of Delaware with its head office now located at 405 Lexington Avenue, 59th Floor, New York, New York, United States. These consolidated financial statements were authorized for issue by the Board of Directors of Westaim on March 26, 2025.

On October 9, 2024, the Company, Wembley Group Partners, LP (the "Investor") (an affiliate of CC Capital Partners, LLC ("CC Capital")), Arena, Daniel Zwirn and Lawrence Cutler entered into an investment agreement (as amended on November 15, 2024) (the "Investment Agreement"). Pursuant to the Investment Agreement, the Investor agreed to make a $250,000 investment in the Company via a private placement (the "Private Placement") to acquire common shares of Westaim (the "Common Shares") and warrants to purchase Common Shares. The proposed transactions included in the Investment Agreement (the "Proposed Transactions") have not yet closed.

On December 31, 2024, the Company completed a statutory plan of arrangement under the ABCA (the "Plan of Arrangement") pursuant to which, among other things, it consolidated its Common Shares on the basis of one post-consolidation Common Share for every six pre-consolidation Common Shares (the "Share Consolidation") and changed its jurisdiction of incorporation from the Province of Alberta in Canada to the State of Delaware in the United States (the "Redomiciliation"). Unless otherwise indicated, all references to Common Shares herein are after giving effect to the Share Consolidation.

These consolidated financial statements include the accounts of Westaim and its wholly owned subsidiaries, Westaim HIIG GP Inc. ("HIIG GP"), Westaim Skyward Holdings ULC ("WSH"), Westaim Canada Services Corporation ("WCSC"), Arena Finance Company II Inc. ("AFCII") and The Westaim Corporation of America ("WCA") and are collectively referred to as the "Company". On October 4, 2024, AFCII was dissolved with Westaim assuming all the assets and liabilities of AFCII. On December 31, 2024, prior to Westaim's continuance as a Delaware corporation, HIIG GP and WSH entered into conveyance agreements which resulted in all the assets and liabilities of HIIG GP and WSH being assumed by Westaim. On December 31, 2024, subsequent to Westaim's continuance as a Delaware corporation, WCA was liquidated with Westaim assuming all the assets and liabilities of WCA.

Westaim is a United States investment company specializing in providing long-term capital to businesses operating primarily within the global financial services industry. The Company's principal investments consist of Arena FINCOs (as defined in note 5) and Arena (as defined in note 5). Westaim's Common Shares are listed and posted for trading on the TSX Venture Exchange (the "TSXV") under the symbol "WED".

All currency amounts are expressed in thousands of United States dollars ("US$"), the functional and presentation currency of the Company, except per share data, unless otherwise indicated.

2 Summary of Material Accounting Policies

The material accounting policies used to prepare these interim consolidated financial statements are as follows:

(a) Basis of preparation

These consolidated financial statements are prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The financial statements of entities controlled by Westaim which provide investment-related services are consolidated. These entities consist of its wholly owned subsidiaries, WCSC, HIIG GP, WSH, AFCII and WCA (with AFCII and WCA being dissolved on or prior to December 31, 2024). See note 1, nature of operations. The financial results of these entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company controls an entity when the Company has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Assessment of control is based on the substance of the relationship between the Company and the entity and includes consideration of both existing voting rights and, if applicable, potential voting rights that are currently exercisable or convertible. Intercompany balances and transactions are eliminated upon consolidation.

The Company follows the material accounting policies included under IAS 1 "*Presentation of Financial Statements*" which states, effective for annual reporting periods beginning on or after January 1, 2023, an entity shall disclose material accounting policy information. Accounting policy information is material if, when considered together with other information included in the Company's consolidated financial statements, it can reasonably be expected to influence decisions that the primary users of its financial statements make on the basis of those financial statements.

The Company meets the definition of an investment entity under IFRS 10 "*Consolidated Financial Statements*" ("IFRS 10") and measures its investments in relevant subsidiaries at fair value through profit or loss ("FVTPL"), instead of consolidating those subsidiaries in its consolidated financial statements. Investments accounted for at FVTPL consist of Skyward Specialty, the Arena FINCOs and Arena Special Opportunities Fund, LP ("ASOF LP"). See note 5 for investments' definitions.

2 Summary of Material Accounting Policies (continued)

Investment in associates are accounted for using the equity method in accordance with IAS 28 "*Investments in Associates and Joint Ventures*" ("IAS 28") and consists of investments in corporations or limited partnerships where the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. The Company's investment in associates consist of its investment in Arena and is reported under 'investment in Arena' in the consolidated statements of financial position, with the Company's share of comprehensive (loss) income of Arena reported under 'net results of investments' in the consolidated statements of (loss) profit and comprehensive (loss) income.

(b) Functional and presentation currency

The US$ is the functional and presentation currency of the Company. IAS 21 "*The Effects of Changes in Foreign Exchange Rates*" describes functional currency as the currency of the primary economic environment in which an entity operates. A significant majority of the Company's revenues and costs are earned and incurred in US$, respectively.

(c) Use of estimates

The preparation of consolidated financial statements requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and changes in estimates are recorded in the reporting period in which they are determined. Key estimates include the fair value of investments classified as FVTPL, fair value of share-based compensation, and deferred tax assets and liabilities.

(d) Judgments made by management

Key areas where management has made difficult, complex or subjective judgments in the process of applying the Company's accounting policies, often as a result of matters that are inherently uncertain, include determining that the Company meets the definition of an investment entity under IFRS 10, valuation techniques for fair value determination of investments classified as FVTPL, applying the equity method of accounting for associates and determining that the Company's functional currency is the US$. For additional information on these judgments, see note 5 for investments and note 2(b) for functional currency.

(e) Foreign currency translation

Transactions in foreign currencies, including Canadian dollars ("C$"), are translated into US$ at rates of exchange prevailing at the time of such transactions. Monetary assets and liabilities transacted in foreign currencies are translated into US$ at rates of exchange at the end of the reporting period. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was measured. Any resulting foreign exchange gain or loss is included in the consolidated statements of (loss) profit and comprehensive (loss) income.

From time to time, the Company may enter into C$ exchange forward contracts to manage C$ currency exposures arising from C$ denominated transactions. The Company has not designated any C$ exchange forward contracts as accounting hedges. Any resulting C$ exchange gain or loss arising from the C$ exchange forward contracts is included in the consolidated statements of (loss) profit and comprehensive (loss) income.

(f) Revenue recognition

Interest income is recognized on an accrual basis and dividend income is recognized on the ex-dividend date. Advisory and management fees are recorded as fee income over time as these services are performed.

(g) Cash and cash equivalents

Cash and cash equivalents generally consist of cash on deposit and highly liquid short-term investments with original maturities of 90 days or less. At December 31, 2024 and 2023, the Company's cash consisted of cash on deposit in both C$ and US$ at Canadian Imperial Bank of Commerce and US$ at Citibank.

2 Summary of Material Accounting Policies (continued)

(h) Capital assets

The Company's capital assets are included in other assets and are reported at cost less accumulated depreciation. Depreciation is calculated based on the estimated useful life of the particular assets which is 3 to 10 years for furniture and equipment. Leasehold improvements are depreciated using the straight-line method over the lesser of the term of the lease or the estimated useful life of the assets. At the end of each reporting period, management reviews the carrying amounts of capital assets for any indication of impairment. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use.

(i) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys a right to control the use of an identified asset, the Company assesses whether, i) the contract involves an identified asset, which is physically distinct and cannot be substituted by the supplier, ii) the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset during the period of use, and iii) the Company has the right to operate the identified asset or the Company designed the identified asset in a way that predetermines how and for what purpose the identified asset will be used.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any costs incurred to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is measured using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

The lease liability is initially measured at the present value of the future lease payments not paid at the commencement date and the lease payments are discounted using the interest rate implicit in the lease if the rate can be readily determined, or the lessee's incremental borrowing rate if the rate cannot be determined.

In accordance with IFRS 16 "*Leases*" ("IFRS 16"), the Company has elected not to recognize right of use assets and lease liabilities for short term leases of less than a term of 12 months and leases of low value. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

(j) Investments

The Company's investments in Skyward Specialty, Arena FINCOs and ASOF LP are classified as FVTPL and are carried at fair value. At initial recognition, these investments were measured at cost, which was representative of fair value, and subsequently, at each reporting date, recorded at fair value with increases and decreases arising from changes in fair values including the impact of dividends and/or distributions being recorded in the consolidated statements of (loss) profit and comprehensive (loss) income for the period in which they arise. Transaction costs on the investments are expensed as incurred.

Investment in Arena was initially recorded at cost and subsequently adjusted to recognize the Company's share of comprehensive (loss) income of Arena, any distributions received from Arena, and the balance of the Company's revolving loan to Arena.

Investments in public entities are valued at unadjusted published quotes for identical investments exchanged in active markets. Investments in financial assets and instruments that are not traded in an active market, including private entities, are generally valued initially at the cost of acquisition on the basis that such cost is a reasonable estimate of fair value. Such investments are subsequently revalued using accepted industry valuation techniques. The Company considers a variety of methods and makes assumptions that are based on market conditions existing at each period end date. Valuation techniques used may include initial acquisition cost, net asset value, discounted cash flow analysis, comparable recent arm's length transactions, comparable publicly traded company metrics, reference to other instruments that are substantially the same, option pricing models and other valuation techniques commonly used by market participants. Any sale, size or other liquidity restrictions on the investment are also considered by management in its determination of fair value. Due to the inherent uncertainty of valuation, management's estimated values may differ significantly from the values that would have been used had an active market for the investments existed, and the differences could be material.

2 Summary of Material Accounting Policies (continued)

The Company may use internally developed models, which are usually based on valuation methods and techniques generally recognized as accepted within the industry. Valuation models are used primarily to value unlisted equity and debt securities for which no market quotes exist or where markets were or have been inactive during the financial period. Some of the inputs to these models may not be observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations therefore may include adjustments, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

Management is responsible for performing fair value measurements included in the Company's consolidated financial statements for each reporting period. The Company prepares a detailed valuation for each reporting period describing the valuation processes and procedures undertaken by management. The applicable valuation memoranda are provided to members of the Company's audit committee and all valuation results are reviewed with the audit committee as part of its review of the Company's consolidated financial statements.

(k) Income taxes

Income taxes expense is recognized in the consolidated statements of (loss) profit and comprehensive (loss) income. Current taxes, based on taxable income in countries where the Company operates, may differ from tax recovery (expense) included in (loss) profit and comprehensive (loss) income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax assets are generally recognized for all deductible temporary income tax differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets and liabilities are determined based on the enacted or substantively enacted tax laws and rates that are anticipated to apply in the year of realization. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of the related assets and liabilities. The carrying amount of the deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Income tax assets and liabilities are offset when the Company intends to settle on a net basis and there is a legally enforceable right to do so.

(l) Warrants

Warrants subject to a cashless exercise at the discretion of the holder are classified as a derivative liability and measured at FVTPL. Change in the fair value of the warrants is reported in the consolidated statements of (loss) profit and comprehensive (loss) income for the period in which they arise.

(m) Contributed surplus

When share capital of the Company is repurchased by the Company, the amount by which the cost to repurchase the shares exceeds the average carrying value of the shares is included in contributed surplus. The cost of stock options was recognized over the period from the issue date to the vesting date and recorded as contributed surplus. When the stock options were exercised, the value attributed to the exercised stock options decreased contributed surplus with an increase in share capital. The valuation of the stock options immediately prior to the approval of the amended and restated stock option plan on May 16, 2024, which now gives the option holder the right to receive a cash settlement for the in-the-money value of their stock options (a surrender for cash), was recorded as a liability and a decrease to contributed surplus. When the Company enters into an issuer automatic purchase plan agreement ("ASPP") that is effective during the reporting period, the Company records an increase or decrease in contributed surplus for the change in value of the maximum amount that would be required to settle the ASPP at the end of each reporting period.

(n) Accumulated other comprehensive loss

Accumulated other comprehensive loss consists of cumulative exchange differences from currency translation as a result of a change in presentation currency from C$ to US$ on August 31, 2015.

(o) Share-based compensation

The Company maintains share-based compensation plans, which are described in note 9. The value attributed to stock options at issuance was recognized in the consolidated statements of (loss) profit and comprehensive (loss) income as an expense over the period from the issue date to the end of the vesting date with a corresponding increase in contributed surplus. Following the approval of the amended and restated stock option plan on May 16, 2024, the value of the stock options was recorded as a liability and a decrease to contributed surplus.

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

2 Summary of Material Accounting Policies (continued)

Obligations related to Deferred Share Units ("DSUs"), Restricted Share Units ("RSUs"), Stock Appreciation Rights ("SARs") and stock options, which can be settled for cash, are recorded as liabilities at fair value at each reporting date. DSUs and RSUs fair values are re-measured with reference to the fair value of the Company's stock price and the number of units that have vested. SARs and stock options fair values are re-measured using the Black-Scholes Method to determine fair value. When a change in value occurs for DSUs, RSUs, SARs, and stock options, it is recognized in share-based compensation expense or recovery and foreign exchange gain or loss in the applicable reporting period.

(p) (Loss) earnings per share

Basic (loss) earnings per share is calculated by dividing (loss) profit and comprehensive (loss) income by the weighted average number of Common Shares outstanding during the reporting period. See note 12 for the calculation of the weighted average number of Common Shares outstanding.

Diluted (loss) earnings per share is calculated by dividing (loss) profit and comprehensive (loss) income by the weighted average number of shares outstanding during the reporting period after adjusting both amounts for the effects of all dilutive Common Shares, which consist of stock options, RSUs and warrants, if applicable. Anti-dilutive potential Common Shares are not included in the calculation of diluted (loss) earnings per share. For the purpose of calculating diluted (loss) earnings per share, the Company assumes the exercise of dilutive stock options and warrants. The assumed proceeds from these dilutive stock options and warrants shall be regarded as having been received from the issue of Common Shares at the average market price of the Common Shares during the period. The difference between the number of Common Shares issued and the number of Common Shares that would have been issued at the average market price of Common Shares during the period are treated as an issue of Common Shares for no consideration.

(r) Adoption of new and amended accounting pronouncements

Amendments to IAS 1 "Presentation of financial statements" – classification of liabilities as current or non-current affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied for annual periods beginning on or after January 1, 2024, which the Company has adopted. There was no material impact on adoption.

3 Loan Receivable

On October 1, 2024, Arena Origination Co., LLC ("AOC"), one of the Arena FINCOs, and Westaim entered into a loan facility agreement (the "AOC Loan") of $25,000, which had $13,000 drawn and outstanding at December 31, 2024. The AOC Loan bears an interest rate of 7.25% per annum and interest is due at the end of each calendar quarter. See note 10, related party transactions.

Interest on the AOC Loan earned by the Company totaled $256 and $nil for the years ended December 31, 2024 and 2023, respectively, and was included in 'interest income' in the consolidated statements of (loss) profit and comprehensive (loss) income.

4 Other Assets

Other assets consist of the following:

	December 31, 2024	December 31, 2023
Capital assets	$ -	$ 8
Right of use asset	-	116
Bank interest receivable	1,246	626
AOC Loan interest receivable [1]	256	-
Accounts receivable and other	681	238
	$ 2,183	$ 988

[1] See note 10, related party transactions.

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

5 Investments

The Company's principal investments consist of its investment in Skyward Specialty, Arena FINCOs and Arena. Investments in Skyward Specialty and Arena FINCOs are measured at FVTPL and the investment in Arena is accounted for using the equity method.

	Place of establishment	Principal place of business	Ownership interest at December 31, 2024	Ownership interest at December 31, 2023
Skyward Specialty	Delaware, U.S.	Texas, U.S.	nil owned by the Company	17.5% owned by the Company
Arena FINCOs	Delaware, U.S.	New York, U.S.	100% owned by the Company	100% owned by the Company
Arena	Delaware, U.S.	New York, U.S.	51% owned by the Company	51% owned by the Company

The Company's investments in Skyward Specialty and Arena FINCOs are classified as FVTPL and are carried at fair value under 'investments' in the consolidated statements of financial position. Changes in fair value are reported under 'net results of investments' in the consolidated statements of (loss) profit and comprehensive (loss) income.

The Company's investments classified as FVTPL are as follows:

December 31, 2024	Fair value	Level 1	Level 2	Level 3
- Skyward Specialty	$ -	$ -	$ -	$ -
- Arena FINCOs	173,852	-	-	173,852
- ASOF LP	3,113	-	-	3,113
	$ 176,965	$ -	$ -	$ 176,965

December 31, 2023	Fair value	Level 1	Level 2	Level 3
- Skyward Specialty	$ 236,470	$ 236,470	$ -	$ -
- Arena FINCOs	147,234	-	-	147,234
- ASOF LP	3,024	-	-	3,024
	$ 386,728	$ 236,470	$ -	$ 150,258

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

During the year ended December 31, 2024, the Company fully disposed of all of its investment in Skyward Specialty, which was a Level 1 investment. During the year ended December 31, 2024, there were no transfers among Levels 1, 2 and 3. During the year ended December 31, 2023, the Company's investment in Skyward Specialty transferred from a Level 3 investment to a Level 1 as a result of the availability of quoted prices in an active market following the closing of Skyward Specialty's initial public offering (the "IPO"), which took place on January 18, 2023.

Investment in Skyward Specialty

The Company's investment in Skyward Specialty consisted of the following:

	Year ended December 31, 2024					
	Opening Balance	Proceeds from sale of Skyward Specialty common shares	Realized gain in value of investment	Net change in unrealized value of investment	Net increase in value of investment	Ending Balance
Skyward Specialty common shares held directly by the Company	$ 236,470	$ (256,322)	$ 160,122	$ (140,270)	$ 19,852	$ -

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

5 Investments (continued)

	Year ended December 31, 2023						
	Opening Balance	Proceeds from sale of Skyward Specialty common shares	Realized gain in value of investment	Net change in unrealized value of investment	Net increase in value of investment	Dissolution of HIIG Partnership	Ending Balance
Company's share of Skyward Specialty common shares held by the Westaim HIIG Limited Partnership (the "HIIG Partnership")	$ 109,227	$ -	$ -	$ 63,278	$ 63,278	$ (172,505)	$ -
Company's share of other net assets of the HIIG Partnership	372	-	-	77	77	(449)	-
Skyward Specialty common shares held directly by the Company	109,280	(192,215)	118,512	28,388	146,900	172,505	236,470
	$ 218,879	$ (192,215)	$ 118,512	$ 91,743	$ 210,255	$ (449)	$ 236,470

At December 31, 2024, the Company's $nil valuation of its investment in Skyward Specialty was the result of holding nil Skyward Specialty common shares. At December 31, 2023, the Company's $236,470 valuation of its investment in Skyward Specialty consisted solely of the 6,979,639 Skyward Specialty common shares held directly by the Company.

On January 18, 2023, Skyward Specialty closed its IPO. With the closing of the IPO, the Skyward Specialty convertible preferred shares, including those which the Company owned, automatically converted into Skyward Specialty shares of common stock.

On June 12, 2023, Westaim sold 3,987,500 Skyward Specialty common shares at a price to the public of $23.00 per Skyward Specialty common share through a Skyward Specialty secondary offering. The proceeds to Westaim from the 3,987,500 Skyward Specialty common shares it sold, less underwriting commissions of 4.75%, were $87,356. The accounting cost for the Skyward Specialty common shares sold, which the Company had held directly, was $24,084 and resulted in the Company recognizing an accounting realized gain of $63,272.

On July 31, 2023, the HIIG Partnership expired pursuant to the terms of HIIG Partnership's limited partnership agreement, originally made as of March 12, 2014 and amended and restated as of June 27, 2014 and as further amended on November 10, 2022. Accordingly, on July 31, 2023, the HIIG Partnership was dissolved and distributed its net assets to its limited partners, resulting in the Company (in its capacity as limited partner) receiving 7,281,780 Skyward Specialty common shares and $449 in cash.

On November 20, 2023, Westaim sold 3,600,000 Skyward Specialty common shares at a price to the public of $30.50 per Skyward Specialty common share through a Skyward Specialty secondary offering. The proceeds to Westaim from the 3,600,000 Skyward Specialty common shares it sold, less underwriting commissions of 4.5%, were $104,859. The accounting cost for the Skyward Specialty common shares sold was $49,619 and resulted in the Company recognizing an accounting realized gain of $55,240.

On May 9, 2024, Westaim sold 5,060,000 Skyward Specialty common shares at a price to the public of $36.50 per Skyward Specialty common share through a Skyward Specialty secondary offering. The proceeds to Westaim from the 5,060,000 Skyward Specialty common shares it sold, less underwriting commissions of 4.0%, were $177,302. The accounting cost for the Skyward Specialty common shares sold was $69,742 and resulted in the Company recognizing an accounting realized gain of $107,560.

In September 2024, Westaim sold its remaining 1,919,639 Skyward Specialty common shares for proceeds, net of commissions, of $79,020 at an average price of $41.16 per Skyward Specialty common share. The accounting cost for the Skyward Specialty common shares sold was $26,458 and resulted in the Company recognizing an accounting realized gain of $52,562.

As a result of the above transactions, in the year ended December 31, 2024, Westaim sold its remaining 6,979,639 Skyward Specialty common shares for net proceeds of $256,322, which had an accounting cost of $96,200 and resulted in the Company recognizing an accounting realized gain of $160,122.

The Company, through HIIG GP, had a management services agreement with Skyward Specialty, which was automatically terminated with the closing of the IPO of Skyward Specialty. The Company earned advisory fees of $nil and $23 from Skyward Specialty in the years ended December 31, 2024 and 2023, respectively.

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

5 Investments (continued)

FVTPL

The investment in Skyward Specialty is classified at Level 1 of the fair value hierarchy and is accounted for at FVTPL. The fair value of the Company's investment in Skyward Specialty was determined to be $nil at December 31, 2024 and $236,470 at December 31, 2023, which was supported by the closing trading price of the Skyward Specialty shares on the last trading day of the period.

At December 31, 2024, the Company held nil Skyward Specialty common shares. At December 31, 2023, the Company's investment in Skyward Specialty of $236,470 consisted of 6,979,639 Skyward Specialty common shares held directly by the Company at $33.88 per share.

The Company recorded a net realized and unrealized increase in the value in its investment in Skyward Specialty of $19,852 and $210,255 in the years ended December 31, 2024 and 2023, respectively, in the consolidated statements of (loss) profit and comprehensive (loss) income.

Investment in the Arena FINCOs

The Company owns a 100% interest in the Arena FINCOs and exercises control over the businesses of the Arena FINCOs.

Arena FINCOs are private companies which include specialty finance companies that primarily purchase fundamentals-based, asset-oriented credit and other investments for their own account and a company that primarily facilitates the origination of fundamentals-based, asset-oriented credit investments for its own account and/or possible future sale to specialty finance companies, clients of Arena and/or other third parties. The Company's investment in the Arena FINCOs is accounted for at FVTPL in the Company's consolidated financial statements.

The Company's investment in the Arena FINCOs consists of the following:

	Year ended December 31 2024	2023
Opening balance	$ 147,234	$ 160,113
Contribution of capital to the Arena FINCOs by the Company	45,000	-
Return of capital from the Arena FINCOs to the Company	(23,862)	(2,500)
Increase (decrease) in value before dividends	7,380	(5,979)
Dividends paid by the Arena FINCOs to the Company	(1,900)	(4,400)
Ending balance	$ 173,852	$ 147,234

FVTPL

The Company's investment in the Arena FINCOs is classified at Level 3 of the fair value hierarchy and is accounted for at FVTPL. The fair value of the Company's investment in the Arena FINCOs was determined to be $173,852 and $147,234 at December 31, 2024 and 2023, respectively.

Management used net asset value as the primary valuation technique and determined that 100% (or 1.0x) of the equity of the Arena FINCOs at December 31, 2024 in the amount of $173,852 approximated the fair value of the Company's investment in the Arena FINCOs. Management understands that the management of Arena values the underlying assets and liabilities of Arena FINCOs at fair value, and thus management has concluded that utilizing the net asset value of Arena FINCOs as the primary valuation technique is appropriate in determining the fair value of the Arena FINCOs at December 31, 2024. This same valuation technique was used to determine the fair value of the Company's investment in the Arena FINCOs of $147,234 at December 31, 2023.

The significant unobservable inputs used in the valuation of the Arena FINCOs at December 31, 2024 were the aggregate equity of the Arena FINCOs at December 31, 2024 and the multiple applied. Management applied a multiple of 1.0x as the equity of each of the entities reflected the net assets of the respective entity which were carried at fair value at December 31, 2024, as described below (December 31, 2023 – 1.0x). The equity contained certain significant judgments and estimates made by management of the Arena FINCOs, including the determination of the fair value of their subsidiaries' investments as noted below.

The carrying values of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities of the Arena FINCOs approximate their fair values due to the short maturity of these financial instruments. The Arena FINCOs also make investments in equity securities, corporate bonds, private loans and other private investments, warrants and derivative instruments. When an investment is acquired or originated, its fair value is generally the value of the consideration paid or received. Subsequent to initial recognition, the Arena FINCOs determine the fair value of the investments using the following valuation techniques and inputs:

5 Investments (continued)

- Equity securities that are actively traded on a securities exchange are valued based on quoted prices from the applicable exchange including, where appropriate, discounts for lack of marketability or transferability. Equity securities traded on inactive markets and certain foreign equity securities are valued using significant other observable inputs, if available, which include broker quotes or evaluated price quotes received from pricing services. If the inputs are not observable or available on a timely basis, the values of these securities are determined using valuation methodologies for Level 3 investments described below.

- Corporate bonds are valued using various inputs and techniques, which include third-party pricing services, dealer quotations, and recently executed transactions in securities of the issuer or comparable issuers. Adjustments to individual bonds can be applied to recognize trading differences compared to other bonds issued by the same issuer. Values for high-yield bonds are based primarily on pricing services and dealer quotations from relevant market makers where available. The dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds, and sector-specific trends. If these inputs are not observable or timely, the values of corporate bonds and convertible bonds are determined using valuation methodologies for Level 3 investments described below.

- Private loans and other private investments are valued using valuation methodologies for Level 3 investments. When valuing private loans, factors evaluated include the impact of changes in market yields, credit quality of the borrowers and estimated collateral values. If there is sufficient credit coverage, a yield analysis is performed by projecting cash flows for the instrument and discounting the cash flows to present value using a market-based, risk adjusted rate. On each valuation date, an analysis of market yields is also performed to determine if any adjustments to the fair values are necessary. Techniques used to value collateral, real estate, and other hard assets include discounted cash flows, with the discount rate being the primary unobservable input, recent transaction pricing and third-party appraisals. Private investments held through joint ventures are valued net of each respective joint venture waterfall and other joint venture assets and liabilities.

- Warrants that are actively traded on a securities exchange are valued based on quoted prices. Warrants that are traded over the counter or are privately issued are valued based on observable market inputs, if available. If these inputs are not observable or timely, the values of warrants are determined using valuation methodologies for Level 3 investments described below.

- Listed derivative instruments, such as listed options, that are actively traded on a national securities exchange are valued based on quoted prices from the applicable exchange. Derivative instruments that are not listed on an exchange are valued using pricing inputs observed from actively quoted markets. If the pricing inputs used are not observable and/or the market for the applicable derivative instruments is inactive, the values of the derivative instruments are determined using valuation methodologies for Level 3 investments described below.

Where pricing inputs are unobservable and there is little, if any, market activity for Level 3 investments, fair values are determined by management of the Arena FINCOs using valuation methodologies that consider a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. The inputs into the determination of fair value may require significant judgment by management of the Arena FINCOs. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

Management considers other secondary valuation methodologies as a way to ensure no significant contradictory evidence exists that would suggest an adjustment to the fair value as determined by the primary valuation methodology used. In order to do this, the Company may also consider valuation techniques including the review of comparable arm's length transactions involving other specialty finance companies and comparable publicly traded company valuations. For certainty, these secondary valuation techniques were not used to arrive at the fair values of the Company's investment in the Arena FINCOs at the end of each reporting period.

The Company recorded an increase in the value of its investment in the Arena FINCOs of $7,380 before dividends paid of $1,900 in the year ended December 31, 2024, in the consolidated statements of (loss) profit and comprehensive (loss) income. The Company contributed $45,000 of additional capital to the Arena FINCOs in the year ended December 31, 2024. These funds were used by the Arena FINCOs to fully settle its $45,000 6.75% senior secured notes payable to third parties. In addition, the Arena FINCOs returned capital to the Company of $23,862 in the year ended December 31, 2024. The Company recorded a decrease in the value of its investment in the Arena FINCOs of $5,979 before dividends paid of $4,400 in the year ended December 31, 2023. In addition, the Arena FINCOs returned capital to the Company in the amount of $2,500 in the year ended December 31, 2023.

For purposes of assessing the sensitivity of the equity of the Arena FINCOs on the valuation of the Company's investment in the Arena FINCOs, if the equity of the Arena FINCOs at December 31, 2024 was higher by $1,000, the fair value of the Company's investment in the Arena FINCOs at December 31, 2024 would have increased by $1,000 (December 31, 2023 - $1,000) and the change in the value of the investment in the Arena FINCOs for the year ended December 31, 2024 would have increased by $1,000 (for the year ended December 31, 2023 - $1,000). If the equity of the Arena FINCOs at December 31, 2024 was lower by $1,000, an opposite effect would have resulted.

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

5 Investments (continued)

Investment in Arena

Arena Investors Group Holdings, LLC (“AIGH” or “Arena”), a private company, operates two businesses, Arena Investors and Arena Institutional Services (“AIS”). Arena Investors is a US-based investment manager offering third-party clients access to primarily fundamentals-based, asset-oriented credit and other investments that aim to deliver attractive yields with low volatility. Arena Investors provides investment services to third-party clients consisting of but not limited to institutional clients, insurance companies, private investment funds, other pooled investment vehicles, and the Arena FINCOs. AIS provides non-investment advisory services for Arena and third parties.

On August 31, 2015, agreements were entered into between the Company and BP LLC in respect of Arena (the “Associate Agreements”). BP LLC’s initial profit sharing percentage is 49%, and under the Associate Agreements, BP LLC has the right to earn-in up to 75% equity ownership percentage in Arena and share up to 75% of the profit of Arena based on achieving certain assets under management (“AUM”) and cash flow (measured by the margin of trailing twelve months earnings before interest, income taxes, depreciation and amortization to trailing twelve month revenues) thresholds in accordance with the Associate Agreements. At December 31, 2024 and 2023, the Company’s equity ownership of Arena and its profit sharing percentage was 51%. As part of the Proposed Transactions, the Company will own 100% of the equity interests of AIGH after profit sharing distributions are made to BP LLC, CC Capital, and the Company. See note 1, nature of operations, for further information on the Proposed Transactions.

The Company concluded that based on the contractual rights and obligations under the Associate Agreements, the Company does not exercise control but exercises significant influence over Arena. The Company’s investment in Arena is therefore accounted for using the equity method in accordance with IAS 28.

The following summarized financial information represents amounts within the financial statements of Arena:

	December 31, 2024	December 31, 2023
Financial information of Arena:		
Assets	$ 70,238	$ 81,877
Liabilities	(69,900)	(70,656)
Net assets	338	11,221
Less: net assets attributable to non-controlling interests	3,068	4,458
Net (liabilities) assets attributable to Arena	$ (2,730)	$ 6,763
Company’s share	$ (1,306)	$ 3,536
Arena Revolving Loan with the Company	24,000	24,000
Carrying amount of the Company’s investment in Arena	$ 22,694	$ 27,536

	Year ended December 31 2024	2023
Financial information of Arena:		
Revenue and other net investment gains (losses)	$ 53,781	$ 64,033
Operating expenses [1]	(61,995)	(51,054)
Net (loss) income and other comprehensive (loss) income	(8,214)	12,979
Comprehensive (loss) income attributable to non-controlling interests	(549)	4,280
Comprehensive (loss) income attributable to Arena	$ (7,665)	$ 8,699
Company’s share of comprehensive (loss) income of Arena (51%)	$ (3,909)	$ 4,437

[1] Includes interest expense on the Arena’s Revolving Loan granted by the Company of $1,740 and $1,642 in the years ended December 31, 2024 and 2023, respectively.

The following table shows the continuity of the carrying amount of the Company’s investment in Arena:

	Year ended December 31 2024	2023
Carrying amount of investment in Arena:		
Opening balance	$ 27,536	$ 26,957
Company’s share of comprehensive (loss) income of Arena (51%)	(3,909)	4,437
Company’s share of cash and non-cash distributions from Arena to members	(933)	(3,858)
Ending balance	$ 22,694	$ 27,536

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

5 Investments (continued)

The Company has a revolving loan to Arena (the "Arena Revolving Loan") with a limit of $35,000 at December 31, 2024 (December 31, 2023 - $35,000) in order to continue funding growth initiatives and working capital needs of Arena. The Arena Revolving Loan bore an interest rate of 5.60% per annum through to March 31, 2023 and increased to 7.25% per annum effective on April 1, 2023. Arena had drawn down the loan facility by $24,000 at December 31, 2024 (December 31, 2023 - $24,000). The loan facility is secured by all the assets of Arena. The Company earned and received interest on the Arena Revolving Loan of $1,740 and $1,642 for the years ended December 31, 2024 and 2023, respectively, which was reported under 'interest income' in the consolidated statements of (loss) profit and comprehensive (loss) income. See note 15, subsequent events for the new revolving loan to Arena.

The Company's 51% share of comprehensive (loss) income of Arena was $(3,909) and $4,437 in the years ended December 31, 2024 and 2023, respectively, which was reported under 'share of (loss) income from investment in Arena' in the consolidated statements of (loss) profit and comprehensive (loss) income.

Investment in ASOF LP

The Company's investment in ASOF LP, an open-ended fund managed by Arena Investors, is classified at Level 3 of the fair value hierarchy and measured at FVTPL. At December 31, 2024 and 2023, the fair value of the Company's minority interest in ASOF LP was determined by Arena Investors to be $3,113 and $3,024, respectively. The Company reported an increase in the value of its investment in ASOF LP of $89 and a decrease of $155 in the years ended December 31, 2024 and 2023, respectively, which was reported under 'increase (decrease) in value of investment in ASOF LP' in the consolidated statements of (loss) profit and comprehensive (loss) income.

6 Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31, 2024	December 31, 2023
RSUs	$ -	$ 9,285
DSUs (note 9)	4,520	2,918
SARs (note 9)	6,505	1,909
Stock options liability (note 9)	5,324	-
Emigration tax	4,000	-
Lease liability	-	128
ASPP liability	-	2,426
Other accounts payable and accrued liabilities [1]	5,399	14,603
Ending balance	$ 25,748	$ 31,269

[1] See note 10, related party transactions for accrued liabilities for Chief Strategy Officer.

As a result of the Redomiciliation, the Company is required to pay an emigration tax to the Canada Revenue Agency primarily based on the deemed disposition of the net assets that are leaving Canada. The Company reported an emigration tax expense of $4,000 and $nil in the years ended December 31, 2024 and 2023, respectively, which was reported under 'other expenses' in the consolidated statements of (loss) profit and comprehensive (loss) income.

7 Commitments and Contingent Liabilities

Effective December 1, 2019, the Company entered into an operating lease for the office premises in Toronto, Ontario which expired on November 30, 2024, and was subsequently extended to November 30, 2025. At December 31, 2024, the Company had a total commitment of $240 for future occupancy cost payments including payments due not later than one year of $240 and payments due later than one year of $nil. At December 31, 2023, the Company had a total commitment of $253 for future occupancy cost payments including payments due not later than one year of $253 and payments due later than one year of $nil.

Pursuant to the Investment Agreement, the Company will pay the Investor up to $10,000 if the Investment Agreement is terminated under certain circumstances.

8 Share Capital

After giving effect to the Redomiciliation, Westaim's authorized capital consists of 160,000,000 Common Shares, par value $0.001 per share and 100,000,000 shares of preferred stock ("Preferred Shares"), par value $0.001 per share.

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

8 Share Capital (continued)

At December 31, 2024 and 2023, there were no shares of Westaim held by the Company. At December 31, 2024, there were no Preferred Shares outstanding. At December 31, 2023, there were no Class A preferred shares or Class B preferred shares (as contemplated by Westaim's articles prior to the Redomiciliation) outstanding.

On December 31, 2024, the Company completed the Share Consolidation of its Common Shares on the basis of one post-consolidation Common Share for every six pre-consolidation Common Shares. The consolidated financial statements and these notes to the financial statements reflect the impact of the Share Consolidation for all periods and references to the number of Common Shares, Stock Options, DSUs, RSUs, and SARs and any per share amounts, with respect to Westaim's securities.

At December 31, 2024, Westaim had 21,706,501 Common Shares issued and outstanding (December 31, 2023 – 21,959,548), with a stated capital of $351,403 (December 31, 2023 - $353,843). In the year ended December 31, 2024, Westaim acquired and canceled 597,735 Common Shares, at a cost of $9,731. In the year ended December 31, 2024, Westaim issued 194,393 Common Shares to stock option holders through the exercise and net exercise of 464,389 of the Company's stock options for proceeds of $63 with an options liability fair value of $4,077 which increased share capital and decreased stock options liability. In the year ended December 31, 2024, Westaim issued 150,295 Common Shares to RSU holders through the exercise of 150,295 RSUs with a fair value of $3,199 which increased share capital and decreased RSUs liability. As a result of the net fair value of the Common Shares acquired and cancelled less Common Shares issued, the Company recorded a decrease in share capital of $48 for the Canadian public company 2% net share buy-back Canadian federal tax. In the year ended December 31, 2023, Westaim acquired and cancelled 1,649,363 Common Shares at a cost of $26,386 through its prior NCIB. Also in the year ended December 31, 2023, Westaim issued 44,458 Common Shares to stock option holders through the exercise and net exercise of 463,230 of the Company's stock options for proceeds of $102 with an equity book value of $1,564 which increased share capital and decreased contributed surplus. See note 9 for share-based compensation, stock options.

The NCIB for the 12-month period which commenced October 1, 2023 and expired on September 30, 2024, provided that Westaim could purchase up to 1,900,000 Common Shares in total, representing approximately 10% of Westaim's public float (as at the commencement of the NCIB) and not more than approximately 450,000 Common Shares within any 30-day period. The NCIB for the 12-month period which commenced October 1, 2022 and ended September 30, 2023, provided that Westaim could purchase up to 1,834,249 Common Shares in total and not more than 471,289 Common Shares within any 30-day period. Westaim was conducting the NCIB because it believed the Common Shares traded in a price range that represented an attractive investment and was a desirable use of its corporate funds.

9 Share-based Compensation

Westaim's long-term equity incentive plan (the "Incentive Plan") provides for grants of RSUs, DSUs, SARs, stock options and other share-based awards. Westaim also has a stand-alone legacy incentive stock option plan (the "Legacy Option Plan").

The aggregate number of Common Shares which may be reserved for issuance upon exercise of all stock options under the Incentive Plan (and all other security based compensation arrangements, including the Legacy Option Plan) is limited to not more than 10% of the aggregate number of Common Shares outstanding at the time of grant or 2,170,650 at December 31, 2024 (December 31, 2023 – 2,195,954). Additionally, under the Incentive Plan, the aggregate number of Common Shares which may be reserved for issuance upon the exercise or redemption of all security based compensation awards, other than stock options, granted under the Incentive Plan (and all other security based compensation arrangements) shall not exceed 2,136,206 Common Shares, subject to increase to 3,334,189 Common Shares upon closing of the Proposed Transactions. As the DSUs and SARs are settled solely in cash, they are not included in the limitations contemplated above. Shareholders can obtain a copy of the Notice of Intention to Make a Normal Course Issuer Bid submitted to the TSXV with respect to the NCIB for the 12-month period ended: (a) September 30, 2024; or (b) September 30, 2023, without charge, by contacting Westaim.

Stock Options - Changes to the number of stock options are as follows:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Opening balance	1,266,252	C$ 18.30	1,738,056	C$ 18.60
Settled options	(616,958)	18.00	(463,230)	C$ 19.50
Forfeited stock options	(34,294)	18.29	(8,574)	C$ 18.30
Ending balance	615,000	C$ 18.60	1,266,252	C$ 18.30
Stock options vested at end of period	615,000	C$ 18.60	1,266,252	C$ 18.30

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

9 Share-based Compensation (continued)

December 31, 2024 Exercise prices	Number of stock options outstanding	Weighted Average Remaining Contractual Life (years)	Outstanding Weighted Average Exercise Price	Number of stock options vested	Vested Weighted Average Exercise Price
C$ 18.60	615,000	0.05	C$ 18.60	615,000	C$ 18.60

December 31, 2023 Exercise prices	Number of stock options outstanding	Weighted Average Remaining Contractual Life (years)	Outstanding Weighted Average Exercise Price	Number of stock options vested	Vested Weighted Average Exercise Price
C$ 18.60	631,667	1.05	C$ 18.60	631,667	C$ 18.60
C$ 18.00	634,585	0.25	C$ 18.00	634,585	C$ 18.00
	1,266,252	0.65	C$ 18.30	1,266,252	C$ 18.30

On April 3, 2017, 643,400 stock options were granted to certain officers and employees of Westaim (the “2017 Options”). Subject to the terms of the Legacy Option Plan, the 2017 Options have a term of seven years, vested in three equal instalments on December 31, 2017, December 31, 2018 and December 31, 2019, and have an exercise price of C$18.00. The fair value of the 2017 Options was C$5.1696 per option estimated using the Black-Scholes option pricing model assuming no dividends are paid on the Common Shares, a risk-free interest rate of 1.00%, an average life of 4.0 years, volatility of 35.45%, and a grant date share price of C$17.88 converted to US$ at an exchange rate of $1.3386.

In January 2023, 4,407 of the 2017 Options were forfeited by a prior employee. On December 28, 2023, 4,407 of the 2017 Options were exercised and the Company received $60 and issued 4,407 Common Shares to the stock option holder. In December 2024, 17,628 of the 2017 Options were forfeited, 5,000 of the 2017 Options were exercised and the Company received $63 and issued 5,000 Common Shares to the stock option holder, 459,389 of the 2017 Options were net exercised and the Company issued 189,393 Common Shares to the stock option holders, and 152,569 of the 2017 Options were cash surrendered and the Company paid $1,419 to the stock option holders. As a result, at December 31, 2024, there were no 2017 Options outstanding.

On January 18, 2018, 635,833 stock options were granted to certain officers and employees of Westaim (the “2018 Options”). Subject to the terms of the Legacy Option Plan, the 2018 Options have a term of seven years, vested in three equal instalments on December 31, 2018, December 31, 2019 and December 31, 2020, and have an exercise price of C$18.60. The fair value of the 2018 Options was C$4.311 per option estimated using the Black-Scholes option pricing model assuming no dividends are paid on the Common Shares, a risk-free interest rate of 1.92%, an average life of 4.0 years, volatility of 25.35%, and a grant date share price of C$18.60 converted to US$ at an exchange rate of $1.2429. In January 2023, 4,167 of the 2018 Options were forfeited by a prior employee. In December 2024, 16,666 of the 2018 Options were forfeited. As a result, at December 31, 2024, there were 615,000 of the 2018 Options outstanding.

At December 31, 2024, a liability of $5,324 (December 31, 2023 - $nil) had been accrued by Westaim with respect to the potential cash surrender of the outstanding stock options in the consolidated statements of financial position. During the year ending December 31, 2024, due to the approved change to the stock option plan in May 2024 which implemented the cash surrender feature, the original valuation of the remaining options of $4,642 and the increase in value of the options immediately prior to the approved change of $102 were reported as decreases in contributed surplus and increases in the stock options liability. Compensation expenses relating to stock options, including the impact of the change in the market value of the Common Shares, was an expense of $5,824 in the year ended December 31, 2024, which was reported under ‘share-based compensation expense’ in the consolidated statements of (loss) profit and comprehensive (loss) income. The Company also recorded an unrealized foreign exchange loss with respect to the stock option liability of $253 in the year ended December 31, 2024. The stock option expense was $nil in the year ended December 31, 2023.

No stock options were granted or issued in the years ended December 31, 2024 and 2023.

The amounts computed according to the Black-Scholes pricing model may not be indicative of the actual values realized upon the exercise of stock options by the holders.

Restricted Share Units - RSUs vest on specific dates and become payable when vested with either cash or Common Shares, at the option of the holder.

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

9 Share-based Compensation (continued)

Changes to the number of RSUs are as follows:

	Year ended December 31	
	2024	2023
Opening balance	575,866	495,866
Granted	-	80,000
Exercised for Common Shares	(150,295)	-
Surrendered for cash settlement	(425,571)	-
Ending balance	-	575,866

On November 14, 2014, an aggregate of 395,833 RSUs were granted to certain officers, employees and consultants of Westaim and at January 1, 2024, 341,666 RSUs were outstanding. On April 1, 2016, an additional 154,200 RSUs were granted to certain officers and employees of Westaim. On January 23, 2023, an additional 80,000 RSUs were granted to certain officers and employees of Westaim. The RSUs had a term of fifteen years from date of issue and on December 31, 2024, all of these RSUs had vested.

In December 2024, 150,295 RSUs were exercised and the Company issued 150,295 Common Shares with a value of $3,199. As part of the Plan of Arrangements on December 31, 2024, the remaining 425,571 RSUs were surrendered and the Company issued cash settlements of $9,058 to the RSU holders. As a result, there were no RSUs outstanding at December 31, 2024 (December 31, 2023 – 575,866). In the year December 31, 2023, no RSUs were exercised or cancelled.

Compensation expenses relating to RSUs, including the impact of the change in the market value of the Common Shares, was an expense of $3,751 and $3,356 in the years ended December 31, 2024 and 2023, respectively, which was reported under ‘share-based compensation expense’ in the consolidated statements of (loss) profit and comprehensive (loss) income. The Company also recorded a foreign exchange gain with respect to the RSUs of $779 and an unrealized foreign exchange loss of $148 in the years ended December 31, 2024 and 2023, respectively, which was reported under ‘foreign exchange (gain) loss’ in the consolidated statements of (loss) profit and comprehensive (loss) income. At December 31, 2024, a liability of $nil (December 31, 2023 - $9,285) had been accrued by Westaim with respect to outstanding RSUs in the consolidated statements of financial position.

Deferred Share Units - DSUs are issued to certain directors of Westaim in lieu of director fees, at their election, at the market value of the Common Shares at the date of grant and are paid out solely in cash no later than the end of the calendar year following the year the participant ceases to be a director.

Changes to the number of DSUs are as follows:

	Year ended December 31	
	2024	2023
Opening balance	171,264	225,856
Granted	38,283	26,373
Exercised for cash settlement	-	(80,965)
Ending balance	209,547	171,264

The Company issued 38,283 DSUs in the year ended December 31, 2024, in lieu of director fees of $695, and issued 26,373 DSUs in the year ended December 31, 2023, in lieu of director fees of $398. In the year ended December 31, 2023, 80,965 DSUs were exercised for cash of $1,187 paid to a former director of the Company.

Compensation expenses relating to DSUs, including the impact of the change in the market value of the Common Shares was an expense of $1,869 and $1,433 in the years ended December 31, 2024 and 2023, respectively, which was reported under ‘share-based compensation expense’ in the consolidated statements of (loss) profit and comprehensive (loss) income. The Company also recorded an unrealized foreign exchange gain with respect to the DSUs of $267 and an unrealized foreign exchange loss of $39 in the years ended December 31, 2024 and 2023, respectively, which was reported under ‘foreign exchange (gain) loss’ in the consolidated statements of (loss) profit and comprehensive (loss) income. At December 31, 2024, a liability of $4,520 (December 31, 2023 - $2,918) had been accrued with respect to outstanding DSUs in the consolidated statements of financial position.

Stock Appreciation Rights - SARs were issued to certain employees of Westaim which vested immediately and are to be paid out solely in cash for the amount that the trading price of the Common Shares at the time of exercise is in excess of the SARs strike price.

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

9 Share-based Compensation (continued)

On December 28, 2023, 723,088 SARs were issued to certain employees of Westaim (the "2023 SARs"). At December 31, 2024, the 2023 SARs had a fair value of $4,802 (December 31, 2023 - $1,909) which were estimated using the Black-Scholes model assuming no dividends are paid on the Common Shares, a risk-free interest rate of 2.9% (December 31, 2023 – 3.7%), volatility of 18.0% (December 31, 2023 – 16.4%), expiry on December 15, 2026, a closing price of C$31.02 per Common Share (December 31, 2023 – C$22.56 per Common Share) and a grant date strike price of C$22.98 converted to US$ at an exchange rate of 1.43815 (December 31, 2023 - 1.32405).

On December 31, 2024, 575,866 SARs were issued to certain employees of Westaim (the "2024 SARs"). At December 31, 2024, the 2024 SARs had a fair value of $1,703 which were estimated using the Black-Scholes model assuming no dividends are paid on the Common Shares, a risk-free interest rate of 2.9%, volatility of 17.1%, with expiry dates of either December 31, 2026 or December 15, 2027, a closing price of C$31.02 per Common Share and a grant date strike price of C$31.38 converted to US$ at an exchange rate of 1.43815.

Compensation expenses relating to SARs, including the impact of the change in the market value of the Common Shares was an expense of $4,737 and $1,914 in the years ended December 31, 2024 and 2023, respectively, which were reported under 'share-based compensation expense' in the consolidated statements of (loss) profit and comprehensive (loss) income. The Company also recorded an unrealized foreign exchange gain with respect to the SARs of $141 and $5 in the years ended December 31, 2024 and 2023, respectively, which were reported under 'foreign exchange (gain) loss' in the consolidated statements of (loss) profit and comprehensive (loss) income. At December 31, 2024, a liability of $6,505 (December 31, 2023 - $1,909) had been accrued with respect to outstanding SARs in the consolidated statements of financial position.

10 Related Party Transactions

Related parties include key management personnel, close family members of key management personnel and entities which are, directly or indirectly, controlled by, jointly controlled by or significantly influenced by key management personnel or their close family members. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include executive officers and current and former directors of the Company.

Compensation expense related to the Company's key management personnel and directors are as follows:

	Year ended December 31			
		2024		2023
Salaries and benefits[1]	$	24,349	$	14,623
Share-based compensation expense		15,733		6,367
Compensation expense	$	40,082	$	20,990

[1] Salaries and benefits include director fees paid in cash and accrued of $1,326 and $147 in the years ended December 31, 2024 and 2023, respectively.

Professional fees related to the Company's management included $110 and $nil for the services provided by the Company's Chief Strategy Officer for the years ended December 31, 2024 and 2023, respectively.

The Company received dividends from the Arena FINCOs in the amount of $1,900 and $4,400 in the years ended December 31, 2024 and 2023, respectively.

The Company contributed additional capital of $45,000 and $nil to the Arena FINCOs in the years ended December 31, 2024 and 2023, respectively. Arena FINCOs returned capital to the Company in the amount of $23,862 and $2,500 in the years ended December 31, 2024 and 2023, respectively.

In the three months ended December 31, 2024, the AOC Loan had an initial draw of $25,000 from the Company and a partial repayment of $12,000 to the Company. The AOC Loan receivable balance was $13,000 and $nil at December 31, 2024 and 2023, respectively.

The Company earned and received interest on the Arena Revolving Loan of $1,740 and $1,642 in the years ended December 31, 2024 and 2023, respectively. The Company earned interest on the AOC Loan of $256 and $nil in the years ended December 31, 2024 and 2023, respectively. Interest on the Arena Revolving Loan, the AOC Loan and interest earned from the Company's bank balance are included in 'interest income' in the consolidated statements of (loss) profit and comprehensive (loss) income.

The Company earned advisory fees of $nil and $23 from Skyward Specialty in the years ended December 31, 2024 and 2023, respectively. The Company earned advisory fees of $175 and $200 from the Arena FINCOs in the years ended December 31, 2024 and 2023, respectively. The Company earned advisory fees of $250 from Arena in each of the years ended December 31, 2024 and 2023. Advisory fees are included in 'fee income' in the consolidated statements of (loss) profit and comprehensive (loss) income.

(Currency amounts in thousands of United States dollars except per share data, unless otherwise indicated)

11 Income Taxes

The following is a reconciliation of income taxes calculated at the statutory income tax rate to the income taxes (recovery) expense included in the consolidated statements of (loss) profit and comprehensive (loss) income:

	Year ended December 31 2024	2023
(Loss) profit before income taxes	$ (19,483)	$ 186,281
Statutory income tax rates	26.5%	26.5%
Income taxes (recovery) at statutory income tax rates	(5,163)	49,364
Variations due to:		
Non-taxable portion of (increase) in value of Investment in Skyward Specialty	(2,261)	(5,521)
Non-taxable portion of (increase) decrease in value of Investment in Arena FINCOs	(1,127)	825
Taxable gain from the Canadian dollar settlement of preferred securities	-	202
Net non-taxable and non-deductible items	3,901	(186)
Difference between statutory and foreign tax rates	287	53
Change in unrecognized tax losses and temporary differences	1,057	(42,438)
Income taxes (recovery) expense	$ (3,306)	$ 2,299

At December 31, 2024, a current income taxes receivable of $307 (December 31, 2023 - $494), current income taxes payable of $57 (December 31, 2023 - $1,004), a deferred tax asset of $6,160 (December 31, 2023 – $1,043), and a deferred tax liability of $nil (December 31, 2023 - $1,202) were reported in the consolidated statements of financial position.

12 (Loss) Earnings per Share

Westaim had 615,000 stock options, no RSUs and no Warrants outstanding at December 31, 2024. At December 31, 2023, Westaim had 1,266,252 stock options, 575,866 RSUs and no Warrants outstanding. The stock options and RSUs for the year ended December 31, 2024, were excluded in the calculation of diluted (loss) earnings per share as they were not dilutive. The stock options and RSUs for the year ended December 31, 2023, were included in the calculation of diluted (loss) earnings per share as they were dilutive.

(Loss) earnings per share, basic and diluted, are as follows:

	Year ended December 31 2024	2023
Basic (loss) earnings per share:		
(Loss) profit and comprehensive (loss) income	$ (16,177)	$ 183,982
Weighted average number of Common Shares outstanding	21,462,334	23,049,933
Basic (loss) earnings per share	$ (0.75)	$ 7.98
Diluted (loss) earnings per share:		
(Loss) profit and comprehensive (loss) income	$ (16,177)	$ 183,982
Dilutive RSU expense and related foreign exchange	-	3,504
(Loss) profit and comprehensive (loss) income on a diluted basis	$ (16,177)	$ 187,486
Weighted average number of Common Shares outstanding	21,462,334	23,049,933
Dilutive impact of in-the-money stock options (treasury method)	-	111,468
Dilutive impact of RSUs	-	571,044
Weighted average number of Common Shares outstanding on a dilutive basis	21,462,334	23,732,445
Diluted (loss) earnings per share	$ (0.75)	$ 7.90

Common Shares outstanding at December 31, 2024 was 21,706,501 (December 31, 2023 – 21,959,548).

13 Capital Management

Westaim's capital currently consists of the Common Shares and Preferred Shares.

The Company's guiding principles for capital management are to maintain the stability and safety of the Company's capital for its stakeholders through an appropriate capital mix and a strong balance sheet.

The Company utilizes internal metrics and monitors the mix and adequacy of its capital on a continuous basis. The capital of the Company is not subject to any restrictions.

14 Financial Risk Management

The Company is exposed to a number of risks due to its business operations. The Company's consolidated statement of financial position at December 31, 2024 consists of short-term financial assets and financial liabilities with maturities of less than one year, loans receivable, and investments in Arena FINCOs, Arena, and ASOF LP. The most significant identified risks which arise from holding financial instruments include credit risk, liquidity risk, currency risk, interest rate risk and equity risk. The Company has a comprehensive risk management framework to monitor, evaluate and manage the risks assumed in conducting its business.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's credit risk arises primarily from its cash and cash equivalents. The Company manages such risk by maintaining bank accounts with a Schedule 1 bank in Canada and a systemically important financial institution in the United States.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company has made investments in level 3 investments classified as FVTPL and investments in associates which do not typically have an active market. Private investment transactions can be highly structured, and the Company takes measures, where possible, to create defined liquidity events and as part of its strategy, the Company has sought to create or accelerate such liquidity events. However, such liquidity events are rarely expected in the first two or three years of making an investment and may not be realized as expected.

At December 31, 2024, the Company's short-term financial liabilities amounted to $14,780 (December 31, 2023 - $18,033), and the Company has access to cash and other resources that far exceed these financial obligations.

Currency risk

The Company's C$ denominated monetary liabilities exceed C$ denominated monetary assets and most of its operating expenses are paid in C$. From time to time, the Company may enter into C$ to US$ exchange forward contracts to manage its C$ currency exposures which have been effective at reducing a significant portion of the risk associated with changes in the C$ currency exchange on the Company's prior C$ denominated liabilities. At December 31, 2024, it is estimated a 10% strengthening of the C$ against the US$ would have decreased the foreign exchange gain by approximately $1,886 and $2,104 in the years ended December 31, 2024 and 2023, respectively. A similar weakening of the C$ would result in an opposite effect.

The Company has not designated any foreign exchange forward contracts as accounting hedges.

Interest rate risk

The Company does not believe that the results of operations or cash flows would be affected to any significant degree by a sudden change in market interest rates relative to interest rates on its cash and cash equivalents or loans receivable. The Company is subject to interest rate risks indirectly as a result of its investments in Skyward Specialty and the Arena FINCOs as certain underlying investments made by these entities are sensitive to interest rate movements.

14 Financial Risk Management (continued)

Equity risk

There is no active market for the Company's Level 3 investments. The Company holds its investments for strategic and not trading purposes. The fair values of these investments recorded in the Company's interim consolidated financial statements have been arrived at using industry accepted valuation techniques. Due to the inherent uncertainty of valuation, these fair values may not be indicative of the actual values which can be realized upon a liquidity event for these investments.

15 Subsequent Events

On January 30, 2025, the Company invested $36,500 into the Salem Group Partners, LP ("SGP"), as hereinafter described, for SGP to complete its acquisition of ManhattanLife of America Insurance Company ("ML"). As a result of this investment, the Company owns 100% of the limited partnership interests of SGP. SGP subsequently closed its acquisition of ML on February 4, 2025. ML holds insurance licenses in 46 states and jurisdictions, including the District of Columbia.

SGP is a Delaware limited partnership used as an investment vehicle of Westaim to purchase one or more insurance or insurance-related, annuities, reinsurance, corporate liability, distribution, asset & wealth management and/or related investments. Westaim is currently the sole limited partner of SGP. Pursuant to the Investment Agreement and in connection with the Private Placement, Salem Group Partners GP, LLC (the "Salem General Partner"), an affiliate of CC Capital, and Westaim entered into an amended and restated limited partnership agreement (the "Salem LPA") which governs the terms of the Salem Partnership. Pursuant and subject to the terms of the Salem LPA, Westaim made an initial capital commitment of $100,000, which will increase to $620,000 on closing of the Private Placement.

On March 13, 2025, the Company entered into a new revolving loan to Arena (the "2025 Arena Revolving Loan") with a limit of $21,000 in order to continue funding growth initiatives and working capital needs of Arena. The 2025 Arena Revolving Loan has a maturity date of March 31, 2028, and will bear an interest rate of term secured overnight financing rate ("SOFR"), as determined by the CME Group Benchmark Administration Limited, plus 3.5%. The loan facility is secured by all the assets of Arena. On March 14, 2025, the Company funded an advance on the 2025 Arena Revolving Loan of $18,600 to Arena.

SHAREHOLDER INFORMATION

BOARD OF DIRECTORS

Lisa Mazzocco [2, 3, 6]
Lead Director

Ian W. Delaney [3]
Chair

John W. Gildner [1, 2, 3, 4]

Michael Siegel [2, 3]

Kevin E. Parker [1, 2, 3, 5]

Bruce V. Walter [1, 3]

J. Cameron MacDonald
President, Chief Executive Officer and Corporate Secretary

Numbers indicate the individual's committee membership:
1. *Member of the Audit Committee*
2. *Member of the Human Resources and Compensation Committee*
3. *Member of the Nominating and Corporate Governance Committee*
4. *Chair of the Audit Committee*
5. *Chair of the Human Resources and Compensation Committee*
6. *Chair of the Nominating and Corporate Governance Committee*

Annual and Special Meeting of Shareholders
Tuesday June 12th, 2025 9:00 A.M. EDT

Vantage Venues
150 King Street West, 27th Floor
Toronto, Ontario M5H 1J9

CORPORATE INFORMATION

J. Cameron MacDonald
President, Chief Executive Officer and Corporate Secretary

Glenn G. MacNeil
Chief Financial Officer

Richard DiBlasi
Chief Strategy Officer

STOCK INFORMATION

Common Shares Traded on the TSX Venture Exchange
under the symbol **WED**

Common Shares issued and outstanding
at December 31, 2024 were 21,706,501

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