

The Westaim Corporation
Management's Discussion and Analysis ("MD&A")
Three and nine months ended September 30, 2025
(Currency amounts in millions of United States dollars except per share data, unless otherwise indicated)

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The "Company" in this Management's Discussion and Analysis ("MD&A") refers to The Westaim Corporation ("Westaim", the "Company", "we" or "our") 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 unaudited interim consolidated financial statements including notes for the three and nine months ended September 30, 2025 and 2024 as set out on pages 39 to 94 of this quarterly 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 three and nine months ended September 30, 2025 and financial condition as at September 30, 2025. The Company reports its consolidated Financial Statements using generally accepted accounting principles ("GAAP") and accounting policies consistent with International Financial Reporting Standards ("IFRS"). 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 November 13, 2025. Additional information relating to the Company, including the Company's Annual Information Form for its fiscal year ended December 31, 2024, (as same may be modified or superseded by a subsequently filed Annual Information Form), is available on SEDAR+ at www.sedarplus.ca.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 Reporting Standards Applied to the Company

Through April 2, 2025, the Company qualified as an investment entity under IFRS 10 and used fair value as the key measure to monitor and evaluate its primary investments. The Company reported its financial results in accordance with IFRS applicable to investment entities through April 2, 2025. On April 3, 2025, CC Capital Partners, LLC ("CC Capital") and the Company completed its previously announced transaction whereby an affiliate of CC Capital made a significant investment into the Company as described further in this MD&A (the "Strategic Transaction"). As a result of the Strategic Transaction, the Company transformed from an investment entity into an operating entity and for all reporting periods after April 3, 2025, the financial statements of the Company will be reported on the basis of the Company being an operating entity.

For all reporting periods after April 3, 2025, the financial statements of the Company will be reported on the basis of the Company being an operating entity. This results in the consolidation of Arena, Salem Group Partners, LP ("Salem Group" or the "Partnership"), and Arena FINCOs (as defined herein) into the Company's financial statements for all reporting periods after April 3, 2025. The Company has concluded that under IFRS 10, the change in status from an investment entity to an operating entity should be treated as a business combination. Accordingly, the Company accounts for the change in its status prospectively from the date at which the change in status occurred, and prior periods have not been recast.

As a result of the Strategic Transaction and in accordance with IFRS 8, the Company now manages its operations and reports its financial results in two operating business segments: Asset Management and Insurance. Other activity for the Company outside of these two operating segments is reported in the Corporate column of our segment reporting. Information concerning these segments is included in Section 7, *Segment Reporting*, in this MD&A. We prepare our unaudited Interim Consolidated Financial Statements in accordance with the International Accounting Standard ("IAS") 34 Interim Financial Reporting. Reported net (loss) profit refers to common shareholders' net (loss) profit determined in accordance with IFRS. Amounts in this document may be impacted by rounding.

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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-IFRS Measures

The Company discloses a number of financial measures in this Report that are calculated and presented using methodologies other than in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The Company cautions readers about non-IFRS 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 15, *Non-IFRS Measures* of this MD&A.

Cautionary Statement Regarding the Valuation of Investments in Private Entities and Securities

The Company continues to hold substantial investments in private entities and securities ("Private Investments"). In the absence of an active market for its Private Investments, 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 or, 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.

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, 2024, (as same may be modified or superseded by a subsequently filed Annual Information Form) which is available on SEDAR+ at www.sedarplus.ca. Please refer to Section 16, *Cautionary Note Regarding Forward-Looking Information* of this MD&A.

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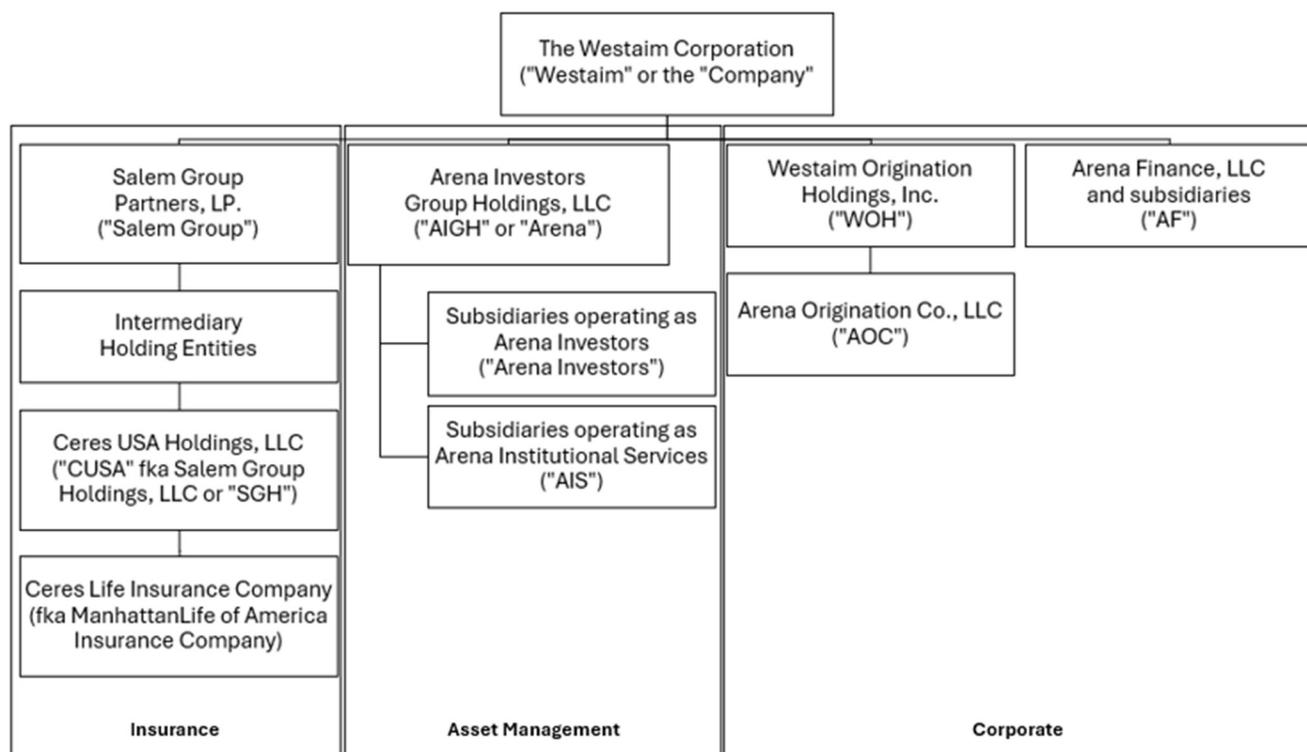
1. THE COMPANY

The Westaim Corporation (TSXV: WED) is domiciled in the United States and operates as an integrated insurance and asset management company with two primary operating segments: Insurance and Asset Management.

The Insurance segment, which primarily transacts its business through Ceres Life Insurance Company ("Ceres" or "Ceres Life"), is a cloud-native, de novo annuity insurance company. Inspired by the belief that technology can reinvent the way insurance providers meet the needs of investors, Ceres Life is building a nimble, efficient, and risk-conscious insurance company that provides simple-to-understand and easily accessible annuity products to create better outcomes for policyholders.

The Asset Management segment, which primarily operates through Arena Investors Group Holdings LLC ("AIGH") and other related entities (collectively, "Arena"), is a global institutional asset manager with deep expertise in credit and asset-oriented investments. Founded in 2015, Arena manages assets across a full spectrum of corporate, real estate and structured finance opportunities.

The following is a corporate organizational chart setting forth the material subsidiaries of the Company as at September 30, 2025.



Insurance

On January 30, 2025, the Company made an initial capital contribution of \$36.5 into Salem Group, a partnership in which the Company holds 100% of the pecuniary limited partnership interests and an affiliate of CC Capital, Salem Group Partners GP, LLC ("Salem GP"), serves as the general partner. Salem Group holds the entities and businesses that comprise the Company's Insurance segment, through a wholly-owned intermediary holding structure (including CUSA formerly known as Salem Group Holdings, LLC or "SGH"; the direct acquirer of Ceres (then "ManhattanLife of America Insurance Company" ("MAIC")). CUSA completed its acquisition of MAIC for a total purchase price of \$29.2. MAIC was subsequently renamed Ceres Life Insurance Company, and Ceres holds insurance licenses in all states plus the District of Columbia, except for California, Idaho, Maine, Minnesota, and New York.

On September 12, 2025, Salem Group issued a capital call notice to the Company for \$0.1 as a partial call against the aggregate commitment of \$620.0 made as part of the Strategic Transaction to support the capital requirements of Salem Group and Ceres. This capital call was satisfied by a cash transfer on September 18, 2025. Combined with the previous funding of \$36.5 on February 4, 2025, \$14.6 contributed on April 3, 2025 as part of the closing of the Strategic Transaction and \$350.0 on April 30, 2025, \$401.2 has now been funded against the original commitment, with a remaining commitment of \$218.8 (subject to adjustment in accordance with the terms of the partnership agreement governing the Salem Group). As Salem Group and Ceres are now consolidated into the Company's financial statements, these capital contributions are eliminated in consolidation,

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1. THE COMPANY (continued)

and the current \$218.8 remaining commitment is a commitment to invest capital from Westaim to Salem Group, which is included in the Company's consolidated financial statements.

Ceres Life is a life and annuities insurance company domiciled in Texas. Ceres Life currently holds insurance licenses in 45 states and the District of Columbia.

The Insurance segment is led by Deanna Mulligan, former CEO and Chairperson of Guardian Life, where she led the company through more than a decade of substantial expansion and introduced forward-thinking initiatives, including a digital insurance marketplace. Ms. Mulligan is leveraging her deep industry relationships and regulatory expertise to build a modern, technology-focused life insurance company. Ceres launched its annuities business during the second quarter of 2025 and launched its insurance operations with issuances of MYGA policies through third party distributors during the third quarter of 2025. SGH, now known as CUSA, has been incubating the operations of Ceres since 2024, and the operating results of all entities owned by Salem Group (including both CUSA and Ceres) starting on the closing of the Strategic Transaction are consolidated into the Company's financial statements.

Asset Management

Arena consists of two main business lines, Arena Investors and Arena Institutional Services LLC ("AIS"). Arena Investors operates as a global investment manager offering third-party clients access to fundamentals-based, credit and asset-oriented investments that aim to deliver above-market returns with low volatility. Arena 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. As of December 31, 2024, the Company owned 51% of the equity interests of Arena, and as of April 3, 2025 as a result of the Strategic Transaction, the Company now owns 100% of the equity interests of Arena. Pursuant to the terms of the third amended and restated AIGH limited liability company agreement (the "Third Amended and Restated AIGH LLC") entered into at the time of the closing of the Strategic Transaction: (a) the Company is entitled to receive 49% of the net profits from and appreciation in Arena; (b) Bernard Partners, LLC ("BP LLC") and certain other front office investment team members of Arena are entitled to receive 45% of the net profits from and appreciation in Arena; and (c) an affiliate CC Capital is entitled to receive 6% of the net profits from and appreciation in Arena (all subject to a minimum distribution to BP LLC as further set out in the Third Amended and Restated AIGH LLC).

The Asset Management segment is led by Daniel Zwirn, who co-founded Arena in 2015. With a mandate that is generally unconstrained by industry, product or geography, Arena manages approximately \$4.5 billion of assets under management ("AUM") and programmatic capital as of September 30, 2025 with a team of more than 180 employees in offices globally. In its alternatives business, Arena provides creative solutions for those seeking capital across all corporate, real estate, and structured finance investment areas, at all levels of the capital structure, and across global developed markets, alongside operational capabilities to manage and improve the businesses and assets in which it invests.

Corporate

The Company holds cash equivalents and investments both directly on its balance sheet and through wholly-owned subsidiaries including WOH, AOC, and AF ("Arena FINCOs"). The Arena FINCOs are entities focused on specialty finance companies that primarily purchase fundamentals-based, asset-oriented credit and other investments for their own account, and an entity 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. Arena Investors is the investment manager for the Arena FINCOs. 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 typically manage their risk and exposure by carefully assessing the value of 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.

Prior to the closing of the Strategic Transaction, the Company was treated as an Investment Entity under IFRS 10 and the investments into Arena FINCOs were accounted for as investments at fair value through profit and loss ("FVTPL"). As a result of the Strategic Transaction, the Company transformed to become an integrated insurance and alternative asset management operating company. The Arena FINCOs are now consolidated into the Company's financial statements as a result of the Strategic Transaction, and the investments held by the Arena FINCOs are now incorporated into the Company's financial statements for all reporting periods after April 2, 2025. The Strategic Transaction is treated as a business combination under IFRS 10 and handled as a prospective change; therefore, the prior period comparative information is shown on the basis of the Company being treated as an investment entity and the current period information is shown on the basis of the Company being treated as an operating entity.

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, 2024, which is available on SEDAR+ at www.sedarplus.ca, as same may be modified or superseded by a subsequently filed Annual Information Form.

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1. THE COMPANY (continued)

Recent Developments

On October 9, 2024, the Company, Wembley Group Partners, LP (the "Investor") (an affiliate of 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.

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 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.

On February 4, 2025 (the "MAIC Closing Date"), the Company completed the acquisition of MAIC in connection with the Strategic Transaction. The Company made an initial capital contribution of \$36.5 into Salem Group, a partnership of which it holds 100% of the pecuniary limited partnership interests. Salem Group acquired Salem Holdco (Bermuda) Ltd. and its subsidiaries (including SGH now known as CUSA, the direct acquirer of MAIC) from an affiliate of CC Capital in exchange for a \$14.6 promissory note back to the CC Capital affiliate. Salem Group then completed its acquisition of MAIC for a total purchase price of \$29.2. MAIC holds insurance licenses in 45 states and the District of Columbia. MAIC was subsequently renamed to "Ceres Life Insurance Company". This investment represented a key step in executing the Strategic Transaction to build an integrated insurance and asset management platform in partnership with CC Capital.

On April 3, 2025 (the "Closing Date"), CC Capital and the Company completed the Strategic Transaction whereby the Investor contributed \$250.0 (the "Aggregate Gross Proceeds"), reduced for \$30.5 of transaction-related expenses incurred by the Investor and repayment of the \$14.6 promissory note made by Salem Group to CC Salem Holdings LLC ("CC Salem") related to the previous closing of the MAIC transaction, for net cash proceeds to the Company of \$204.9 on the Closing Date. The \$14.6 settlement of the promissory note was recorded as a capital contribution from the Company to Salem Group on the Closing Date so that Salem Group could settle its promissory note with CC Salem. In connection with the transaction, the Company restructured its ownership of Arena to acquire from BP LLC the remaining 49% of the equity of Arena that it did not already own in exchange for removing BP LLC's responsibility for repayment of 49% of Arena's loan payable to the Company and the issuance of profit interests entitling the members of BP LLC and certain other front office investment management team members of Arena to receive distributions of 45% of the net profits of Arena on an ongoing basis, subject to continuing service by members of BP LLC to Arena (the "Arena Restructuring"). The Investor is entitled to receive distributions of 6% of the net profits of Arena on an ongoing basis and the Company is entitled to the remaining 49%. The Strategic Transaction brought together Arena with the previously completed acquisition of Ceres, plus the strategic partnership with CC Capital, to transform the Company into an integrated insurance and asset management company.

Pursuant to an investor rights agreement among the Company, the Investor, and Arena dated April 3, 2025 (the "Investor Rights Agreement"), Chinh Chu was appointed Executive Chair of the Company's Board and Ian Delaney transitioned to Vice Chair of the Company's Board. In addition, pursuant to the Investor Rights Agreement, the size of the Company's Board was increased to 11 with four additional CC Capital nominees having been appointed as directors of the Company, including Deanna Mulligan, Douglas Newton, Matthew Skurbe and Richard DiBlasi, as well as one director mutually selected by the Company and CC Capital having been appointed, being Menes Chee. Daniel Zwirn, current and continuing CEO for Arena, will also be an observer on the Company's Board. John Gildner and Lisa Mazzocco resigned from the Company's Board, however Ms. Mazzocco is continuing as a board member and audit committee chairperson of Arena. Additionally, Cameron MacDonald, current CEO for the Company, is continuing in the same role. Ms. Mulligan is serving as CEO of Ceres Life. Mr. Skurbe was appointed as Chief Financial Officer ("CFO") and Chief Risk Officer of the Company, as well as the CFO of Arena.

On the Closing Date of the Private Placement, the Investor acquired the following securities of the Company for the Aggregate Gross Proceeds pursuant to the Investment Agreement: (a) 11,979,825 Common Shares at an implied purchase price of C\$28.50 per share in cash; and (b) warrants to purchase 5,214,705 additional Common Shares (the "Warrants"), comprised of (i) Warrants to purchase 1,303,676 Common Shares having an exercise price of C\$24.12 per Common Share, which Warrants will vest in the event the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange (the "TSXV") or other stock exchange on which the Common Shares are listed for trading equals or exceeds C\$48.00 (subject to certain adjustments) for any 30 consecutive trading day period prior to the five-year anniversary of the Closing Date (the "Common Stock Price Target Condition"); and (ii) Warrants to purchase 3,911,029 Common Shares having an exercise price of C\$28.50 per Common Share. The Warrants are exercisable for a period of five years following the Closing Date and the number of Common Shares issuable pursuant to the Warrants and the exercise prices thereof are subject to certain adjustments.

Prior to entering into the Investment Agreement, CC Capital and its affiliates did not beneficially own or control, directly or indirectly, any of the issued and outstanding Common Shares. As of the Closing Date and as of September 30, 2025, the Investor owned approximately 36% of the issued and outstanding Common Shares. If the Warrants were exercised in full and no other outstanding securities of Westaim were converted into Common Shares, as of September 30, 2025 the Investor would own approximately 45% of the issued and outstanding Common Shares.

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1. THE COMPANY (continued)

Pursuant to a consulting agreement dated October 9, 2024 (the "Consulting Agreement") between the Company and Wembley Management, LLC ("Wembley Management"), an affiliate of the Investor and CC Capital, on the Closing Date, Wembley Management received a grant of 673,727 performance-based restricted stock units ("PSUs") of the Company. The PSUs will vest if the Common Stock Price Target Condition is achieved prior to the fifth anniversary of the Closing Date and, once vested, will be settled on a one-for-one basis for an aggregate of 673,727 Common Shares, representing approximately 2% of the issued and outstanding Common Shares as of the Closing Date.

Pursuant to the Investor Rights Agreement, the Investor received certain consent rights regarding the taking of certain specified actions by the Company or its subsidiaries as further outlined in the Investor Rights Agreement, as well as certain investor rights, including participation rights and registration rights and the right to nominate five out of eleven nominees to the Company's Board. In addition, the Company is entitled to appoint five members of the Board of Managers of Arena, all of whom will be nominated by the Investor. The Investor will also be entitled to select the Chairperson of the Arena Board and the Investor's consent will be required for the removal of any of the Investor's nominees on the Arena Board and certain other actions. Pursuant to the Investor Rights Agreement, for a period of 24 months following the Closing Date, the Investor will be prohibited from knowingly transferring any shares or convertible securities of the Company to any person that, following such transfer, would, either alone or together with persons acting jointly or in concert, beneficially own 10% or more of the Common Shares, subject to certain exceptions. In addition, the Investor has agreed to certain standstill and acquisition restrictions and voting support requirements until April 3, 2028.

The foregoing summary is qualified in its entirety by the provisions of the Investor Rights Agreement, a copy of which has been filed under Westaim's profile on SEDAR+ at www.sedarplus.ca.

2. OVERVIEW OF PERFORMANCE

Highlights	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Management fee revenues	\$ 5.1	\$ -	\$ 11.2	\$ -
Servicing fee revenue	2.6	-	4.9	-
Incentive fees and performance allocations	3.2	-	0.8	-
Net change in value of investments	4.4	4.8	20.5	25.1
Other income	3.1	6.6	11.4	12.4
Net expenses	(33.5)	(12.5)	(75.6)	(32.5)
Income taxes recovery (expense)	4.8	-	9.6	0.1
Net (loss) profit	\$ (10.3)	\$ (1.1)	\$ (17.2)	\$ 5.1
Net (loss) profit attributable to non-controlling interest	1.4	-	2.1	-
Net (loss) profit attributable to controlling interest	\$ (11.6)	\$ (1.1)	\$ (19.3)	\$ 5.1
(Loss) earnings per share – basic	(\$0.35)	(\$0.05)	(\$0.65)	\$0.24
(Loss) earnings per share – diluted	(\$0.35)	(\$0.05)	(\$0.65)	\$0.23
As of:			September 30,	September 30,
Shareholders' equity attributable to controlling interests			2025	2024
Number of Common Shares outstanding ¹			\$ 671.3	\$ 511.2
Book value per fully diluted share – in US\$ ²			33,382,104	21,362,064
Book value per fully diluted share – in C\$ ³			\$ 20.11	\$ 23.50
			C\$ 27.99	C\$ 31.78
Fee-earning AUM (\$ in billions)			\$ 2.7	\$ 2.5
Total AUM and programmatic capital (\$ in billions)			\$ 4.5	\$ 3.4

¹ Westaim's common shares ("Common Shares") are listed and posted for trading on the TSX Venture Exchange ("TSXV") under the symbol "WED".

² See Section 15, *Non-IFRS Measures* of this MD&A.

³ Period end exchange rates: 1.39195 at September 30, 2025 and 1.35265 at September 30, 2024.

For all reporting periods after April 3, 2025, the financial statements of the Company will be reported on the basis of the Company being an operating entity. This results in the consolidation of Arena, Salem Group, and Arena FINCOs into the Company's financial statements for all reporting periods after April 3, 2025. The Company has concluded that under IFRS 10, the change in status from an investment entity to an operating entity should

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2. OVERVIEW OF PERFORMANCE (continued)

be treated as a business combination. Accordingly the Company accounts for the change in its status prospectively from the date at which the change in status occurred, and prior periods have not been recast. The following commentary on performance is based on the consolidation of Arena, Salem Group, and Arena FINCOs into the Company's financial statements beginning April 3, 2025 through the reporting date.

The Company has already undertaken substantial efforts to reorganize and focus its operations as an asset management and insurance focused operating entity. The net loss attributable to controlling interests includes severance expenses of \$5.2 for the nine months ended September 30, 2025, which are expected to produce estimated annualized run-rate savings of approximately \$8.1. Additionally, we resolved in November 2025 to wind down the Quaestor Consulting Group ("QCG") business within the Asset Management segment, which we expect will result in an estimated severance and other charges of \$0.9 in Q4 2025 and additional annualized run-rate savings of \$0.9. We will continue to evaluate our business activities for additional operational efficiencies and run-rate savings for the Company as we continue to focus more on scalable opportunities for the Insurance segment, Asset Management's existing client base, and future third-party clients.

The Company made significant investments into the Insurance segment including \$1.9 and \$5.5 of non-recurring platform build-out expenses for the three and nine months ended September 30, 2025, respectively. The Company also recognized \$1.3 of professional fee expense in the Asset Management segment related to the Strategic Transaction during the nine months ended September 30, 2025, which is a non-recurring expense.

At September 30, 2025, Asset Management had AUM and programmatic capital of approximately \$4.5 billion (December 31, 2024: \$3.4 billion). At September 30, 2025, Asset Management had fee-earning AUM of approximately \$2.7 billion (December 31, 2024: \$2.5 billion). Approximately \$0.3 billion of total AUM and programmatic capital and fee-earning AUM at September 30, 2025 was from the Insurance segment (December 31, 2024: \$nil). 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.

The investments in the Arena FINCO portfolio, including entity-related expenses not eliminated in consolidation, contributed a gain of \$0.4 to the consolidated group during the three months ended September 30, 2025, and a loss of \$7.1 during the nine months ended September 30, 2025. This gain is included within Corporate in our segment reporting. Additionally, the Asset Management segment generated \$3.2 in incentive fees and performance allocations during the three months ended September 30, 2025. Asset valuations can experience both general market volatility and idiosyncratic valuation adjustments that generally are considered by management to be non-recurring in nature.

The Asset Management segment had Adjusted EBITDA of (\$7.6) from the closing of the Strategic Transaction through September 30, 2025, inclusive of \$13.0 of Management fees and \$0.7 of servicing fees. This excludes \$0.7 for severance expenses allocations and \$1.3 of non-recurring professional fees related to the Strategic Transaction. We are continuing to evaluate certain reorganization and repositioning efforts for the Asset Management segment, which we expect will generate operational efficiencies and run-rate savings for the Company as we reposition the business to focus more on scalable opportunities for the Insurance segment, its existing client base, and future third party clients.

The Insurance segment had Adjusted EBITDA of (\$20.2) from the Closing Date through September 30, 2025, inclusive of \$5.5 of platform build-out related expenses for the nine months ended September 30, 2025. The insurance segment is currently expected to incur run-rate operating losses, excluding platform build-out related expenses, in the range of \$30.0 to \$40.0 per annum for fiscal year 2025 and will not generate material earnings outside of investment returns on its current cash and portfolio of investments until the annuity business increases in scale. The business believes that the technology and processes underpinning their operations will be able to scale efficiently relative to its peer group, and this operating leverage capability should become more evident as the business scales.

Please see Section 5, *Analysis of Financial Results*, Section 6, *Analysis of Financial Position*, Section 7, *Segment Reporting*, and Section 15, *Non-IFRS Measures*, for further discussion on current and comparative period performance.

3. INVESTMENTS

The composition of investments for the Company changed substantially as a result of the Strategic Transaction. With the closing of the Strategic Transaction, the Company now owns 100% of the equity interests of AIGH, and fully consolidates AIGH and its consolidated subsidiaries, Arena FINCOs, and Salem Group. Investments as of September 30, 2025 for the Company now represents the consolidation of investments held directly by the Company and its consolidated subsidiaries, including investments held by Arena FINCOs, and within the Insurance and Asset Management segments. The information contained in this section provides details on the composition of the investment portfolio for the Company and its consolidated subsidiaries on a look-through basis as of September 30, 2025. Given the substantial differences in composition between current period investments and the comparative period, information on comparative period investments is presented in Section 4, *Prior Comparative Period Investments as an Investment Entity*.

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3. INVESTMENTS (continued)

Total investments of \$262.5 included \$45.0 for the Asset Management segment, \$68.4 for the Insurance segment, and \$149.1 for Corporate (including historic Arena FINCO assets). The Insurance segment also held \$207.2 of US Treasury securities and \$35.7 of money market mutual funds invested in US Treasury and Agency securities at September 30, 2025 with maturities less than 90 days and held within the Cash and cash equivalents statement line, which are not included in the tables below. The Insurance segment has begun the process of deploying cash and cash equivalents into its strategic asset allocation strategy.

Corporate is pursuing a monetization strategy for the Arena FINCO portfolio generating net cash of \$5.9 for the three months ended September 30, 2025 and \$13.0 for the nine months ended September 30, 2025. As liquidity is generated from the Arena FINCO portfolio, the Company plans to redeploy those proceeds into an investment strategy that more closely aligns with the investment strategy for the Insurance segment until the capital is further deployed into the operating segments.

The investments of the Company as of September 30, 2025 by investment strategy are as follows:

Investments by Strategy	September 30, 2025		
	Cost	Fair value	Percentage of investments at fair value
Private Investment Companies	\$ 54.6	\$ 66.0	25.1%
Mortgages/Loans	57.8	53.2	20.3%
Private Equity	37.9	31.2	11.9%
Real Estate Owned	15.3	16.2	6.2%
Private Investment in Public Equity	12.9	12.6	4.8%
Debt Securities	58.9	58.2	22.2%
Equity Securities	6.7	5.4	2.1%
US Treasury Bonds	4.0	3.7	1.4%
Other Investments	17.8	16.1	6.1%
	<u>\$ 265.9</u>	<u>\$ 262.5</u>	<u>100.00%</u>

The investments of the Company as of September 30, 2025 shown by geographic breakdown are as follows:

Investments by Geographic Breakdown	September 30, 2025		
	Cost	Fair value	Percentage of investments at fair value
Loans / Private Assets			
North America	\$ 68.3	\$ 59.4	22.7%
Europe	37.6	40.8	15.5%
Asia/Pacific	16.1	8.8	3.4%
Latin America	3.7	4.7	1.8%
	<u>125.7</u>	<u>113.8</u>	<u>43.4%</u>
Other Securities ¹			
North America	129.0	137.1	52.2%
Europe	9.4	9.5	3.6%
Asia/Pacific	1.8	2.1	0.8%
Latin America	-	-	0.0%
	<u>140.2</u>	<u>148.7</u>	<u>56.6%</u>
	<u>\$ 265.9</u>	<u>\$ 262.5</u>	<u>100.0%</u>

¹ Net of short positions.

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3. INVESTMENTS (continued)

The investments of the Company as of September 30, 2025 shown by industry are as follows:

Investments by Industry ²	September 30, 2025		
	Cost	Fair value	Percentage of investments at fair value
Financial Services	\$ 61.8	\$ 69.7	26.5%
Real Estate & Hospitality	47.4	47.6	18.2%
Oil & Gas ¹	21.5	20.0	7.6%
Consumer	20.3	15.3	5.8%
Commercial and Industrial Assets	11.4	10.2	3.9%
Structured Finance	10.9	10.4	3.9%
Business Services	12.0	8.0	3.0%
US Government	4.5	3.9	1.5%
Other Investments	76.1	77.4	29.5%
	<u>\$ 265.9</u>	<u>\$ 262.5</u>	<u>100.0%</u>

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.

INVESTMENT IN ASOF LP

The Company’s investment in ASOF LP, a fund managed by Arena Investors, with a fair value of \$3.0 and \$3.1 at September 30, 2025 and December 31, 2024, respectively, is included under Investments in the interim consolidated statements of financial position. The Company’s change in the value of its investment in ASOF LP was a nominal amount in the three and nine months ended September 30, 2025, and 2024.

4. PRIOR COMPARATIVE PERIOD INVESTMENTS AS AN INVESTMENT ENTITY

Accounting for the Company’s Investments prior to the Strategic Transaction

Prior to the closing of the Strategic Transaction on April 3, 2025, the Company qualified as an investment entity under IFRS and used fair value as the key measure to monitor and evaluate its primary investments. Accordingly, the Company’s investments in Skyward Specialty Insurance Group, Inc. (NASDAQ: SKWD) (“Skyward Specialty”), the Arena FINCOs, and Salem Group and ASOF LP were accounted for at fair value through profit or loss (“FVTPL”) in the prior period comparative statements. The Company’s investment in Arena was accounted for using the equity method since the Company did not exercise control but exercised significant influence over Arena. For a detailed description of the accounting and valuation of the Company’s investments, see Note 3, *Prior Comparative Period Investments as an Investment Entity*, and Note 4, *Fair Value of Financial Instruments* in the Notes to the Financial Statements.

Dividend income from investments in private entities were reported under “Revenue” in the prior period interim 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, Salem Group and ASOF LP and the Company’s share of Arena’s comprehensive (loss) income were reported under “Net results of investments” in the interim consolidated statements of (loss) profit and comprehensive (loss) income.

	Place of establishment	Principal place of business	Ownership interest at December 31, 2024	Ownership interest at September 30, 2024
Skyward Specialty	Delaware, U.S.	Texas, U.S.	nil% owned by the Company	nil 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

A. INVESTMENT IN SKYWARD SPECIALTY

As of September 30, 2024, the Company fully divested its remaining investment in Skyward Specialty, and the Company did not hold any investment balance in Skyward Specialty at September 30, 2024.

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4. PRIOR COMPARATIVE PERIOD INVESTMENTS AS AN INVESTMENT ENTITY (continued)

The Company's investment in Skyward Specialty experienced the following activity for the three and nine months ended September 30, 2024.

Skyward Specialty common shares held by the Company	Periods Ended September 30, 2024	
	3 Months	9 Months
Opening balance	\$ 69.5	\$ 236.5
Skyward Specialty preferred shares converted to common shares	-	-
Proceeds from sale of Skyward Specialty common shares	(79.0)	(256.3)
Net increase in value of investment	9.5	19.8
Ending balance	\$ -	\$ -

B. INVESTMENT IN ARENA FINCOs

The following table shows the carrying value of the Company's investments in Arena FINCOs included in the Company's investments in private entities for prior comparative periods. For the periods ended September 30, 2025, Arena FINCOs are now consolidated into the Company's financial statements as a result of the Strategic Transaction, and the investments held by Arena FINCOs are now incorporated into the Company's financial statements (See Section 3 of this MD&A, *Investments*, for further information on the Company's current investment balances and activities).

	Periods Ended September 30, 2024	
	3 Months	9 Months
Opening balance	\$ 153.4	\$ 147.2
(Decrease) increase in value before dividends	(1.1)	5.1
Dividends paid to the Company	(1.9)	(1.9)
Ending balance	\$ 150.4	\$ 150.4

Arena FINCOs historically invested 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. As announced previously as part of the Strategic Transaction, the Company has begun to monetize its interests in Arena FINCOs to provide liquidity to support the ongoing capital needs of the Insurance segment.

The Arena FINCOs mandate historically has been 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.

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,

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4. PRIOR COMPARATIVE PERIOD INVESTMENTS AS AN INVESTMENT ENTITY (continued)

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 investments of the Arena FINCOs as of December 31, 2024 by investment strategy are as follows:

Investments by Strategy	December 31, 2024		
	Cost	Fair value	Percentage of investments at fair value
Corporate Private Investments	\$ 42.3	\$ 38.8	22.9%
Real Estate Private Investments	45.0	46.2	27.3%
Structured Finance and Assets	35.0	35.6	21.0%
Other Securities	44.9	48.7	28.8%
	<u>\$ 167.2</u>	<u>\$ 169.3</u>	<u>100.0%</u>

The investments of the Arena FINCOs as of December 31, 2024 shown by geographic breakdown are as follows:

Investments by Geographic Breakdown	December 31, 2024		
	Cost	Fair value	Percentage of investments at fair value
Loans / Private Assets			
North America	\$ 71.4	\$ 69.4	41.0%
Europe	34.8	39.5	23.3%
Asia/Pacific	14.5	9.9	5.8%
Latin America	1.6	1.8	1.1%
	<u>122.3</u>	<u>120.6</u>	<u>71.2%</u>
Other Securities ¹			
North America	30.4	30.6	18.1%
Europe	12.5	15.2	9.0%
Asia/Pacific	2.0	2.9	1.7%
Latin America	-	-	0.0%
	<u>44.9</u>	<u>48.7</u>	<u>28.8%</u>
	<u>\$ 167.2</u>	<u>\$ 169.3</u>	<u>100.0%</u>

¹ Net of short positions.

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.

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4. PRIOR COMPARATIVE PERIOD INVESTMENTS AS AN INVESTMENT ENTITY (continued)

(i) Accounting for the Arena FINCOs

Prior to the closing of the Strategic Transaction on April 3, 2025, the Company’s investment in the Arena FINCOs was 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 \$173.8 approximated the fair value of the Company’s investments in the Arena FINCOs. See Note 3, *Prior Comparative Period Investments as an Investment Entity*, in the Notes to the Financial Statements.

The Company recorded a decrease in the value of its investments in the Arena FINCOs of \$3.0 and an increase of \$3.2 in the three and nine months ended September 30, 2024, respectively.

(ii) Arena FINCOs Supplementary Financial Measures for the three and six months ended September 30, 2024

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, Arena Finance Holdings Co, LLC (“AFHC”), AOC and consolidated AF and its subsidiaries for the periods ended September 30, 2025 and December 31, 2024, respectively, which have been prepared in accordance with IFRS or US GAAP.

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

	December 31, 2024
Cash and cash equivalents	\$ 20.0
Investments:	
Loans / private assets	120.6
Other securities	48.7
Total investments	169.3
Other net assets (liabilities)	3.4
Due from (to) brokers, net	(5.8)
Loans payable	(13.0)
Net assets of the Arena FINCOs	\$ 173.9

Due from brokers consists of cash balances as well as net amounts due from 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.

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. As a result of the Strategic Transaction and the consolidation of the Arena FINCOs into the company’s financial statements, the AOC loan is now eliminated in consolidation and does not survive on the consolidated balance sheet. See Note 12, *Loan Receivable* and Note 13, *Related Party Transactions* in the Notes to the Financial Statements for further information.

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4. PRIOR COMPARATIVE PERIOD INVESTMENTS AS AN INVESTMENT ENTITY (continued)

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

	Periods ended September 30, 2024	
	3 Months	9 Months
Net operating results of the Arena FINCOs:		
Investment income	\$ 7.5	\$ 11.0
Net (losses) gains on investments	(6.2)	1.5
Interest expense	(1.2)	(3.6)
Net investment income (loss)	0.1	8.9
Management and asset servicing fees	(0.9)	(2.8)
Incentive fees (expense) recovery	(0.1)	(0.2)
Other operating expenses	(0.2)	(0.7)
Net operating results before holding companies' expenses	(1.1)	5.2
Arena FINCOs holding companies' expenses:		
Advisory fees paid to the Company	-	(0.1)
Net operating results of the Arena FINCOs	\$ (1.1)	\$ 5.1

The Net Return on the investment portfolios of the Arena FINCOs was -0.7% and +3.6% for the three and nine months ended September 30, 2024, respectively. See Section 15, *Non-IFRS Measures* of this MD&A.

C. INVESTMENT IN ARENA

As a result of the Strategic Transaction, Arena is now consolidated into the Company in the September 30, 2025 financial statements. See Section 7, *Segment Reporting* of this MD&A for information on current period Asset Management segment reporting. Changes in the Company's investment in associates related to Arena for the 3 and 9 months ended September 30, 2024 are summarized as follows:

	Periods Ended September 30, 2024	
	3 Months	9 Months
Investment in Arena		
Opening balance	\$ 30.3	\$ 27.6
The Company's share Arena's comprehensive (loss) income	(1.7)	2.0
The Company's share of cash and non-cash distributions from Arena	-	(1.0)
Ending balance	\$ 28.6	\$ 28.6

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 September 30, 2025, Arena Investors had committed assets under management ("AUM") and programmatic capital of approximately \$4.5 billion (December 31, 2024: \$3.4 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 September 30, 2025, Arena Investors AUM included the net assets of the Arena FINCOs and the Company's investment in ASOF LP, totaling approximately \$156 (December 31, 2024: \$177).

4. PRIOR COMPARATIVE PERIOD INVESTMENTS AS AN INVESTMENT ENTITY (continued)

(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 had 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 September 30, 2024, the Company's equity ownership and profit sharing percentage of Arena was 51%.

At the closing of the Strategic Transaction, the Company restructured its ownership of Arena to acquire from BP LLC the remaining 49% of the equity of Arena that it did not already own in exchange for removing BP LLC's responsibility for repayment of 49% of Arena's loans payable to the Company and the issuance of profit interests entitling the members of BP LLC and certain other front office investment management team members of Arena to receive distributions of 45% of the net profits of Arena on an ongoing basis, subject to continuing service by members of BP LLC to Arena (the "Arena Restructuring"). In connection therewith, the Company, BP LLC and an affiliate of CC Capital entered into Third Amended and Restated AIGH LLC pursuant to which: (a) the Company is entitled to receive 49% of the net profits from and appreciation in Arena; (b) BP LLC and certain other front office investment team members of Arena are entitled to receive 45% of the net profits from and appreciation in Arena; and (c) an affiliate of CC Capital is entitled to receive 6% of the net profits from and appreciation in Arena (all subject to a minimum distribution to BP LLC as further set out in the Third Amended and Restated AIGH LLC). The Company now owns 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 Strategic Transaction.

(ii) Accounting for Arena

The Company extended a revolving loan to Arena (the "Arena Revolving Loan 1") with a commitment of \$35.0 at April 2, 2025 (December 31, 2024 - \$35.0) in order to continue funding growth initiatives and working capital needs of Arena. The loan facility was due to mature on May 31, 2025 and bore an interest rate of 7.25%. Arena had drawn down the loan facility by \$24.0 at April 2, 2025 (December 31, 2024 - \$24.0), the balance of which was included in the Investment in Arena balance as of December 31, 2024. On the Closing Date in connection with the Strategic Transaction, the loan facility was converted into an equity investment by Westaim, which now eliminates in the consolidated financial statements.

Prior to the closing of the Strategic Transaction, the Company's investment in Arena was accounted for using the equity method. The carrying amount of the Company's investment in Arena was \$22.7 at December 31, 2024. The Company's 51% share of Arena's comprehensive (loss) income amounted to \$(1.7) and \$2.0 for the three and nine months ended September 30, 2024, respectively, and was reported under "Net results of investments" in the interim consolidated statements of profit and comprehensive income.

(iii) Arena Supplementary Financial Measures for the three and nine months ended September 30, 2024

Prior to the closing of the Strategic Transaction and before Arena was included in its consolidated financial statements, the Company considered 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 year ended December 31, 2024 and the unaudited financial statements of AIGH for the three and nine months ended September 30, 2024, which were prepared in accordance with US GAAP. 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.

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4. PRIOR COMPARATIVE PERIOD INVESTMENTS AS AN INVESTMENT ENTITY (continued)

Supplementary Financial Measures from Arena's Statement of Financial Position

	December 31, 2024
Cash and cash equivalents	\$ 5.7
Restricted cash	9.6
Arena's Revolving Loans from the Company	(24.0)
Other net assets	9.0
Net assets	0.3
Less: net assets attributable to non-controlling interests	3.0
Net liabilities attributable to Arena	\$ (2.7)
Company's share of Arena's net liabilities	\$ (1.3)
Arena's Revolving Loans from the Company	24.0
Carrying amount of the Company's investment in Arena	\$ 22.7

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 Income and Other Comprehensive Income

	Periods ended September 30, 2024	
	3 Months	9 Months
Arena Investors		
Management fees	\$ 7.1	\$ 21.5
Asset servicing fees	2.1	8.0
Other income	0.6	2.7
Total recurring revenue	9.8	32.2
Operating expenses allocated to recurring revenue	(10.2)	(31.5)
Fee related earnings	0.4	0.7
Incentive fees	2.3	10.8
Incentive fees compensation expense	(1.8)	(6.2)
Net incentive fees	0.5	4.6
Arena Investors' EBITDA	0.1	5.3
Arena Institutional Services		
AIS revenue	1.6	10.2
AIS operating expenses	(0.6)	(1.7)
Employee profit share	(0.4)	(3.5)
AIS EBITDA	0.6	5.0
AIGH general and administrative costs	(0.2)	(0.7)
AIGH other income (expenses)	(0.3)	(1.0)
AIGH costs for Strategic Transactions	(2.9)	(2.9)
Total Arena EBITDA	(2.7)	5.7
Depreciation	(0.1)	(0.3)
Revolving loan interest expense paid to the Company	(0.4)	(1.3)
Taxes	(0.2)	(0.3)
Net (loss) income attributable to Arena	\$ 3.4	\$ 3.8
Company's share of Arena's comprehensive (loss) income	\$ (1.7)	\$ 2.0

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5. ANALYSIS OF FINANCIAL RESULTS

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

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Revenue				
Management fees	\$ 5.1	\$ -	\$ 11.2	\$ -
Asset servicing fees	2.6	-	4.9	-
Interest income	1.7	4.6	8.5	10.2
Incentive fees and performance allocations	3.2	-	0.8	-
Service fees	0.3	-	0.7	-
Advisory fees	0.3	0.1	0.9	0.3
Dividend income from investments in private entities	-	1.9	-	1.9
Other income	0.8	-	1.3	-
	<u>14.0</u>	<u>6.6</u>	<u>28.3</u>	<u>12.4</u>
Net results of investments	4.4	4.8	20.5	25.1
Net expenses				
Salaries and benefits	18.0	8.0	38.0	23.6
General, administrative and other	5.8	0.2	12.6	0.7
Professional fees	8.9	5.0	21.1	6.3
Share-based compensation (expense) recovery	(1.8)	(0.9)	(1.2)	2.1
Depreciation and amortization	1.7	-	2.8	-
Foreign exchange (loss) gain	(0.2)	0.2	0.5	(0.2)
Interest expense	0.3	-	0.6	-
Other expenses	0.8	-	1.2	-
	<u>33.5</u>	<u>12.5</u>	<u>75.6</u>	<u>32.5</u>
Pre-tax net (loss) profit	(15.1)	(1.1)	(26.8)	5.0
Income taxes recovery (expense)	4.8	(0.1)	9.6	0.1
Net (loss) profit	(10.3)	(1.2)	(17.2)	5.1
Other comprehensive income				
Foreign currency translation adjustments	-	-	-	-
Insurance finance income (expenses)	-	-	-	-
Unrealized gains (losses) on investments	0.3	-	0.3	-
(Loss) profit and comprehensive (loss) income	<u>\$ (10.0)</u>	<u>\$ (1.2)</u>	<u>\$ (16.9)</u>	<u>\$ 5.1</u>
Net (loss) profit and comprehensive (loss) income attributable to controlling interests	<u>\$ (11.4)</u>	<u>\$ (1.2)</u>	<u>\$ (19.0)</u>	<u>\$ 5.1</u>
Net (loss) profit and comprehensive (loss) income attributable to non-controlling interests	<u>\$ 1.4</u>	<u>\$ -</u>	<u>\$ 2.1</u>	<u>\$ -</u>

For all reporting periods after April 3, 2025, the financial statements of the Company will be reported on the basis of the company being an operating entity. This results in the consolidation of Arena, Salem Group, and Arena FINCOs into the Company's financial statements for all reporting periods after April 3, 2025. The Company has concluded that under IFRS 10, the change in status from an investment entity to an operating entity should be treated as a business combination. Accordingly the Company accounts for the change in its status prospectively from the date at which the change in status occurred, and prior periods have not been recast. The following analysis of financial results is based on the consolidation of Arena, Salem Group, and Arena FINCOs into the Company's financial statements beginning April 3, 2025 through the reporting date. The Company did not have consolidated management fee revenue, servicing fee revenue, and incentive and performance fee revenue/(expense) prior to April 3, 2025, and therefore these revenue categories are \$nil for the comparative periods.

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5. ANALYSIS OF FINANCIAL RESULTS (continued)

5.1 Revenue

Management fees

The Company earns management fees through the investment management services provided to its clients. Management fees, as determined in the funds governing documents, are calculated on the Company's various segregated client accounts and private pooled investment vehicles as either a percentage of assets under management or a percentage of commitment drawn. Management fees for separately managed and proprietary accounts are pro-rated for mid-month contributions and may be based on a percentage of the fair value of invested capital for the account during the ramp-up phase pursuant to applicable side letters. Effective April 1, 2025, the Company calculates and collects all management fees on a quarterly basis. The Company earned \$5.1 and \$11.2 of management fee revenues for the three and nine months ended September 30, 2025, respectively.

Asset servicing fees

The Company earns asset servicing fees in connection with the management and servicing of the illiquid portion of the investment portfolio. These fees are in addition to the management fee to cover the personnel and overhead costs to manage loans in lieu of hiring unaffiliated third-party servicers. The Company charges the asset servicing fee as described in fund governing documents which is typically based on asset type or a set percentage fee of the fair value of the illiquid portion of the loan portfolio. Effective April 1, 2025, the Company calculates and collects asset servicing fees on a quarterly basis. The Company earned \$2.6 and \$4.9 of servicing fee revenues for the three and nine months ended September 30, 2025, respectively.

Incentive fees and performance allocations

In certain fund structures, the Company through its subsidiaries, invests alongside its limited partners in a partnership and is entitled to its pro-rata share of the results of the fund vehicle (a "pro-rata allocation"). In addition to a pro-rata allocation, and assuming certain investment returns are achieved, the Company is also entitled to a disproportionate allocation of the income otherwise allocable to the limited partners, commonly referred to as carried interest ("Performance Allocations"). Performance Allocations are made to the general partner based either on cumulative fund performance to date, subject to a preferred return to limited partners or based on vehicle performance over a period of time, subject to a high water mark and preferred return to investors. Performance Allocations in carry fund structures are realized when an underlying investment is profitably disposed of and the fund's cumulative returns are in excess of the preferred return or, in limited instances, after certain thresholds for return of capital are met. Performance Allocations in carry fund structures are subject to clawback to the extent that the Performance Allocation received to date exceeds the amount due to the Company based on cumulative results.

The Company also earns contractual fees based on performance of certain funds and investment vehicles during the period, subject to the achievement of minimum return levels or high water marks ("incentive fees"), in accordance with the respective terms set out in each vehicle's governing agreements. Incentive fees are recognized based upon the amount that would be due pursuant to the investment management agreements at each period end based on the amount earned. Incentive fees are only recognized once it is highly probable that a significant reversal will not occur in future periods. Certain incentive fees are payable each fiscal year end and upon any crystallization events, such as withdrawals. The Company earned \$3.2 and \$0.8 of incentive fees and performance allocations for the three and nine months ended September 30, 2025, respectively.

Interest income

Interest income represents interest earned on interest bearing assets other than investments. Interest earned on investments is included in the Net result of investments. Interest income totaled \$1.7 and \$4.6 for the three months ended September 30, 2025 and 2024, respectively, and \$8.5 and \$10.2 for the nine months ended September 30, 2025 and 2024, respectively.

Fee and other income

The asset management segment earns advisory and other service fee revenue not connected to the management or servicing of assets. The Company earned \$0.6 and \$1.6 of advisory and service fees and other income for the three and nine months ended September 30, 2025, respectively.

5.2 Net Results of Investments

The composition of investments for the Company changed substantially as a result of the Strategic Transaction. As of September 30, 2024, the Company held nil investments in Skyward Specialty, investments into 100% of the equity of the Arena FINCO entities, an investment into 51% of

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5. ANALYSIS OF FINANCIAL RESULTS (continued)

the equity in AIGH (accounted for as an equity method investment), and an investment into Arena Strategic Opportunities Fund, L.P. ("ASOF LP"). The Company fully disposed of its investment in Skyward Specialty prior to December 31, 2024. With the closing of the Strategic Transaction, the Company now owns 100% of the equity interests of AIGH, and fully consolidates AIGH and its consolidated subsidiaries, Arena FINCOs, and Salem Group. Investments as of September 30, 2025 for the Company now represents the consolidations of investments held directly by the Company and its consolidated subsidiaries, including investments held by the Arena FINCOs and within the Insurance and Asset Management segments..

For the three months ended September 30, 2025, the net change in value of investments was a net increase of \$4.4, driven primarily by an increase of \$3.2 of investments held in the Insurance segment and an increase of \$1.5 on investments held in the Asset Management segment, offset by a decrease of \$0.3 at the Corporate segment. For the three months ended September 30, 2024, the net change in value of investments was a net increase of \$4.8, driven primarily by an increase of \$9.5 in the value of the investment in Skyward Specialty offset by a decrease of \$3.0 in the value of the investments in the Arena FINCOs, the Company's share of Arena's comprehensive loss of \$1.7, and a decrease in the value of the Company's investment in ASOF LP of a nominal amount.

For the nine months ended September 30, 2025, the net change in value of investments was a net increase of \$20.5, driven primarily by an increase of \$29.0 in the value of the Company's investment in AIGH as a result of the restructuring of the investment through the Strategic Transaction, an increase of \$5.9 on investments held by Arena FINCOs, an increase of \$3.4 on investments held by the Asset Management segment, and an increase of \$4.3 million of investments held by the Insurance segment since the closing of the Strategic Transaction, offset by a decrease in the value of assets held within the Arena FINCO portfolio of \$13.0, a decrease in the value of the company's investment in Salem Group of \$7.7 prior to the closing of the Strategic Transaction, a \$1.1 decrease in the share of loss from the Company's investment in AIGH, and a decrease of 0.3 for other investment losses within the Corporate segment. For the nine months ended September 30, 2024, the net change in value of investments was a net increase of \$25.1, driven primarily by an increase of \$19.8 in the value of the investment in Skyward Specialty, an increase of \$3.2 in the value of the investments in the Arena FINCOs, and the Company's share of Arena's comprehensive income of \$2.0, and an increase in the value of the Company's investment in ASOF LP of \$0.1.

See discussion in Section 3, *Investments*, and Section 4, *Prior Comparative Period Investments as an Investment Entity*, of this MD&A for further information.

5.3 Expenses

The composition of net expenses for the Company changed substantially as a result of the Strategic Transaction. The consolidation of AIGH, Arena FINCOs, and Salem Group resulted in the full expense bases of these operations to now be included in the consolidated results of the Company, whereas in prior comparable periods, these expense bases were embedded in the fair value of the Company's investments into those operations. It is therefore difficult to compare the current net expenses of the Company to its prior comparative results.

For the three months ended September 30, 2025, net expenses of the Company equaled \$33.5, including \$18.0 for salaries and benefits, \$8.9 of professional fees (including \$0.3 of non-recurring professional fees related to the Strategic Transaction), \$1.7 for depreciation of fixed assets and amortization of intangible assets, share-based compensation expense (recovery) of \$(1.8), \$5.8 of general and administrative expenses and \$0.9 of other expenses. Included in salaries and benefits was \$0.7 for one-time severance-related expenses. Net expenses for the three months ended September 30, 2024 of \$12.5 was driven primarily by salaries and benefits of \$8.0 (including one-time special compensation awards of \$5.8) and professional fees of \$5.0, offset by a recovery of share-based compensation expense of \$0.9.

For the nine months ended September 30, 2025, net expenses of the Company equaled \$75.6, driven primarily by \$37.9 for salaries and benefits, \$21.1 of professional fees (including \$2.1 of non-recurring professional fees related to the Strategic Transaction), \$2.9 for depreciation of fixed assets and amortization of intangible assets, share-based compensation expense (recovery) of \$(1.2), \$12.6 of other general and administrative expenses and \$2.3 of other expenses. Included in salaries and benefits was \$5.2 for one-time severance-related expenses. Net expenses for the nine months ended September 30, 2024 of \$32.5 was driven primarily by salaries and benefits of \$23.6 (including one-time special compensation awards of \$18.0), professional fees of \$6.3, and share-based compensation expense of \$2.1.

The Company reported income tax recovery for the three months ended September 30, 2025 of \$4.8. The Company reported income tax expense for the three months ended September 30, 2024 of \$0.1. The Company reported income tax recovery for the nine months ended September 30, 2025 of \$9.6, which includes \$1.4 of refunds from Canadian tax authorities for prior year tax returns. The Company reported income tax recovery for the nine months ended September 30, 2024 of \$0.1.

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 each reporting period. Changes in share-based compensation expense from period to period also result from movement in the Company's share price which affects the per unit valuation of outstanding RSUs, DSUs, stock appreciation rights ("SARs"), and options to acquire Common Shares (which

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5. ANALYSIS OF FINANCIAL RESULTS (continued)

can be surrendered for cash). See Section 9, *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 and nine months ended September 30, 2025 and 2024:

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Foreign exchange gains (losses) relating to:				
- Liabilities for RSUs, DSUs, SARs, Options	\$ (0.2)	\$ (0.2)	\$ 0.4	\$ 0.3
- Canadian dollar currency forward contracts and cash balances	-	-	0.2	(0.1)
- Other	-	-	(0.1)	-
	\$ (0.2)	\$ (0.2)	\$ 0.5	\$ 0.2

6. ANALYSIS OF FINANCIAL POSITION

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

	September 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 413.0	\$ 301.9
Restricted cash	16.9	-
Due from brokers	5.3	-
Income taxes receivables	2.3	0.3
Receivables from related parties	1.5	-
Fee receivables	0.6	-
Investments	262.5	199.7
Other assets	11.4	2.2
Loan receivable	-	13.0
Goodwill	14.0	-
Intangible assets, net of accumulated amortizations	56.7	-
Fixed and right of use assets, net of accumulated depreciation	7.8	-
Deferred tax asset	17.1	6.1
Total assets	\$ 809.1	523.2
Liabilities		
Accounts payable and accrued liabilities	28.3	9.4
Accrued compensation liabilities	36.7	16.3
Profit share liability	8.5	-
Due to brokers	30.6	-
Payable to related parties	5.4	-
Derivative liabilities	1.5	-
Lease liabilities	7.5	-
Insurance contract liabilities	4.3	-
Other liabilities	-	-
Deferred tax liabilities	11.0	0.1
	133.8	25.8
Shareholders' equity	675.3	497.4
Total liabilities and shareholders' equity	\$ 809.1	\$ 523.2

For all reporting periods after April 3, 2025, the financial statements of the Company will be reported on the basis of the Company being an operating entity. This results in the consolidation of Arena, Salem Group, and Arena FINCOs into the Company's financial statements for all reporting periods after April 3, 2025. The Company has concluded that under IFRS 10, the change in status from an investment entity to an operating entity should be treated as a business combination. Accordingly, the Company accounts for the change in its status prospectively from the date at which the

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6. ANALYSIS OF FINANCIAL POSITION (continued)

change in status occurred, and prior periods have not been recast. The following analysis of financial results is based on the consolidation of Arena, Salem Group, and Arena FINCOs into the Company's financial statements beginning April 3, 2025 through the reporting date. Several statement lines have \$nil values for comparative periods as a result of the different basis of reporting for the current and comparative periods.

6.1 Cash

The Company had cash and cash equivalents of \$413.0 and \$301.9 at September 30, 2025 and December 31, 2024, respectively. At September 30, 2025, \$298.5 is held within the Insurance segment, \$5.0 is held within the Asset Management segment, and the remaining \$109.5 is held within Corporate. The increase in cash at September 30, 2025 was driven by the closing of the Strategic Transaction and the consolidations of Arena FINCOs, AIGH, and Salem Group. The balances in cash and cash equivalents are generally held in banks with investment grade ratings, money market mutual funds backed by US government and agency securities with weighted average maturities of less than 90 days, or US government securities held directly with remaining maturities of less than 90 days. The Company has begun to deploy cash held within the Insurance segment into its strategic asset allocation strategy and will continue to do so over the coming quarter.

6.2 Restricted Cash

Restricted cash of \$16.9 as of September 30, 2025 relates to the Asset Management segment for deposits held for pre-funded work fees from potential borrowers and prospective partners, and cash held for prepaid deposits for interest and infrastructure reserves related to investments. This balance relates to the consolidation of AIGH as a result of the Strategic Transaction and therefore the Company did not have restricted cash at December 31, 2024.

6.3 Fee receivables

Management fees and asset servicing fees are recognized in the periods during which the related services are performed, and the amounts have been contractually earned. Incentive fees are recognized based upon the amount that would be due pursuant to the investment management agreements at each period end based on the amount earned. Incentive fees are only recognized once it is highly probable that a significant reversal will not occur in future periods. The balance in fee receivables represents fees that have been recognized as revenue but has not yet been collected. The balance at September 30, 2025 relates to the consolidation of AIGH as a result of the Strategic Transaction, and therefore the Company's balances for Fee receivables at December 31, 2024 was \$nil.

6.4 Current and deferred income taxes

The Company was incorporated on May 7, 1996 by articles of incorporation under the *Business Corporations Act (Alberta)* ("ABCA") and on December 31, 2024, Westaim changed its jurisdiction of incorporation to the state of Delaware with its head office now located in New York. Effective December 31, 2024, the Company is a taxable corporation for U.S., state and local tax purposes, may file income tax returns in various state and local jurisdictions.

At September 30, 2025, the Company had income tax receivable of \$2.3 (December 31, 2024 - \$0.3) related to Canadian income taxes for tax years 2024 and prior and current year income tax receivables for US federal and state taxes.

At September 30, 2025, the Company had a deferred tax asset of \$17.1 (December 31, 2024 - \$6.1) primarily related to net recognized temporary differences of taxable income. It is probable that taxable profits will be available against which those temporary differences can be utilized. At September 30, 2025, the Company reported a deferred tax liability of \$11.0 (December 31, 2024 - \$nil).

See Note 2(q), *Summary of Material Accounting Policies Income Taxes* and Note 14, *Income Taxes* in the Notes to Financial Statements.

6.5 Other Assets

At September 30, 2025, the Company had other assets of \$11.4 (December 31, 2024 - \$2.2), which consisted of accounts receivable of \$3.2 (December 31, 2024 - \$0.7), interest receivable of \$0.7 (December 31, 2024 - \$1.5), receivables for investments sold of \$0.9 (December 31, 2024 - \$nil) and other receivables and assets of \$6.2 (December 31, 2024 - \$nil). See Note 6, *Other Assets* in the Notes to the Financial Statements.

6.6 Investments

Investments were \$262.5 and \$199.7 at September 30, 2025 and December 31, 2024, respectively. At December 31, 2024, investments into the Arena FINCOs, ASOF LP, and Salem Group were recognized on a FVTPL basis, and the investment into Arena was accounted for using the equity method. At September 30, 2025, ASOP LP remained an investment recognized on a FVTPL basis, but investments into Arena FINCOs, Arena, and

6. ANALYSIS OF FINANCIAL POSITION (continued)

Salem Group are now consolidated, and the financial statements recognize the investments held by these entities on a look-through basis. See Section 3, *Investments*, of this MD&A for further discussion on investments held by the Company.

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

6.7 Due from and due to brokers

Due from/to brokers consists of cash balances as well as amounts due from/to brokers for unsettled securities transactions. Amounts due from brokers may be restricted to the extent that they serve as deposits for securities sold short. Additionally, cash held as collateral for derivative contracts is restricted until such contracts mature or are settled per agreement of buyer and seller of each contract. At September 30, 2025, the Company had a balance in Due from brokers of \$5.3 and a balance in Due to brokers of \$30.6. These balances have been netted down to the extent that an enforceable right of offset exists. The balance at September 30, 2025 relates to the consolidation of AIGH, Salem Group, and the Arena FINCOs as a result of the Strategic Transaction, and therefore the Company's balances for Due to/from brokers at December 31, 2024 was \$nil.

6.8 Fixed assets, net of accumulated depreciation

Property, Plant and Equipment provides the physical infrastructure to enable the Company to operate and primarily comprises computer hardware; computer software; furniture and fixtures; and leasehold improvements. Assets are recorded at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the assets' estimated useful lives; generally ranging from three to five years for computer hardware/ software, furniture and fixtures. Leasehold improvements are depreciated over the shorter of their remaining useful lives or the remaining term of the related lease.

Expenditures for repairs and maintenance are charged to expenses when incurred. Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company recognized fixed assets, net of accumulated depreciation, of \$0.7 at September 30, 2025. The balance at September 30, 2025 relates to the consolidation of AIGH and Salem Group as a result of the Strategic Transaction, and therefore the Company's balance for this statement line at December 31, 2024 was \$nil.

6.9 Right-of-use assets, net of accumulated depreciation and associated lease liabilities

The Company's lease arrangements consist of leases relating to office space across the various jurisdictions in which it operates.

The Company initially records a lease liability in the Consolidated Statement of Financial Position reflecting the present value of the future contractual cash flows to be made over the lease term, discounted using the Company's incremental borrowing rate. A right-of-use ("ROU") asset is recorded at the value of the lease liability plus any directly related costs and is presented within Right-of-use assets, net of accumulated depreciation on the Consolidated Statement of Financial Position. Interest is accrued on the lease liability using the effective interest method to give a constant rate of return over the life of the lease while the balance is reduced as lease payments are made. The ROU asset is depreciated from commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term as the benefit of the asset is consumed. Increases or decreases that occur at contractually agreed market rent review dates are included in the lease liability once revised market rents have been agreed.

The Company recognized right-of-use assets, net of accumulated depreciation of \$7.1 and associated lease liabilities of \$7.5 at September 30, 2025. The balance at September 30, 2025 relates to the consolidation of AIGH and Salem Group as a result of the Strategic Transaction, and therefore the Company's balances for these statement lines at December 31, 2024 were \$nil.

6.10 Intangible assets, net of accumulated amortizations

The Company recognized \$20.7 of intangible assets related to the acquisition of insurance licenses in the MAIC acquisition, \$6.7 of capitalized internal-use software, and \$28.4 of intangible assets related to the fair value of investment management agreements and the trade name related to the acquisition of the remaining 49% of AIGH as part of the Strategic Transaction. During the three months ended September 30, 2025, the Insurance segment added \$2.1 of additional capitalized internal-use software. Intangible assets with a defined useful economic life are amortized on a straight-line basis over their estimated life. At each reporting date, the Company applies judgment to determine whether there is any indication that an intangible asset may be impaired. Should any indication exist, an assessment is carried out to determine that the carrying value exceeds the estimated recoverable amount at that time. At September 30, 2025, the carrying value of intangible assets, net of accumulated amortizations of \$2.2, was \$56.6. The amortization expense on intangible assets was \$0.9 and \$1.8 for the three and nine months ended September 30, 2025.

6. ANALYSIS OF FINANCIAL POSITION (continued)

6.11 Goodwill

The Company recognized \$5.2 of goodwill related to the MAIC acquisition and \$8.8 of goodwill related to the acquisition of the remaining 49% of AIGH as part of the Strategic Transaction. The difference between the fair value of the consideration and the value of identifiable assets and liabilities, including intangible assets, is accounted for as goodwill. Goodwill is assessed for impairment on an annual basis. If the assessment determines that the carrying value exceeds the estimated recoverable amount at that time, the goodwill is written down to its recoverable amount. The recoverable amount of goodwill is determined using either a discounted cash flow model or market valuation approach. Any impairment is recognized in the Consolidated Statement of (Loss) Profit and cannot be reversed in future periods. For the purposes of impairment testing, goodwill is allocated the Company's cash-generating units (CGUs) that are expected to benefit from the acquisitions, which includes both the Insurance and Asset Management segments.

6.12 Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities were \$28.3 at September 30, 2025 (December 31, 2024 - \$25.7) including \$34.8 for the Asset Management segment, \$8.9 for the Insurance segment, and \$3.2 for Corporate, offset by \$18.7 eliminated upon consolidation. December 31, 2024 also included emigration tax payable of \$4.0. See Section 9, *Liquidity and Capital Resources* of this MD&A for additional information on the Company's share-based compensation plans.

6.13 Accrued compensation liabilities

Accrued compensation liabilities consists of accrued but unpaid base salaries, discretionary and non-discretionary bonuses, share-based compensation, employee benefits, severance, deferred bonus plan, payroll related taxes, profit share arrangements, and BP Annual and Minimum Distributions as detailed in the revised AIGH LLC Agreement dated April 3, 2025.

The Asset Management segment operates a deferred bonus plan whereby a portion of certain bonuses awarded in respect of the year are deferred. Deferred bonuses are subject to co-investment in ASOF LP with one third of the deferred award payable on the first, second and third anniversary, respectively. Bonuses are accrued over the related service period and included in accrued compensation and benefits on the Consolidated Statement of Financial Position.

At September 30, 2025, the Company had \$36.7 of accrued compensation liabilities, consisting of accrued cash-based compensation of \$13.9, DSUs of \$4.9, SARs of \$4.7, and other deferred compensation of \$13.2. At December 31, 2024, the Company had \$16.3 of accrued compensation liabilities including DSUs of \$4.5, SARs of \$6.5, and stock options liability of \$5.3. See Section 5.12, *Accounts Payable and Accrued Liabilities*, of this MD&A for information on prior period accrued compensation liabilities.

6.14 Payable to related parties

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. At September 30, 2025, the Company had payables to related parties of \$5.4, primarily related to fund entities sponsored by Arena but not included in our consolidated financial statements. The balance at September 30, 2025 relates to the consolidation of AIGH and Arena FINCOs as a result of the Strategic Transaction, and therefore the Company's balance for these statement lines at December 31, 2024 was \$nil. See section 10 of this MD&A and note 13, *Related Party Transactions*, in the Notes to Financial Statements for further information.

6.15 Derivative liabilities

The Company is exposed to certain risks relating to its ongoing business operations. The primary risk managed by using derivative instruments is foreign currency exchange rate risk. Forward contracts on various currencies can be entered into to manage foreign currency exchange risk associated with revenue earned in currencies other than USD. Other forward exchange contracts are entered into to manage risks associated with the Company's working capital requirements in currencies other than USD.

Forward currency contracts are valued by reference to the forward price at which a new forward foreign currency contract of the same size and maturity could be undertaken at the valuation date. The unrealized gain or loss on open forward currency contracts is calculated as the difference between the contract rate and the forward price and is recognized in the Consolidated Statement of (Loss) Profit.

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6. ANALYSIS OF FINANCIAL POSITION (continued)

The Company recognizes forward contracts as an asset or a liability on the Consolidated Statement of Financial Position as they carry the obligation to buy or sell a certain currency at a certain price at a future value date. The Company recognized \$1.5 of derivative liabilities as of September 30, 2025 (December 31, 2024: \$nil)

6.16 Shareholders' equity

The details of shareholders' equity are as follows:

	September 30, 2025	December 31, 2024
Share capital	\$ 557.3	\$ 351.4
Treasury shares	(3.7)	
Share premium	2.2	11.4
Other components of equity	(2.0)	(2.2)
Retained earnings	117.5	136.8
Equity attributable to controlling interest	671.3	497.4
Non-controlling interest	4.0	-
Total shareholders' equity	\$ 675.3	\$ 497.4

6.17 Share Capital

Westaim had 33,382,104 Common Shares outstanding at September 30, 2025 (December 31, 2024: 21,706,501). In the three months ended September 30, 2025, Westaim acquired 169,404 Common Shares at a cost of \$3.7 which are held as Treasury Shares. In the nine months ended September 30, 2025, Westaim acquired 305,864 Common Shares at a cost of \$6.5 and cancelled 136,460 Common Shares. During the three and nine months ended September 30, 2025, the 615,000 stock options that were outstanding at December 31, 2024 were exercised at a strike price of C\$18.60. 610,833 stock options were net cash settled for \$8.2, and 4,167 options were exercised on a net exercise basis resulting in 1,642 Common Shares being delivered to option holders. 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. See discussion in Section 9, *Liquidity and Capital Resources, Share-based Compensation Plans* of this MD&A and Note 10, *Share Capital* in the Notes to the Financial Statements.

6.18 Non-controlling interest

Shareholders' equity - non-controlling interest totaled \$4.0 at September 30, 2025. The balance at September 30, 2025 relates to the consolidation of AIGH as a result of the Strategic Transaction, and therefore the Company's balance for this statement line at December 31, 2024 was \$nil.

7. SEGMENT REPORTING

The Company operates as an integrated insurance and asset management company with two primary operating segments: Insurance and Asset Management. The remainder of the activity for the Company is captured under Corporate, which includes investment activities within the Arena FINCOs, other investment activities at the corporate level, share-based compensation, and other corporate level activities. The establishment of these segments occurred with the closing of the Strategic Transaction, and therefore the segment reporting results shown in this section are from the Closing Date through September 30, 2025 and there are no comparative results to be disclosed. This section includes a discussion and analysis of the Company's segment results.

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7. SEGMENT REPORTING (continued)

FINANCIAL RESULTS BY SEGMENT

The following contains the financial results of the Company by segment for the three months ended September 30, 2025:

Three Months Ended September 30, 2025

	Asset					
	Management	Insurance	Corporate	Eliminations	Consolidated	
Revenue						
Management fees	\$ 6.4	\$ -	\$ -	\$ (1.3)	\$ 5.1	
Asset servicing fees	2.7	-	(0.1)	-	2.6	
Interest income	0.1	0.5	1.4	(0.3)	1.7	
Incentive fees and performance allocations	3.1	-	-	0.1	3.2	
Service fees	0.3	-	-	-	0.3	
Advisory fees	0.3	-	-	-	0.3	
Other income	-	-	0.8	-	0.8	
	<u>12.9</u>	<u>0.5</u>	<u>2.1</u>	<u>(1.5)</u>	<u>14.0</u>	
Net results of investments	1.5	3.2	(0.3)	-	4.4	
Net expenses						
Salaries and benefits	12.1	3.5	1.6	-	17.2	
General, administrative and other	2.2	3.3	0.3	-	5.8	
Professional fees	2.0	4.9	1.7	-	8.6	
Share-based compensation expense (recovery)	-	-	(1.8)	-	(1.8)	
Foreign exchange loss (gain)	-	-	(0.2)	-	(0.2)	
Interest expense	-	-	0.3	-	0.3	
Other expenses	0.4	1.4	0.5	(1.5)	0.8	
	<u>16.7</u>	<u>13.1</u>	<u>2.4</u>	<u>(1.5)</u>	<u>30.7</u>	
Earnings before depreciation, amortization, and income taxes ("Adjusted EBITDA")	(2.3)	(9.4)	(0.6)	-	(12.3)	
Depreciation and amortization (expense)	(0.3)	(0.5)	(1.0)	-	(1.8)	
Strategic transaction-related costs	(0.3)	-	-	-	(0.3)	
Severance expenses	(0.7)	-	-	-	(0.7)	
Pre-tax net (loss) profit	<u>(3.6)</u>	<u>(9.9)</u>	<u>(1.6)</u>	<u>-</u>	<u>(15.1)</u>	
Income taxes recovery (expense) ¹	(1.4)	0.3	5.9	-	4.8	
Net (loss) profit	<u>(5.0)</u>	<u>(9.6)</u>	<u>4.3</u>	<u>-</u>	<u>(10.3)</u>	
Other comprehensive (loss) income	-	0.3	-	-	0.3	
Net (loss) profit and comprehensive (loss) income	\$ (5.0)	\$ (9.3)	\$ 4.3	\$ -	\$ (10.0)	
Profit attributable to non-controlling interest	1.4	-	-	-	1.4	
(Loss) profit and comprehensive (loss) income attributable to controlling interest	\$ (6.4)	\$ (9.3)	\$ 4.3	\$ -	\$ (11.4)	

¹ Income tax recovery (expense) for segment reporting includes taxes that are the direct responsibility of legal entities dedicated to the operating segment. To the extent the segment operates within pass-through entities where taxes on related earnings and profits are borne by the Corporate parent, such taxes will generally be included in the Corporate column and are not allocated back to the segments. Chief Operating Decision Makers generally use Adjusted EBITDA and Pre-tax net (loss) profit to assess performance and allocate resources.

NOTE: Schedule subtotals and totals may be impacted by rounding

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7. SEGMENT REPORTING (continued)

The Asset Management segment had Adjusted EBITDA of \$2.3 loss and Pre-tax net loss of \$3.5 for the three months ended September 30, 2025, inclusive of \$6.4 of Management fees and \$2.7 of asset servicing fees. Adjusted EBITDA excludes \$0.7 for severance expenses allocations and \$0.3 of non-recurring professional fees related to the Strategic Transaction.

The Insurance segment had Adjusted EBITDA of \$9.4 loss and Pre-tax net loss of \$9.9 for the three months ended September 30, 2025, inclusive of \$1.9 of platform build-out related expenses.

The Corporate column of our segment reporting comprises activities of the Company that reside outside of our two operating business segments and includes the investments within the Arena FINCOs, other cash and investments that are held outside of our operating segments, compensation (including share-based compensation) for employees and directors of the company that are not included in our operating segments, and other corporate overhead expenses. Corporate had Adjusted EBITDA of (\$0.6) and Pre-tax net profit of \$4.3. Adjusted EBITDA was driven by interest income of \$1.5 and other income of \$0.6, offset by losses on investments of \$0.3 operating expenses of \$2.5.

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7. SEGMENT REPORTING (continued)

The following contains the financial results of the Company by segment for the nine months ended September 30, 2025:

Nine Months Ended September 30, 2025					
	Asset Management	Insurance	Corporate	Eliminations	Consolidated
Revenue					
Management fees	13.0	-	-	(1.8)	11.2
Asset servicing fees	5.2	-	(0.3)	-	4.9
Interest income	0.1	0.8	8.3	(0.7)	8.5
Incentive fees and performance allocations	0.7	-	-	0.1	0.8
Service fees	0.7	-	-	-	0.7
Advisory fees	0.9	-	-	-	0.9
Other income	-	-	1.3	-	1.3
	<u>20.6</u>	<u>0.8</u>	<u>9.3</u>	<u>(2.4)</u>	<u>28.3</u>
Net results of investments	3.4	4.3	12.8	-	20.5
Net expenses					
Salaries and benefits	22.5	6.1	4.2	-	32.8
General, administrative and other	4.3	7.1	1.2	-	12.6
Professional fees	4.0	10.3	4.8	-	19.1
Share-based compensation expense (recovery)	-	-	(1.2)	-	(1.2)
Foreign exchange loss (gain)	(0.1)	-	0.6	-	0.5
Interest expense	-	-	0.6	-	0.6
Other expenses	0.9	1.8	0.9	(2.4)	1.2
	<u>31.6</u>	<u>25.3</u>	<u>11.1</u>	<u>(2.4)</u>	<u>65.6</u>
Earnings before depreciation, amortization, and income taxes ("Adjusted EBITDA")	(7.6)	(20.2)	11.0	-	(16.8)
Depreciation and amortization (expense)	(0.6)	(0.4)	(1.8)	-	(2.8)
Strategic transaction-related costs	(1.3)	-	(0.7)	-	(2.0)
Severance expenses	(0.7)	-	(4.5)	-	(5.2)
Pre-tax net (loss) profit	<u>(10.2)</u>	<u>(20.6)</u>	<u>4.0</u>	<u>-</u>	<u>(26.8)</u>
Income taxes recovery (expense) ¹	0.2	3.4	6.0	-	9.6
Net (loss) profit	<u>(10.0)</u>	<u>(17.2)</u>	<u>10.0</u>	<u>-</u>	<u>(17.2)</u>
Other comprehensive (loss) income	-	0.3	-	-	0.3
Net (loss) profit and comprehensive (loss) income	<u>(10.0)</u>	<u>(16.9)</u>	<u>10.0</u>	<u>-</u>	<u>(16.9)</u>
Profit attributable to non-controlling interest	2.1	-	-	-	2.1
(Loss) profit and comprehensive (loss) income attributable to controlling interest	<u>(12.1)</u>	<u>(16.9)</u>	<u>10.0</u>	<u>-</u>	<u>(19.0)</u>

¹ Income tax recovery (expense) for segment reporting includes taxes that are the direct responsibility of legal entities dedicated to the operating segment. To the extent the segment operates within pass-through entities where taxes on related earnings and profits are borne by the Corporate parent, such taxes will generally be included in the Corporate column and are not allocated back to the segments. Chief Operating Decision Makers generally use Adjusted EBITDA and Pre-tax net (loss) profit to assess performance and allocate resources.

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7. SEGMENT REPORTING (continued)

The Asset Management segment had Adjusted EBITDA of \$7.6 loss and Pre-tax net loss of \$10.2 from the closing of the Strategic Transaction through September 30, 2025, inclusive of \$13.0 of Management fees and \$5.2 of asset servicing fees. Adjusted EBITDA excludes \$0.7 for severance expenses allocations and \$1.3 of non-recurring professional fees related to the Strategic Transaction. We are continuing to evaluate certain reorganization and repositioning efforts for the Asset Management segment, which we expect will generate operational efficiencies and run-rate savings for the Company as we reposition the business to focus more on scalable opportunities for the Insurance segment, its existing client base, and future third party clients.

The Insurance segment had Adjusted EBITDA of \$20.2 loss and Pre-tax net loss of \$20.6 from the Closing Date through September 30, 2025, inclusive of \$5.5 of platform build-out related expenses. The Insurance segment is currently expected to incur run-rate operating expenses in the range of \$30.0 to \$40.0 per annum for fiscal year 2025 and will not generate material earnings outside of investment returns on its current cash and portfolio of investments until the annuity business increases in scale. The business believes that the technology and processes underpinning their operations will be able to scale efficiently relative to its peer group, and this operating leverage capability should become more evident as the business scales.

The Corporate column of our segment reporting comprises activities of the Company that reside outside of our two operating business segments and includes the investments within the Arena FINCOs, other cash and investments that are held outside of our operating segments, compensation (including share-based compensation) for employees and directors of the company that are not included in our operating segments, and other corporate overhead expenses. Corporate had Adjusted EBITDA of \$11.0 gain and Pre-tax net profit of \$4.0. Adjusted EBITDA was driven by a gain on the restructuring of the AIGH investment of \$29.0, interest income of \$8.3, other income of \$1.3, and a recovery of share-based compensation expense of \$1.2, offset by expenses of \$11.1, which excludes \$4.5 of severance-related expenses and \$0.8 of strategic transaction-related costs.

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7. SEGMENT REPORTING (continued)

The following contains the financial position of the Company by segment from as of September 30, 2025:

FINANCIAL POSITION BY SEGMENT

As of September 30, 2025	Asset Management	Insurance	Corporate	Eliminations	Consolidated
Assets					
Cash and cash equivalents	\$ 5.0	\$ 298.5	\$ 109.5	\$ -	\$ 413.0
Restricted cash	16.9	-	-	-	16.9
Fee receivables	0.4	-	-	0.2	0.6
Income taxes receivable	-	-	2.3	-	2.3
Receivables from related parties	1.6	-	0.2	(0.3)	1.5
Other assets	5.6	1.8	4.0	-	11.4
Investments at fair value	45.0	68.4	149.1	-	262.5
Investments in Affiliates	-	-	397.5	(397.5)	-
Due from brokers	-	-	5.3	-	5.3
Deferred tax asset	2.7	4.0	10.4	-	17.1
Fixed and right of use assets, net of accumulated depreciation	2.4	5.5	-	-	7.8
Intangible assets, net of accumulated amortizations	27.5	29.2	-	-	56.7
Loan receivable	-	-	18.6	(18.6)	-
Goodwill	8.8	5.2	-	-	14.0
Total assets	115.9	412.5	696.9	(416.2)	809.1
Liabilities					
Accounts payable and accrued liabilities	34.9	8.9	3.2	(18.7)	28.3
Accrued compensation liabilities	23.9	1.7	11.1	-	36.7
Profit share liability	8.5	-	-	-	8.5
Due to brokers	-	20.9	9.7	-	30.6
Payable to related parties	5.3	-	0.1	-	5.4
Derivative liabilities	-	-	1.5	-	1.5
Lease liabilities	2.4	5.1	-	-	7.5
Insurance Contract Liabilities	-	4.3	-	-	4.3
Other liabilities	-	-	-	-	-
Deferred tax liabilities	6.9	4.1	-	-	11.0
	81.9	45.0	25.6	(18.7)	133.8
Shareholders Equity					
Shareholders' equity – controlling interests	30.0	367.5	671.3	(397.5)	671.3
Shareholders' equity – non-controlling interests	4.0	-	-	-	4.0
Total shareholders' equity	34.0	367.5	671.3	(397.5)	675.3
Total liabilities and shareholders' equity	\$ 115.9	\$ 412.5	\$ 696.9	\$ (416.2)	\$ 809.1

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7. SEGMENT REPORTING (continued)

The Asset Management segment had total assets of \$115.9 at September 30, 2025, and \$79.7 of tangible assets excluding intangibles and goodwill. The investment balance of \$45.0 is primarily of investments into fund and investment-related vehicles sponsored by Arena. \$18.6 of the accounts payable is a loan payable to Westaim (Corporate) which is eliminated in the Eliminations column. Within the \$23.9 of Accrued compensation liabilities, \$13.5 relates to deferred compensation accruals related to unrealized incentive fees and performance allocations.

The Insurance segment had total assets of \$412.5 at September 30, 2025, and \$378.2 of tangible assets excluding intangibles and goodwill. Cash and cash equivalents, net of the Due to broker balance of \$20.9 to settle purchases of cash and cash equivalent positions, was \$277.6. The investment balance of \$68.4 are assets purchased by the Insurance segment and managed by the Asset Management segment in accordance with the Insurance segment's strategic asset allocation strategy ("SAA"). The insurance business is continuing the process of deploying its assets in accordance with the SAA.

Corporate had cash and cash equivalents of \$109.5, and investments of \$149.1 primarily related to investments within Arena FINCO entities. The \$5.3 of Due from brokers and \$9.7 of Due to brokers is also primarily related to the Arena FINCO investment strategy. Accrued compensation liabilities includes \$4.7 related to SARs, \$4.9 related to DSUs, and \$1.4 for cash-based compensation accruals. See Section 9, *Liquidity and Capital Resources* of this MD&A and Note 10, *Share Capital* in the Notes to the Financial Statements for further details on share-based compensation.

8. OUTLOOK

The Strategic Transaction closed on April 3, 2025, launching a new era for Westaim by transforming the Company into an asset management and insurance focused operating entity. The Insurance segment launched its insurance operations with issuances of MYGA policies through third party distributors commencing in September 2025, resulting in approximately \$4.0 of premium received. September was a transitional month as agents started to onboard onto our platform, and thus September activity should not be considered a predictor for future activity. The Insurance segment continued to onboard additional advisors agents since September 30, 2025, and distribution of MYGA policies has continued to ramp up substantially during Q4 2025. Ceres also received regulatory approvals to launch its fixed index annuities offering, which we expect to launch in early 2026. As Ceres gains recognition in the distribution channel and rolls out more products over the course of the coming year, we expect premiums received and revenues to accelerate. AM Best has assigned a Financial Strength Rating of B++ (Good) and a Long-Term Issuer Credit Rating of "bbb+" (Good) to Ceres, and the outlook assigned to these Credit Ratings is stable. As of September 30, 2025, the Company satisfied \$401.2 of its commitment to capitalize the Insurance segment with \$218.8 remaining on this commitment, which is now effectively a commitment from Corporate to fund the Insurance segment within the consolidated group.

The Asset Management segment has continued to refine and extend its capabilities to serve the needs of both the Insurance segment and its third party clients. Arena is actively managing assets for Ceres in accordance with the investment management agreement in place with an affiliate of CC Capital and the SAA established by Ceres to guide its investment strategy. The Asset Management segment continues to focus on providing a high level of service to its existing clients, expanding the capabilities of the business through continued fundraising from third party investors, and managing the capital now in its control for the benefit of the Insurance segment.

As announced on July 22, 2025, the Company plans to invest up to \$100.0 into a partnership that will own a controlling interest in Insignia Financial Ltd. ("Insignia", ASX: IFL), Australia's leading diversified wealth management group with over AU\$330 billion in funds under management and advice. This investment helps to strengthen our long-standing relationship with a significant client of Arena, and is viewed by management as strategically important for the Company. The Company will continue to seek additional investment opportunities to 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. This investment is expected to be funded during calendar year 2026.

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

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9. LIQUIDITY AND CAPITAL RESOURCES (continued)

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 September 30, 2025, Westaim had 33,382,104 Common Shares outstanding (December 31, 2024 – 21,706,501), with a stated capital of \$557.3 (December 31, 2024 - \$351.4).

There were no Class A or Class B preferred shares outstanding at June 30, 2025 or December 31, 2024. See Note 10, *Share Capital* in the Notes to the Financial Statements.

Dividends

No dividends were paid by the Company in the three and nine months ended September 30, 2025 or year ended December 31, 2024.

Share-based Compensation Plans

Westaim's long-term equity incentive plan (the "Incentive Plan") provides for grants of RSUs, DSUs, options, SARs and other share-based awards. Westaim also has a stand-alone 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, as of September 30, 2025, 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 – this number was later increased to 3,334,189 Common Shares upon closing of the Strategic Transaction (and shortly thereafter increased to 3,355,396 Common Shares at the Company's June 2025 annual shareholders' meeting). As the DSUs and SARs are settled solely in cash, they are not included in the limitations contemplated above.

During the three and nine months ended September 30, 2025, nil and 615,000 stock options that were outstanding at December 31, 2024 were exercised at a strike price of C\$18.60, respectively. 610,833 stock options were net cash settled for \$8.2, and 4,167 options were net exercised resulting in 1,642 Common Shares being delivered to option holders.

Westaim had 673,727 RSUs¹ outstanding at September 30, 2025 (December 31, 2024 – no RSUs). There were nil and 673,727 RSUs granted during the three and nine months ended September 30, 2025, respectively, and nil and nil RSUs settled in the three and nine months ended September 30, 2024. On the Closing Date, Wembley Management received a grant of 673,727 performance-based restricted stock units ("PSUs") of the Company. The PSUs will vest if the Common Stock Price Target Condition is achieved prior to the fifth anniversary of the Closing Date and, once vested, will be settled on a one-for-one basis for an aggregate of 673,727 Common Shares, representing approximately 2% of the issued and outstanding Common Shares as of the Closing Date. 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 Arrangement on December 31, 2024, the remaining 425,571 RSUs were surrendered and the Company issued cash settlements of \$9.1 to the RSU holders. As a result, there were no RSUs outstanding at December 31, 2024. 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 September 30, 2025, 238,058 DSUs were vested and outstanding (December 31, 2024 – 209,547 DSUs). In the three months ended September 30, 2025, 9,026 DSU's were issued, compared to 9,842 in the three months ended September 30, 2024. In the nine months ended September 30, 2025, 28,511 DSU's were issued, compared to 30,227 in the nine months ended September 30, 2024. 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

¹ RSUs include performance-based restricted stock units ("PSUs" that represent the right to receive shares of the Company's common stock at a specified date in the future based on pre-determined performance and service conditions.

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9. LIQUIDITY AND CAPITAL RESOURCES (continued)

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 three and nine months ended September 30, 2025 and the year ended December 31, 2024, no DSUs were settled.

At September 30, 2025, 1,298,954 SARs were vested and outstanding (December 31, 2024 – 1,298,954 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 September 30, 2025, accrued compensation liabilities included amounts related to RSUs of \$nil, DSUs of \$4.9, SARs of \$4.7 and stock options liability of \$nil. At December 31, 2024, accounts payable and accrued liabilities included amounts related to RSUs of \$nil, DSUs of \$4.5, SARs of \$6.5, and stock options liability of \$5.3.

See Note 11, *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. At September 30, 2025 the Company maintained a strong level of liquidity with \$413.0 of unrestricted cash and cash equivalents against total liabilities of \$133.8. 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.

September 30, 2025	One year or less	One to five years	No specific date / later than five years	Total
Financial assets:				
Cash and cash equivalents	\$ 413.0	\$ -	\$ -	\$ 413.0
Due from brokers	5.3	-	-	5.3
Income tax receivable	2.3	-	-	2.3
Receivables from related parties	1.4	0.1	-	1.5
Fee receivable	0.6	-	-	0.6
Restricted cash	16.9	-	-	16.9
Investments at fair value	47.2	60.3	155.0	262.5
Other assets	7.9	0.4	3.1	11.4
Total financial assets	494.6	60.8	158.1	713.5
Financial obligations:				
Due to brokers	30.6	-	-	30.6
Accounts payable and accrued liabilities	26.3	19.5	1.2	47.0
Accrued compensation liabilities	12.1	22.9	1.7	36.7
Profit share liability	-	-	8.5	8.5
Payable to related parties	5.3	0.1	-	5.4
Derivative liabilities	-	-	1.5	1.5
Lease liabilities	1.4	4.7	1.5	7.6
Insurance contract liabilities	-	-	4.3	4.3
Other liabilities	-	-	-	-
Deferred tax liability	-	-	11.0	11.0
Total financial obligations	75.7	47.2	29.7	152.6
Net financial assets	\$ 418.9	\$ 13.6	\$ 128.4	\$ 560.9

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9. LIQUIDITY AND CAPITAL RESOURCES (continued)

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

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

10. 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.

As a result of the Strategic Transaction and related agreements including the Investment Agreement, the Consulting Agreement, and the Investor Rights Agreement, CC Capital and certain of its affiliated entities (including the Investor, CC Salem, Salem GP, and Wembley Management) have become material related parties to the Company. Through the Investor Rights Agreement, CC Capital has the right to appoint 5 of the 11 members of the Company's Board, and holds a mutual approval right for a sixth independent board member. Chinh Chu, the co-founder of CC Capital, has also been appointed as the Executive Chair of the Company's Board. In addition, Salem GP, which is an entity controlled by CC Capital, has effective control of Salem Group, subject to certain limited general partner removal rights retained by the Company. In addition, the Company is entitled to appoint five members of the Board of Managers of Arena, all of whom will be nominated by the Investor. The Investor will also be entitled to select the Chairperson of the Arena Board and the Investor's consent will be required for the removal of any of the Investor's nominees on the Arena Board and certain other actions. See Section 1, *The Company*, of this MD&A for further information on the Strategic Transaction and elements of CC Capital's involvement with the Company including the Investment Agreement, the Consulting Agreement, and the Investor Rights Agreement.

During the three months ended September 30, 2025, the Insurance Segment incurred investment expenses of \$1.2 to CC Capital for asset-management services. CC Capital under a separate sub-manager agreement agreed to pay the Asset Management segment a separate sub-management fee for the same amount, without retaining any margin. These transactions were determined to be on fair-market terms at arm's length rates. In the interim consolidated statements of (loss) profit and comprehensive (loss) income, these fees are separately recorded as Investment expenses and Management fee revenue, respectively, and do not eliminate in consolidation as CC Capital is not a consolidated subsidiary of the Company. A payable to CC Capital of \$1.1 remained as at September 30, 2025 related to this arrangement.

At September 30, 2025, the Company had payables to related parties of \$5.4, primarily related to fund entities sponsored by Arena but not included in our consolidated financial statements. The balance at September 30, 2025 relates to the consolidation of AIGH and Arena FINCOs as a result of the Strategic Transaction, and therefore the Company's balances for these statement lines at December 31, 2024 were \$nil.

See Note 13, *Related Party Transactions* in the Notes to the Financial Statements.

11. MATERIAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Preparation of the interim 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.

11. MATERIAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

Through April 2, 2025, the Company qualified as an investment entity under IFRS 10 and used fair value as the key measure to monitor and evaluate its primary investments. The Company reported its financial results in accordance with IFRS applicable to investment entities for all reporting periods prior to April 3, 2025. On April 3, 2025, CC Capital and the Company completed the Strategic Transaction, and as a result the company transformed from an investment entity into an operating entity. For all reporting periods after April 3, 2025, the financial statements of the company will be reported on the basis of the company being an operating entity. This results in the consolidation of Arena, Salem Group, and Arena FINCOs into the Company's financial statements for all reporting periods after April 3, 2025. The Company has concluded that under IFRS 10, the change in status from an investment entity to an operating entity should be treated as a business combination. Accordingly, the Company accounts for the change in its status prospectively from the date at which the change in status occurred, and prior periods have not been recast.

The preparation of interim 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. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year is included in the following Notes to Consolidated Financial Statements:

- Note 4: Fair value of investments classified as FVTPL;
- Note 11: Fair value of share-based compensation;
- Note 14: Deferred tax assets and liabilities;
- Note 4: Impairment of financial assets, including determination of inputs into the expected credit losses measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information;
- Note 4: Measurement of the fair value of financial instruments, investment properties and owner-occupied properties with significant unobservable inputs;
- Note 14: Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be used;
- Note 19: Impairment of goodwill and intangible assets; and
- Note 4: Information about assumptions made in measuring insurance contracts, including assumptions about future cash flows relating to mortality, morbidity, policyholder behavior, participation percentages and crediting rates, as well as assumptions about discount rates and risk adjustments for non-financial risk.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following Notes to Consolidated Financial Statements:

- Note 2: determining that the Company met the definition of an investment entity under IFRS 10 for comparative periods, valuation techniques for fair value determination of investments classified as FVTPL, applying the equity method of accounting for associates;
- Note 2(b): determining that the Company's functional currency is the US\$;
- Note 4: Impairment of investments, including establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL;

Prior to the closing of the Strategic Transaction on April 3, 2025, the Company qualified as an investment entity under IFRS and used fair value as the key measure to monitor and evaluate its primary investments. Accordingly, the Company's investments Skyward Specialty, the Arena FINCOs and ASOF LP were accounted for at fair value through profit or loss ("FVTPL") in the prior period comparative statements. The Company's investment in Arena was accounted for using the equity method since the Company did not exercise control but exercised significant influence over Arena.

Management used the net asset value as the primary valuation technique 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 3, *Prior Comparative Period Investments as an Investment Entity* in the Notes to the Financial Statements. 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 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 11, *Share-based Compensation* and Note 14, *Income Taxes* respectively, in the Notes to the Financial Statements.

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12. 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 September 30, 2025, there were no new pronouncements that had a material impact on adoption.

13. QUARTERLY FINANCIAL INFORMATION

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Revenue	\$ 14.0	\$ 10.5	\$ 3.8	\$ 4.6	\$ 6.6	\$ 3.5	\$ 2.3	\$ 1.8	\$ 1.1
(Decrease) increase in value of investments, less dividends	4.4	24.6	(8.5)	(3.5)	4.8	(6.2)	26.5	51.5	23.7
Net expenses	(33.5)	(37.6)	(4.6)	(25.6)	(12.5)	(18.2)	(1.8)	(16.1)	(1.8)
Income taxes recovery (expense)	4.8	2.9	1.9	3.2	-	3.8	(3.7)	(2.1)	-
Other comprehensive income	0.3	-	-	-	-	-	-	-	-
(Loss) profit and comprehensive (loss) income	\$ (10.0)	\$ 0.5	\$ (7.4)	\$ (21.3)	\$ (1.1)	\$ (17.1)	\$ 23.3	\$ 35.1	\$ 23.0

Through April 2, 2025, the Company qualified as an investment entity under IFRS 10 and used fair value as the key measure to monitor and evaluate its primary investments. The Company reported its financial results in accordance with IFRS applicable to investment entities for all reporting periods prior to April 3, 2025. On April 3, 2025, CC Capital and the Company completed the Strategic Transaction, and as a result the Company transformed from an investment entity into an operating entity. For all reporting periods after April 3, 2025, the financial statements of the Company will be reported on the basis of the Company being an operating entity. This results in the consolidation of Arena, Salem Group, and Arena FINCOs into the Company's financial statements for all reporting periods after April 3, 2025. The Company has concluded that under IFRS 10, the change in status from an investment entity to an operating entity should be treated as a business combination. Accordingly, the Company should account for the change in its status prospectively from the date at which the change in status occurred, and prior periods have not been recast. Therefore, the results for Q3 2025 are not comparable to prior periods due to the differences in accounting basis between the periods.

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.

14. 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 Insurance and Asset management segments. 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, 2024 (as same may be modified or superseded by a subsequently filed Annual Information Form), which is available on SEDAR+ at www.sedarplus.ca.

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15. NON-IFRS 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Book value:			
Shareholders' equity to controlling interests per IFRS	\$ 671.3	\$ 497.4	\$ 511.2
Shareholders' equity to non-controlling interests per IFRS	4.0	-	-
Adjustments:			
RSU liability ¹	-	-	10.0
ASPP liability ²	-	-	-
Stock options liability ³	-	5.3	5.3
Assumed proceeds of exercised in-the-money options ³	-	8.0	17.1
	<u>\$ 675.3</u>	<u>\$ 510.7</u>	<u>\$ 543.6</u>
Number of Common Shares:			
Number of Common Shares outstanding	33,382,104	21,706,501	21,362,064
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	<u>33,382,104</u>	<u>22,321,501</u>	<u>23,204,183</u>
Book value per share for controlling interests - in US\$	\$ 20.11	\$ 22.88	\$23.40
Book value per share for controlling interests - in C\$ ⁴	\$ 27.99	\$ 32.90	\$31.68
Westaim TSXV closing share price - in C\$	\$ 28.73	\$ 31.02	\$23.88

¹ See Note 11, *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 are exercisable for Common Shares or cash at no cost to the holders. Adjustment made to reflect a reclassification of the RSU liability to shareholders' equity assuming all outstanding RSUs were exercised for Common Shares.

² See Note 7, *Accounts Payable and Accrued Liabilities and Accrued Compensation Liabilities* in the Notes to the Financial Statements. Shareholders' equity per IFRS was reduced by the liability required for the maximum amount that would be required to settle the Company's automatic share purchase plan.

³ See Note 11, *Share-based Compensation* in the Notes to the Financial Statements. Adjustments were made for all of the options outstanding at September 30, 2025, December 31, 2024 and September 30, 2024, 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: 1.39195 at September 30, 2025, 1.43815 at December 31, 2024, and 1.35265 at September 30, 2024.

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15. NON-IFRS MEASURES (continued)

(b) Adjusted EBITDA

The Company utilizes Adjusted EBITDA as a non-IFRS measure to evaluate the performance of its operating segments. Adjusted EBITDA is defined by the Company as earnings before depreciation, amortization, taxes, interest on financing activities, as further adjusted for other items that are considered unusual or not representative of underlying trends of our business. Interest on investment activities is viewed as a core element of the business for both the Asset Management and Insurance segments, and therefore remains included in the Adjusted EBITDA metric. The following is a reconciliation of Adjusted EBITDA to Net Income for each of our segments:

From Closing Date through September 30, 2025					
	Asset Management	Insurance	Corporate	Eliminations	Consolidated
Net (loss) profit	(10.0)	(17.2)	10.0	-	(17.2)
Depreciation and amortization expense	0.6	0.4	1.8	-	2.8
Income taxes (recovery) expense	(0.2)	(3.4)	(6.0)	-	(9.6)
Strategic Transaction-related costs	1.3	-	0.7	-	2.0
Severance expenses	0.7	-	4.5	-	5.2
Earnings before depreciation, amortization, and income taxes ("Adjusted EBITDA")	(7.6)	(20.2)	11.0	-	(16.8)

(c) Net returns on the Arena FINCOs investment portfolios

For periods ended prior to the closing of the Strategic Transaction, 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.

16. 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 Arena and Ceres; expectations regarding the Company's assets and liabilities; the effects of the Strategic Transaction; and the launch of Ceres.

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; Westaim being a passive foreign investment company ("PFIC") for the fiscal year ended December 31, 2024, 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 Company's 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'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 Company's investments; exposure to Arena's risk management processes and systems; dependence on the creditworthiness of borrowers; the ability of Arena to mitigate the risk of default by and bankruptcy of a borrower; the ability of Arena to adequately obtain, perfect and secure loans; the ability of Arena to limit the need for

16. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION (continued)

enforcement or liquidation procedures; the ability of Arena to protect against fraud; Arena's ability to realize profits; the Company's investment in illiquid investments; the Company's investments in businesses it does not control; valuation of the Company's investments will be subject to significant subjectivity; the Company's loan concentration; 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 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 transactions with CC Capital; Ceres' exposure to risks inherent in the establishment of a new venture and in the insurance and annuity market; the ability of the Company, Ceres 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' 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.