



# Revising our Approach to Expedite the Transaction

Bringing Two Proven Teams Together

THE \_\_\_\_\_  
**WESTERN INVESTMENT**  
\_\_\_\_\_ COMPANY OF CANADA LTD



## Cautionary Statements

This presentation contains non-IFRS measures and forward-looking statements, including a discussion of Western's business plans, targets, expectations, and outlook. Readers are cautioned not to place undue reliance on these forward-looking statements since a number of factors could cause actual results to differ materially from the expectations expressed. Non-IFRS and other financial measures do not have a standardized meaning under IFRS, and therefore, may not be comparable to similar measures presented by other issuers. For an expanded discussion of risk factors please see the slides at the end of this presentation (available at <https://winv.ca/>) or the news release dated August 30, 2024. All dollar amounts are expressed in Canadian dollars and are generally rounded.

# Today's Speakers



## SCOTT TANNAS

President and CEO of the Western Investment Company of Canada Limited (“Western”)

- Founded Western Financial Group in 1993 and served as CEO until 2014
- Proven leader with 30 years of insurance experience
- Senator, Senate of Canada, since 2013



## PAUL RIVETT

Founder and President of Tevir Capital Corporation (“Tevir”)

- Joined Fairfax Financial in 2003 and became President in 2013
- Led Fairfax corporate development, including debt and equity financings and M&A, as well as prominent investment and insurance/reinsurance float transactions
- Attracted proprietary insurance and non-insurance investments with commitment to long-term, decentralized approach

## Revised Transaction

# \$15 million

Minimum Capital Raise Backstopped by  
\$5 million Lead Order from Tevir

# \$37 million

Total potential raise if all rights exercised<sup>1</sup>

- ✓ **Simplifies** the original transaction to expedite its completion
- ✓ Removes **Multiple Voting Share** structure
- ✓ Avoids **Control Person** designation
- ✓ Enables acquisition of **100% of Fortress**
- ✓ 1:1 Rights Offering that includes Fortress shareholders that participate in share exchange
- ✓ Other elements essentially the same

1) See Advisories



## Transaction Timeline

**Dec 2023**

- Negotiated the Original Transaction, including the Multiple Voting Shares, and discussed with regulators

**Mar 2024**

- Based on positive response Western announced Original Transaction

**Apr – Jun  
2024**

- Multiple Voting Share structure and the acquisition of 100% of Fortress create push by the regulators for prospectus level disclosure
- Prospectus level disclosure would create massive delays and costs without any guarantee of approval so Western pushed back

**Jul 2024**

- Shareholder meeting announced but then delayed to gain additional time to pursue a resolution to the situation
- By the end of July it's clear that Multiple Voting Shares were a deal killer

**Aug 2024**

- Western and Tevir begin exploring other options to expedite the key aspects of the Original Transaction without getting bogged down in a lengthy and costly process that would require extensive additional disclosure and complex approvals

## Comparison of Original Transaction and Revised Transaction

	Original Transaction	Revised Transaction
Multiple Voting Share structure	Yes	No
Able to acquire 100% of Fortress in the near-term	No	Yes
Prospectus level disclosure	Yes	No
Tevir designated Control Person	Yes	No
Minimum capital requirements (\$ millions)	20	15
Rights issued per common share	2.5	1
Paul Rivett appointed to CEO	Yes	Yes
Scott Tannas appointed to Board Chair	Yes	Yes
Management Services / Investment Services Plan	Yes	Yes
Tevir nominees to Board	4	3
Total Board Seats	7	7



## Next Steps

**Aug 2024**

- Revised Transaction announced including \$5 million backstop commitment from Tevir

**Sept 2024**

- Secure additional backstop commitments for \$10 million
- Complete Fortress Share Exchanges

**Oct-Nov  
2024**

- Rights Offering

**Nov-Dec  
2024**

- Close Fortress cash purchases concurrently with the rights offering and the private placement
- Close second tranche of Fortress share acquisitions

## Revised Transaction

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Total potential raise if all rights exercised<sup>1</sup>

- ✓ **Transform** Western's focus towards insurance-related acquisitions and long-term value-based investing.
- ✓ Through **prudent insurance underwriting** and **decentralized acquisitions** generate float that will be invested over the long-term with a value focus.
- ✓ Combine **experienced teams** with **proven track records** to execute on a historic opportunity to capitalize on market, demographic, and investment dynamics to create significant value."

1) See Advisories

# Transaction is Designed to Maximize Value for all Shareholders

## Proven Team

with successful track record

## Proven Platform

for insurance and investments

## Capital Foundation

to scale the insurance and investments platform

## Long-term Stability

and protection from opportunistic acquisitions

# Contact Us for Next Steps



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# Advisories

This presentation (the "Presentation") has been prepared by the management of The Western Investment Company of Canada Limited ("Western" or "WIC") for informational purposes only based on public information. The sole purpose of this Presentation is to provide the recipient with information regarding Western and the proposed revised transaction with companies affiliated with Paul Rivett to invest at least \$5 million into Western (the "Revised Transaction") to position Western for future growth. This Presentation is not prepared for investment purposes or to assist any investor in making a decision whether to invest in Western and the contents of this Presentation have not been approved or disapproved by any securities commission or regulatory authority in Canada, the United States or any other jurisdiction.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or in any jurisdiction, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the 1933 Act or under any U.S. state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, as amended, and applicable state securities laws.

The information provided in this Presentation is provided as of August 30, 2024. This Presentation does not take into account the particular investment objectives or financial circumstances of any specific person who may receive it. In making an investment decision, prospective investors are encouraged to conduct their own examination of Western and of the information contained in this Presentation, including the terms of the private placement offering and the merits and risks involved. Without limitation, prospective investors should consider the advice of their own financial, legal, accounting, tax and other advisors and such other factors they consider appropriate in investigating and analyzing Western. In particular, any estimates or projections or opinions contained herein necessarily involve significant element of subjective judgment, analysis and assumption and each prospective investor should satisfy itself in relation to such matters. Purchasers of Western's securities will be required to execute subscription agreements, which will contain representations, warranties, covenants and acknowledgements of the purchasers, including as required to establish the availability of prospectus and registration exemptions and to ensure compliance with applicable securities legislation.

# Forward Looking Information

The TSXV has in no way passed upon the merits of the Revised Transaction and has neither approved nor disapproved the contents of this presentation.

There can be no assurance that the Revised Transaction will be completed as proposed or at all. This document contains forward-looking statements, including statements concerning: the anticipated timing and completion of the Revised Transaction and the other proposed transactions described in this presentation, including the Fortress share acquisitions, Private Placement, Rights Offering, and the appointment of the new CEO and additional directors. Readers are cautioned that the foregoing list of factors should not be construed as exhaustive.

The forward-looking statements are based on certain key expectations and assumptions made by Western, including expectations and assumptions concerning the ability of Western to successfully implement its strategic plans and initiatives, the anticipated closing of the Fortress share acquisitions including timing and anticipated share consideration payable by Western, the timing of receipt of required regulatory approvals (including TSXV approval) and third party consents and the satisfaction of other conditions to the completion of the Revised Transaction and the other transactions described in this presentation.

Although Western believes that the expectations and assumptions on which the forward-looking statements made by Western are based are reasonable, undue reliance should not be placed on the forward-looking statements because no assurance can be provided that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks that required shareholder, TSXV, regulatory and third party approvals and consents are not obtained on terms satisfactory to the parties within the timelines anticipated, or at all, and risks that other conditions to the completion of the Revised Transaction are not satisfied on the timelines set forth in the Definitive Agreement or at all, the amount of gross proceeds raised in the Private Placement and/or the Rights Offering may be less than required for the Revised Transaction to proceed or for Western's business objectives, the ability of management to execute its business strategy, and the impact of general economic conditions in Canada and the United States. A description of additional assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in Western's disclosure documents on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). The forward-looking statements contained in this presentation are made as of the date hereof and Western undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

# Note 1 – Capital Raise Assumptions

Western currently has 30,207,756 Common Shares outstanding. Western is planning to launch a rights offering based on one (1) right ("Right") granted to shareholders for each one (1) Common Share outstanding as of a certain record date ("Rights Offering"). Western has previously announced that has entered into agreements to increase its interest in Fortress Insurance Company from 28.5% to 100%, that the Fortress vendors have the option to take cash or to receive Common Shares of Western, and that Western anticipates issuing approximately 26.9 million Common Shares of Western to Fortress vendors.

Accordingly, if Western launches a Rights Offering with a record date set after issuing 26,900,000 Common Shares in share-for-share exchanges with Fortress shareholders, Western could issue up to 57,107,756 Rights. 57,107,756 Rights at \$0.40 per Right, if fully exercised, could result in gross proceeds of up to \$22.8M.

On August 30, 2024, Western also announced a private placement to backstop accredited investors of units consisting of Common Shares and warrants that could result in gross proceeds of up to \$15M ("Private Placement").

There is no assurance that the Fortress share-for-share exchanges will be completed prior to the Rights Offering (which could reduce the potential maximum proceeds under the proposed Rights Offering), that the proposed Rights Offering will be fully subscribed for \$22.8M or that the Private Placement will be completed for \$15M.

The proceeds received from the Rights Offering is dependent on the participation level by current shareholders in the Rights Offering. The Rights Offering is subject to numerous conditions, including TSXV approval. See "Rights Offering" below.

In addition, the combined gross proceeds from the Rights Offering and Private Placement may be substantially less if the backstop investors participate in the Rights Offering instead of the Private Placement.

## **Rights Offering**

The definitive terms of any Rights Offering, including the proposed record date, will be set forth in a subsequent news release. The Rights Offering (including the subscription price and any listing of the Rights on the TSXV) is subject to applicable regulatory approval, including approval of the TSXV. The Rights will be offered to registered shareholders resident in a province or territory of Canada. The Rights will not be offered to U.S. persons or sold into the United States. Shareholders who fully exercise their Rights may be entitled to subscribe for additional Common Shares, if available, as a result of unexercised Rights prior to expiry of the Rights Offering.