To our shareholders,

We ended 2019 with book value per share ("BVPS") of $8.72*, down 9.2% from the previous year and 4.7% on a compounded annual basis from our IPO in February 2017. We reported a net loss in 2019 of $61.2 million ($1.01 net loss per diluted share), primarily derived from unrealized losses on our public company investments, which were only partially offset by interest income on our investment portfolio and foreign currency gains. The primary drivers of this disappointing result were the decline of the Atlas Mara Limited ("Atlas Mara") and Consolidated Infrastructure Group ("CIG") share prices, which contributed to unrealized losses on investments of $41.0 million and $29.4 million respectively.

The following table provides a snapshot of Fairfax Africa's performance since inception:

US$ millions except per share data	**2017**	**2018**	**2019**
BVPS	$ 10.21	$ 9.60	$ 8.72
Income (loss)	$ 31,851	$ (42,108)	$ (46,242)
Net earnings (loss)	$ 23,484	$ (60,580)	$ (61,199)
Total assets	$669,111	$643,830	$520,667
Investments	$339,052	$409,475	$458,565
Shareholders' equity	$516,736	$603,127	$518,815
Return on equity	4.6%	(10.8)%	(10.9)%
Compounded annual change since IPO			(4.7)%

We note that Fairfax Africa's book value is based on publicly traded market values for Atlas Mara and CIG, both situations in which the publicly listed shares suffer from market overhang and low trading volumes. We do not believe that the market prices of these investments represent the underlying intrinsic value of these companies. For example, Atlas Mara trades at less than 40% of its tangible book value, whereas CIG trades only about 114,000 shares per day, representing $7,200 in daily value at current market prices.

U.S. markets had an extraordinarily strong performance over the year, and indeed since our IPO. Relatively speaking, emerging markets ("EM") have underperformed, with African (and frontier markets generally) trailing the pack:

Exchange	**2017-2019**	**2019**
MSCI Frontier Markets Africa Index	6.9%	5.3%
MSCI Emerging Frontier Markets Africa Index	5.8%	7.9%
MSCI Emerging Markets Index	29.3%	15.4%
S&P 500	44.3%	28.9%
NASDAQ	66.7%	35.2%

Source: Bloomberg

The challenging environment in EM was particularly reflected in Africa, where the performance of several local and US$ equity indexes in the region substantially lagged other parts of the world:

		Local Currency		**US$**	
Exchange	**Country**	**2017-2019**	**2019**	**2017-2019**	**2019**
Johannesburg Stock Exchange – *All Share Index*	South Africa	12.7%	8.2%	10.7%	11.4%
Nigerian Stock Exchange – *All Share Index*	Nigeria	(0.1%)	(14.6%)	(13.7%)	(14.9%)
Nairobi Securities Exchange – *All Share Index*	Kenya	24.8%	18.5%	26.2%	19.1%
Ghana Stock Exchange – *Composite Index*	Ghana	33.6%	(9.7%)	0.1%	(22.5%)
Lusaka Stock Exchange – *All Share Index*	Zambia	1.6%	(18.7%)	(28.3%)	(31.4%)
Botswana Gaborone Index – *Domestic Companies Index*	Botswana	(20.3%)	(4.6%)	(19.7%)	(3.4%)
Rwanda Stock Exchange – *All Share Index*	Rwanda	6.5%	3.3%	(7.9%)	(2.7%)
Sub-Saharan Africa median return		**6.5%**	**(4.6%)**	**(7.9%)**	**(3.4%)**

Source: Bloomberg

* *Amounts in this letter are in U.S. dollars unless otherwise noted.*

Fairfax Africa's book value performance was less related to the broader market than to portfolio specific issues primarily related to Atlas Mara and CIG.

Since our IPO in 2017, we have made a total of six substantial investments, and by year-end 2019 had deployed (or committed to deploy) $459 million (approximately 72%) of net proceeds from our IPO and follow-on offering. We received a total of $19.4 million in interest, dividend or capital distributions from our investee companies in 2019.

During the course of the year, we made one new platform investment in CIG and two ''top-up'' investments in existing investee companies, GroCapital Holdings (''GroCapital'') and Nova Pioneer Education Group (''Nova Pioneer''). These investments can be summarized as follows:

- CIG: $49.7 million (696 million South African rand) primarily through participation in a rights offering to recapitalize CIG's business, reduce debt and provide resources for growth, along with open market purchases in the fourth quarter, which resulted in Fairfax Africa holding by year-end a 49.3% stake in CIG, a platform investment in energy infrastructure;

- GroCapital: $2.3 million (32.8 million South African rand) to further capitalize Grobank, the bank formerly known as the South African Bank of Athens, which was acquired from the National Bank of Greece in October 2018; and

- Nova Pioneer: $9.2 million in total commitments for debt and warrants, the proceeds of which will be used to fund the expansion of Nova Pioneer's schools and student enrollment.

The year was challenging in many respects. At a high level, the situation we walked into at CIG in January was worse than we expected. The financial restructuring and operational turnaround of that business each required more time and revealed deeper issues in the construction subsidiary (and the industry generally) than we had anticipated, which, combined with a very anemic economic environment in South Africa, further delayed recovery of that business. This resulted in the restatement of previous period results and further impairments as we and new management took a more conservative approach. While these issues are now being fully addressed and the business is showing signs of improvement, we simply did not make the progress in the first twelve months of our investment that we had hoped. At Atlas Mara, we embarked on a change in strategic direction under new leadership, and announced a strategic transaction in the second quarter. The consummation of that transaction has dragged into the new year, which similarly delayed the expectations we had set in the first half of the year. Each situation required a lot of heavy lifting by the management and Boards of each company. While we expect to see benefit from these initiatives in 2020, the progress was not reflected in the share prices of the public companies by year end, or yet in the underlying financial performance of the companies. At Atlas Mara we have shifted focus to a leaner, more efficient holding company structure. And at CIG we have reached agreement on a restructuring of financial debt and reorganized the largest and most challenged subsidiary, creating a new, positive trajectory for that business.

Notwithstanding these challenges and setbacks, we did make good progress by the end of the year on various strategic initiatives at each of AFGRI Group Holdings (''AGH''), Atlas Mara, and CIG. At AGH, management created a strategic infrastructure platform that transferred the company's grain storage assets (silos, warehouses and bunkers) into an investment vehicle which will facilitate consolidation of additional storage and distribution infrastructure managed by AGH. This transaction enabled substantial deleveraging at the company and a large special dividend to its shareholders.

The table below shows the details of Fairfax Africa's investments in chronological order based on the date of the initial investment:

US$ millions	**Date of Initial Investment**	**Ownership**	**Amount Invested**	**Fair Value at Dec. 31, 2019**	**% of Portfolio**	**Return from Inception(1)**
AGH	Feb-17	46.8%	$ 95	$ 105	31%	7.6%
Atlas Mara*	Aug-17	Bonds, Warrants & 42.4%	$ 193	$ 115	32%	(22.4%)
Nova Pioneer	Aug-17	Bonds & Warrants(2)	$ 34	$ 44	12%	19.7%
CIG*(3)	May-18	Loans & 49.3%	$ 97	$ 62	17%	(28.0%)
GroCapital	Oct-18	35.0%	$ 14	$ 10	3%	(25.4%)
Philafrica	Nov-18	26.0%	$ 23	$ 19	5%	(15.7%)
Investments Completed at Dec. 31, 2019			**$456**	**$355**	**100%**	
GroCapital			$ 3			
Investments Completed and Committed To Date			**$459**			

* *Publicly traded companies*

(1) *Return calculated using internal rate of return*

(2) *15.0% ownership if warrants exercised*

(3) *Includes PGR2 investment*

We now turn to a more detailed review of each of our investment positions.

African Investments

AFGRI Group Holdings (AGH)

Fiscal Year Ended Mar. 31 (ZAR millions)	**2017**	**2018**	**2019**
Total assets	9,856	10,781	10,358
Shareholders' equity	1,912	2,205	3,523
Revenue	11,098	11,326	12,913
Adjusted EBITDA from continuing operations	254	340	328
Net earnings (loss)	(133)	(142)	1,034
Return on equity	(7.0)%	(6.9)%	36.1%

AGH had a strong year with improved financial and operating performance, including a successful turnaround and partial separation of its legacy foods business. The group's vision of "Driving Food Security Across Africa" was advanced through several initiatives as described below:

- Creation of AFGRI Silo Company, a strategic storage infrastructure platform ("SiloCo");
- Re-positioning, re-branding, recapitalizing and re-launching Grobank;
- Substantially reducing operating company debt by $136.9 million (1.9 billion South African rand) by December 31, 2019; and
- Returning capital of $21.1 million (320 million South African rand) to its shareholders (indirectly including $10.3 million to Fairfax Africa) in November 2019.

Creation of Strategic Storage Infrastructure Platform

In March 2019, AGH launched a new strategic storage infrastructure platform, created to acquire AFGRI's South African portfolio of owned grain silos and bunker facilities, representing approximately 30% of South Africa's grain storage capacity and approximately 80% market share in AFGRI's operating region. The platform provides an entry point to institutional investors interested in long-term investment in agriculture and infrastructure through an attractive yield instrument, while providing AGH with an ongoing income stream through an evergreen management services agreement providing AGH with rights in perpetuity to manage and operate the assets and business of SiloCo for an annual fee. AGH also retained 18% of the equity of SiloCo. The transaction unlocked substantial value for AGH and its shareholders including Fairfax Africa. The transaction was valued at $228.8 million (3.3 billion South African rand) compared with a book value of $125.6 million (1.8 billion South African rand), equating to approximately 15.1x contributed EBITDA excluding the fee arrangement, enabling substantial reduction in secured debt and a $21.1 million (320 million South African rand) distribution to shareholders (including Fairfax Africa). SiloCo is positioned to act as a consolidator of other agriculture and similar infrastructure assets, enabling further investment in the sector on a platform that is expected to benefit from economies of scale and other cost synergies. AGH has benefitted from similar off-balance sheet models in the past, including its successful partnership with the Land Bank in 2011 in which it moved financial assets from AGH to the Land Bank's balance sheet while retaining AGH's close relationships with its farmers (including origination, credit, and servicing).

Business Review

AGH's AFGRI division (agri-services including grain management and *John Deere* equipment) performed well in 2019, with strong profitability in the grain management business and stable performance elsewhere. Results from operations outside of South Africa reflected continued strong performance in Western Australia, where AFGRI holds the leading market position as exclusive agent for *John Deere* agricultural equipment, and, most recently, *John Deere* construction and forestry equipment. Results in the rest of Africa were mixed as the company continued to exit or otherwise reduce exposure to underperforming markets including Uganda and Zambia. AFGRI is expanding into the Western Cape of South Africa, a winter crop area (predominantly wheat and citrus), supporting diversification away from reliance on the summer grains market. Through AFGRI, AGH successfully enhanced the positioning of its digital platform, which will enable farmers to order inputs, perform online transactional banking, obtain credit lines and sell their harvested goods from remote locations, all on one proprietary digital interface. AFGRI is the largest dealer network of *John Deere* equipment outside of North America. AFGRI remains the main contributor to AGH's performance, representing over half of group profitability.

In Financial Services, UNIGRO achieved a record farmer lending book of $996.4 million (14.0 billion South African rand) and maintained good margins and contribution to AGH's profit and cash flows through its fee-based model (UNIGRO originates and services agricultural sector loans which are then held on the balance sheet of the Land Bank). UNIGRO is currently working with the Land Bank to review the terms of the partnership, including the service level agreement, that has existed between the parties since 2010. This process is intended to lead to a new agreement which will define the terms of this key commercial relationship for the coming years. The Financial Services business continues to build on its strategy to provide a full suite of transactional banking products to its clients in partnership with Grobank. AGH continues to develop and expand its digital platform (GroEx) and product and services offering, which management expects will create a strong foundation for growth within financial services.

AGH's investment in the food processing sector is described below under Philafrica Foods. AGH holds 60% of Philafrica. AGH also holds a 30% stake in a South African banking platform, described below under GroCapital.

The Southern African region (including South Africa) is currently experiencing widespread drought following on from the 2018-19 season, which also experienced widespread drought conditions, resulting in poor agricultural production (including as a result of the cyclones that hit Mozambique in 2019). Rainfall forecasts for 2020 are below average, suggesting that the drought conditions will persist in the region, and will likely translate into elevated food prices and food insecurity, heightening the demand for imports and food assistance. While parts of South Africa continue to experience drought conditions that have led to an anticipated 10% reduction in crop production nationwide, and a 2% reduction in sector GDP, AFGRI's planting area has received ample rainfall, which is expected to result in an above average crop in 2020 and continue to benefit AGH. South Africa (along with Zambia) produces 70% of the regional maize supply, and South Africa is expected to remain a net exporter, underscoring AGH's importance to food security in the region.

Leadership Transition

AGH announced on January 29, 2020 that Chris Venter was stepping down from AGH after 11 years as CEO (and a total of 15 years with the company) to pursue other interests. We would like to thank Chris for his leadership and substantial contribution as CEO over this past decade. He was instrumental in re-shaping the Group around a vision to drive food security in the region through a focus on the grain value chain. Chris played a leading role in positioning AGH as a leading agricultural, financial services and foods business in South Africa and beyond. Chris Venter has been a friend and partner to the Fairfax family since we met him in 2013, and we look forward to finding other ways to work together in the future. We are pleased to note that AGH will have a smooth transition of leadership in the coming months, as AFGRI veterans Tinus Prinsloo and Johan Geel assume leadership of the group as Acting CEO and COO respectively. Tinus is a 15 year veteran of AFGRI, serving in a number of roles including as CEO of AGH's largest subsidiary (AFGRI). Johan has served in a number of operational and financial roles over his 22 years with AFGRI, including as CFO and COO. The key strategic priorities for Tinus and Johan in 2020 will be to strengthen the group's relationships with various stakeholders, including commercial farmers, the Land Bank and various government agencies, and other agricultural concerns; align the strategy of the group with shareholder objectives; undertake a cost efficiency program to improve margins and overall profitability; and support the Board in reviewing changes in the agricultural landscape in South Africa to determine AFGRI's best strategic alternatives for the future.

Fairfax Africa held a 46.8% interest in AGH at December 31, 2019.

Atlas Mara Limited (Atlas Mara)

Fiscal Year Ended Dec. 31 (US$ thousands)	**2016**	**2017**	**2018**
Total assets	2,755,992	3,140,385	2,804,726
Shareholders' equity	526,055	813,224	688,938
Revenue	241,740	260,453	231,369
Net earnings (loss)	9,289	47,786	42,217
Return on equity	1.8%	7.1%	5.6%

Atlas Mara is a sub-Saharan African financial services group which holds a 49.97% position in Union Bank of Nigeria ("UBN"), and controls and operates banks in six additional countries (Botswana, Mozambique, Rwanda, Tanzania, Zambia and Zimbabwe).

Fairfax Africa's CEO assumed the chairmanship of the Board of Atlas Mara in February 2019. This leadership transition reflected our role as the largest shareholder in the company and facilitated our objective to closely oversee this investment and work to generate value creation for Fairfax Africa and all Atlas Mara shareholders.

The reconstituted Board of Directors of Atlas Mara announced in February 2019 that it was undertaking a review of strategic options to drive shareholder value. The process included a review of each banking operation to ensure that top five market leadership was practicably achievable in the near term, and to explore transactions that would reduce risk exposure where market leadership appeared unlikely on a stand-alone basis. This process led to a decision by the Board to enter into a binding term sheet with Equity Group Holdings for a share exchange transaction that aligned with the stated intention to focus on investments in core markets where a path to market leadership is clearly achievable, and to partner, reduce or exit risk exposure elsewhere. Under the terms of the proposed transaction, Atlas Mara would exchange its banking interests in four countries – Mozambique, Rwanda, Tanzania and Zambia – for ordinary shares of Equity Group, and the parties would then merge their banks in Rwanda and Tanzania. This transaction made strategic sense for Atlas Mara as these four countries in aggregate represented less than 2% of total segment profits (before central costs) and a return on equity of only 2%, yet had substantial carrying costs in terms of capital and liquidity support, as well as requiring a disproportionate amount of management time and attention.

The proposed transaction has proved to be highly complex and involved engagement with a number of stakeholders including separate regulatory bodies and creditors in each country. A number of factors led to multiple delays over the course of the eight months from announcement to year-end, including a sharp deterioration in the macro-economic conditions of one of the countries in the fourth quarter. Atlas Mara announced on January 2, 2020 that the parties had yet to sign detailed transaction agreements but that they continued to engage in discussions, with the objective of reaching binding agreements in early 2020.

Atlas Mara's shares closed 2019 at $1.09, down 50.7% from Fairfax Africa's average investment cost basis of $2.21 per share, 3.5% from $1.13 at third quarter-end 2019, and down 34.3% from $1.66 at year-end 2018. This decline resulted in a $3.2 million unrealized loss, or a $0.05 decrease in our BVPS, from the third quarter of 2019. The year-end 2019 share price represented a price to book value of 0.39x for Atlas Mara's most recently reported BVPS.

Atlas Mara announced adjusted profit after tax of $17.0 million for the six months ended June 2019 ($13.5 million in 2018) with adjusted earnings per share of $0.10 ($0.08 in 2018). Atlas Mara's BVPS was $2.96 and tangible book value per share was $2.84 at June 30, 2019, compared with $3.83 and $3.00 respectively at December 31, 2018. On a reported basis, Atlas Mara announced a net loss after tax for the first half of 2019 of $126.4 million (almost entirely as a result of IFRS 5 remeasurement related to the proposed transaction with Equity Group), compared to $28.6 million profit for the prior year period. As a result of these accounting impacts, the net loss for the full year is expected to be broadly in line with these previously announced results.

Operational performance in core markets showed signs of improvement, especially in Nigeria.

Nigeria is Africa's largest economy and the largest financial services market in Africa outside of South Africa, and remains an important market for Atlas Mara through its investment in Union Bank of Nigeria. UBN, 49.97% owned by Atlas Mara at year-end 2019, is a leading Nigerian bank with a rich 100-year history and strong brand awareness. Today, UBN has over $5.0 billion (1.8 trillion Nigerian naira) in assets and nearly 6 million customers (including 2.1 million mobile banking customers) which it serves across over 300 sales and service centers. UBN's operating results continue to show positive trends across several core metrics including growth in customers, growth across all digital channels, growth in deposits and loans, lower non-performing loans (''NPLs''), lower operating expenses, and improving returns on equity. UBN performed very well through 2019 and reported net earnings of $54.3 million (19.6 billion Nigerian naira) for the year ended December 31, 2019.

UBN reported the following year over year key results as at December 31, 2019 (except where annotated * as at September 30, 2019):

- Gross earnings up 14%
- Non-interest income up 25%
- Cost to income ratio declined from 80% to 74%
- Earnings after income tax up 10%
- NPLs declined from 8.7% to 5.8%
- Capital adequacy ratio up to 19.7% from 16.4%
- Return on average equity up to 10.2% from 6.2%
- Oil & gas sector exposure reduced from 36.2% to 31.7%*

UBN has achieved the following key results (compounded annual growth) over the past 5 years under new management and shareholders (including Atlas Mara):

- Total customers up 33%*
- Active mobile banking customers up 114%
- Active online banking customers up 135%
- Active debit cards up 40%*
- Gross loans up 11%
- Customer deposits up 12%
- Oil & gas sector exposure reduced from 38.0% to 31.7%*

Following year-end, UBN announced an agreement (subject to regulatory approval) to sell 100% of its UK subsidiary bank to MBU Capital following a competitive process. This transaction is aligned with Union Bank's strategy to streamline its business operations to focus on growth opportunities in Nigeria. The Nigerian market presents robust long-term opportunities for UBN, and the proposed divestment will allow management to more fully focus its efforts and capital towards those opportunities as it seeks to deliver greater value to its stakeholders. The terms of the transaction are favorable and provide substantial value to shareholders. Additionally, on March 5, 2020, UBN received central bank approval to pay a dividend to its shareholders of approximately $20 million (7.3 billion Nigerian naira), of which half will be paid to Atlas Mara. This is the first dividend to be declared by UBN in over 10 years since the financial crisis and central bank intervention of 2009, and hopefully the first of many more to come.

Zimbabwe suffered a severe currency devaluation in 2019, and continues to experience deep macro-economic stress. The exchange rate against the U.S. dollar, which stood at 1:1 at December 31, 2018, closed 2019 at 16.8:1. The country has officially entered into hyperinflation, with estimated monthly inflation in December 2019 running at over 15%. Notwithstanding these very difficult headwinds, BancABC Zimbabwe has continued to perform admirably at a local operating level. A new CEO, Lance Mambondiani, was appointed in July 2019 following the retirement of his predecessor. Lance, the former CEO of Steward Bank (a subsidiary of Econet Wireless), has already begun to make a substantial impact at BancABC, in particular by launching several digital initiatives and helping the bank navigate through the difficult macro-economic environment with both currency hedging and hard asset accumulation strategies. On a local currency basis, the bank expects to report a substantial increase in profits and return on equity, and to have gained market share over the period. However, these positive gains will be largely undermined by currency translation effects upon consolidation at the Atlas Mara level, and as a result U.S. dollar profit contribution will be flat or only slightly up compared with 2018.

BancABC Botswana struggled in the first half of the year, primarily as a result of the revamp of its markets and treasury team, and from soft market conditions generally. The second half showed markedly improved results, with strong momentum in attracting new customers and a 28% increase in profit over the first half. During the second half, the bank was able to declare a dividend to shareholders for the first time under Atlas Mara's ownership. Initiatives are underway in 2020 which focus on diversifying the customer base (for both assets and liabilities), prudently growing assets and increasing fee income, and reducing cost of funding by building the retail deposit franchise. Atlas Mara owned 78.3% of BancABC Botswana at December 31, 2019.

Atlas Mara's banking operations in Mozambique, Rwanda, Tanzania and Zambia were reclassified as available for sale/discontinued operations in 2019 as a result of the proposed transaction with Equity Group. In accordance with IFRS 5, Atlas Mara took an accounting impairment loss, primarily related to goodwill and other intangibles, of $125.6 million as part of its results announced for the first half of 2019.

Fairfax Africa held a 42.4% interest in Atlas Mara at December 31, 2019.

Consolidated Infrastructure Group (CIG)

Fiscal Year Ended Aug. 31 (ZAR millions)	**2017**	**2018**	**2019**
Total assets	7,012	5,332	4,822
Shareholders' equity	3,839	1,091	552
Revenue	4,369	3,137	3,169
EBITDA	5	(593)	(818)
Net earnings (loss)	(150)	(1,678)	(1,343)
Return on equity	(3.9)%	(68.1)%	(163.5)%

CIG is a pan-African infrastructure-focused group founded and listed on the Johannesburg Stock Exchange in 2007. Fairfax Africa completed its investment in CIG in January 2019, investing $53.8 million (752.4 million South African rand) in ordinary shares representing a 49.1% shareholding in CIG, in addition to a $23.9 million (300 million South African rand) secured convertible loan made in May 2018. Over the course of 2019, Fairfax Africa acquired a small number of shares in the open market representing an additional 0.2% by year-end.

CIG has a diversified portfolio of operations including services and materials in power and electrical, oil and gas, building materials and the railway sector. CIG's footprint spans over 20 countries in Africa and the Middle East. CIG operates in four divisions:

- *Power:* Conco is Africa's leading supplier of high voltage turnkey electrical substations, overhead power lines, renewable energy (wind and solar) and related products and services; Conlog is a leading smart metering business; and renewable power project developer CIGenCo was formed in 2017 to capitalize on the substantial opportunity in renewable energy project development;
- *Building Materials:* Drift Supersand (74.0% held by CIG) provides crushed stone for the construction industry for application in roads, readymix, concrete and aggregates for stabilization, while West End Claybrick manufactures housing materials;

- *Oil & Gas:* Angola Environmental Serviços ("AES", 30.5% owned by CIG) provides full integrated waste management services to the offshore oil and gas industry in Angola; and
- *Rail:* Tractionel is the leading railway electrification company in South Africa.

The recapitalization of CIG through the $23.9 million (300 million South African rand) secured convertible loan provided by Fairfax Africa and the $57.2 million (800 million South African rand) rights offering (underwritten by Fairfax Africa and further discussed below) were essential steps to ensure that CIG could not only survive, but be strongly positioned as a well-capitalized leader in the market going forward. Since the recapitalization and restructuring, substantial progress has been made in turning around the business.

The Board of Directors was reconstituted in January 2019, with Fairfax Africa nominating four of the directors including the Chairman. The new directors provide broad experience of operating across the African continent, specifically including in construction and power related business, as well as financial management, capital allocation, and governance expertise. John Beck, the Founder and Chairman of Canada's own Aecon, has been very helpful in providing industry sector perspective as a newly appointed director. Under the direction of the Board, the company hired a new group CFO, Cristina Teixeira, in April 2019. Cristina brings substantial expertise in the construction sector and experience in navigating through turnaround situations.

CIG reached general terms of agreement with its lenders in the fourth quarter of 2019, and is in the process of finalising binding legal agreements, with respect to the restructuring of the group's interest-bearing liabilities. The impact of the restructuring is that a substantial portion of the debt owed by CIG and a portion of the debt owed by Conco will be converted to long-term debt. The lenders will continue to support the group by maintaining other short-term lending facilities, including performance bonds and guarantees, in place under the group's current term agreement and conditions. In return, CIG will provide certain assets as security for the term debt.

CIG had disappointing results in 2019, primarily related to poor performance in the first half of the year. Performance improved somewhat in the second half and especially in the fourth quarter as a number of initiatives began to take hold, however the benefit of these actions are only expected to be realized in 2020. Specifically, the performance of the group's building materials segment and Conlog business show signs of improvement, although the construction business remains soft.

CIG's results were impacted by a tough macro-economic environment, which placed pressure on most of the group's operations, especially in the engineering, procurement and construction ("EPC") businesses within the Power and Rail segments (which includes CIG's largest subsidiary, Conco). The results were also impacted by impairments resulting from unrecoverable work in progress and receivables, mainly in the Conco business, as well as impairments to goodwill and intangibles and the reassessment of deferred taxation liabilities earlier in the financial year. These impairments and adjustments were primarily related to historical projects and investments and did not represent future cash outflows and therefore do not impact the group's forecasts.

Conco

The steps to restructure Conco undertaken in 2018 proved to be insufficient in the face of increasing industry pressures, including the struggle to procure locally key components for contracts at acceptable quality standards and on time. Poorly priced projects contracted in previous periods resulted in projected losses that were reflected in the current year.

Under the direction of the newly constituted Board, CIG and Conco senior management implemented Project Visibility, a comprehensive program to address four key areas: reliability and accuracy of financial reporting (including contract profit recognition); contract delivery (including tendering, execution, and commercial management); liquidity management and forecasting; and business sustainability. To assist with the implementation of Project Visibility, CIG appointed independent construction experts with a track record of successful contract management and construction business leadership who are well regarded in the industry. This included Andrew McJannet, the former CEO of the Power Group, as acting head of operations. John Beck provided valuable insight into the process based on his own experience in navigating similar situations. The project is progressing well and is now into its second phase.

Key remedial action plans have been implemented to mitigate any negative cashflow impact and any further earnings impact. These actions are now monitored regularly by CIG management and the Board. Recovery plans have been implemented on all projects for which this review indicated a completion date later than the initial timeline. These actions have resulted in an improvement in commercial contracting practices, addressing claim management and recovery.

The lack of policy certainty in South Africa has limited the ability of state-owned entities, municipalities and distribution companies to move forward on the substantial electrical power work backlog which exists in the country. This has resulted in a historically low rate of new project acquisition for Conco, and consequently the order book has not kept pace with the existing cost structure. A significant cost reduction and restructuring plan is being developed with implementation scheduled for the first quarter of 2020. This should result in the business returning to profitability and is expected to reduce the amount of cash funding required from the group.

Conlog

Conlog struggled to meet its revenue targets as a result of delays in orders from its largest customer and the failure to speedily replace this business in new markets. In spite of this disappointing result, the business made good progress in new product development and two new products are expected for commercial launch in 2020. The growth of annuity business (by supplying a software platform on which clients could run their prepaid metering) gathered momentum, as illustrated by Conlog's market entry in Nigeria.

Conlog successfully entered Nigeria in 2019, and has positioned itself to benefit from the changing Nigerian power market. Nigeria has the possibility of becoming the largest market for Conlog with a focus on long-term annuity returns. In July, Conlog commenced with the supply of prepaid meters directly to the consumer and successfully achieved the first hurdle of installing over 10,000 meters by the end of the year.

Other key initiatives include the successful completion of the transition of its ERP system to the Cloud, relocation to new manufacturing premises in a tax-advantaged development zone, and the installation of new assembly lines, which will allow Conlog to treble its production capacity and de-risk the business with more efficient and longer-lived capacity.

Building Materials

Building Materials delivered respectable returns in a very tough market by growing volumes and maintaining tight control of expenses and cashflow. Operationally, lower cost products were specifically designed and manufactured to absorb overhead, and innovative transport solutions were implemented.

Building Materials agreed to acquire (subject to various regulatory approvals and other conditions) an adjacent granite quarry that produces sand, stone and other normal aggregates for the road and building industry and produces building and river sand. The transaction is expected to be earnings and cash flow accretive to the group as a result of the operational synergies between the acquired quarry and the group's existing quarries. Both operations mine the same orebody with the same physical rock properties, thus enhancing the synergies and operational flexibility between the two operations. CIG has already begun mining under an interim royalty agreement while approval of the acquisition remains pending.

Oil & Gas (AES)

Earnings from the AES business improved on the back of slightly better operating conditions, and AES expects to have strong near-term growth. The business successfully retained all key clients which are typically multi-year contracts with global oil majors. During the year AES successfully remitted dividends from Angola to CIG. The number of oil drilling rigs is expected to increase from five to ten in 2020, which is expected to result in improved margins and overall operating results.

A key risk facing AES is the potential inability of the business to obtain a renewal in 2020 of its operating license from the Angolan environmental authorities and the continued pressure being applied by certain authorities to relocate the business from its current operating premises in Luanda's oil and gas logistics base. This risk is being managed, and management expects that the situation will be resolved on acceptable terms. AES operates under best practice ISO standards which have had independent verification on quality and compliance.

Looking forward

Management's key objectives for 2020 include finalizing term debt agreements with Conco and CIG creditors; right-sizing the Conco business (focusing on profitability and cash generation); partnering with a strategic investor for

Conco which can provide both complementary industry expertise and strategic funding; continued migration of the group away from EPC construction contracting into sustainable, annuity-like platforms to supply power needs across Africa, capitalizing on increasing renewable energy opportunities; diversification of the Conlog business across geographies; and successfully resolving the licensing and other matters in Angola.

Fairfax Africa had a difficult first year of our investment in CIG, but we remain confident in the underlying investment thesis and the long-term opportunity in electrical power infrastructure growth in Africa. The primary benefit of being long-term, value oriented investors is the ability to see beyond short-term challenges and the noise of market dislocations. We appreciate that CIG is a leading developer of energy infrastructure in Africa, with a highly skilled and award-winning technical team. Africa's energy needs are enormous, and we believe CIG is well-positioned to capitalize on its development over the next several years.

Fairfax Africa held a 49.3% interest in CIG at December 31, 2019.

GroCapital Holdings (GroCapital)

Fiscal Year Ended Dec. 31 (ZAR millions)	**2018**
Total assets	3,358
Shareholders' equity	444
Revenue	38
Net earnings (loss)	(23)
Return on equity	(5.2)%

GroCapital, a bank holding company, acquired 99.8% of the South African Bank of Athens ("SABA") from the National Bank of Greece in October 2018 pursuant to an agreement entered into in March 2017. SABA was subsequently renamed Grobank in April 2019 to reflect its re-positioning as an agricultural sector focused bank. As part of the transaction, Fairfax Africa acquired a 35.0% interest in GroCapital for $12.1 million (171.6 million South African rand). In addition to Fairfax Africa, GroCapital's shareholders include the Public Investment Corporation ("PIC") (35.0%) and AGH (30.0%).

The bank was established and has been operational in South Africa since 1947, offering comprehensive traditional business banking such as lending, transactional banking and treasury functions, as well as alliance, business and international banking. The bank is known for its focus on the development of market-leading, niche alliance transactional banking offerings in partnership with businesses. As an affiliate of AGH, GroCapital is strategically linked to a group that has an established track record in financial services, offering bespoke financial products and services to the agribusiness and food sectors. AGH maintains approximately $1.1 billion (15.6 billion South African rand) in farmer and corporate loan portfolios, with a history of negligible bad debts through multiple agricultural cycles.

Grobank appointed Bennie van Rooy as Chief Executive Officer in July 2019. Prior to joining Grobank, Bennie served as acting CEO of South Africa's Land Bank, where he was previously CFO. Grobank also appointed Nhlanhla Nene and Patrick Mathidi as non-executive directors. Nhlanhla served as Minister of Finance for the Republic of South Africa on two occasions and previously held the position of Deputy Minister of Finance. Patrick is a fund manager at Aluwani, a South African based institutional investor. We welcome the new team to their roles.

Bennie spent the first six months of his tenure as CEO mapping out a strategy for the bank, which is to focus on serving enterprises operating in the agriculture and food production value chain, offering debt origination, receivables financing, forex and commodity trading, specialised finance and broking services, and providing an array of financial and insurance products and services to the agricultural sector. At the same time, he is focused on diversifying the bank's liability funding and capital structure to reduce overall cost of funding and to identify additional sources of growth capital.

Grobank's initial credit rating was confirmed as investment grade at a national scale level. Having already issued its first 12-month Negotiable Certificate of Deposits and Step-up Rate Deposit Instruments into the local market, Grobank is in the process of finalizing its listed financial markets' debt program, to be launched on the JSE in May 2020. A major focus for Grobank is to grow its business banking client depositor base. To this end, two deposit campaigns were launched in 2019 through which approximately $22.1 million (319 million South African rand) in new deposits were raised, exceeding the target and providing positive momentum in building a stable liabilities franchise.

Fairfax Africa invested an additional $2.3 million (32.8 million South African rand) in 2019 to provide growth capital and $3.1 million (49 million South African rand) in February 2020 to fund the acquisition of a platform which provides foreign exchange dealing, trade finance instruments, specialty finance and debt origination products and services to the agricultural and food processing sectors. In 2020, Fairfax Africa has committed to an additional investment of approximately $7 million (104 million South African rand) expected to be funded during the course of the year, which is intended to support various growth initiatives of the bank, including upgrading of the core banking system and other technologies, and to maintain regulatory capital requirements.

Fairfax Africa held a 35.0% interest in GroCapital at December 31, 2019. GroCapital held a 99.9% interest in Grobank at that date.

Nova Pioneer Education Group (Nova Pioneer)

Fiscal Year Ended Dec. 31 (US$ thousands)	**2017**	**2018**
Total assets	24,259	32,414
Shareholders' equity	(2,860)	(12,526)
Revenue	3,841	7,557
EBITDAR	(3,477)	(7,212)
Net earnings (loss)	(4,437)	(13,052)

Nova Pioneer was founded as Ascendant Learning Limited and is run by CEO Chinezi Chijioke (who previously led McKinsey's educational practice in Africa) and CFO Damany Gibbs. Nova Pioneer is a pan-African independent school network offering preschool through secondary education for students from ages three through 19. Nova Pioneer launched its first campus in 2015 in South Africa, and now operates 13 schools with a combined enrollment of approximately 4,500 students, comprised of approximately 2,100 students in Kenya across six campuses and approximately 2,400 students in South Africa across seven campuses. These 13 campuses represent a future total capacity of over 13,000 students.

Nova Pioneer continued to demonstrate solid operating performance in 2019, highlighted by the opening of three new campuses (bringing the total number of campuses to 13), strong growth in enrollment in both South Africa (increase of 22% year-over-year) and Kenya (increase of 14% year-over-year), and approximately 74% revenue growth group wide, representing a very strong result for Chinezi and his management team. Schools from the 2015 and 2016 vintages are now cash flow positive, and all 13 schools are expected to achieve cash flow positive positions at maturity. Operating costs have remained in line with budgeted expectations.

Average tuition per student is about $3,600 per year and is priced to target middle to upper-middle income families whose alternatives are either (1) strained government schools; (2) "affordable" private schools that are often of poor quality; or (3) very expensive private schools. Nova Pioneer management is targeting a rollout of 20 new campuses across key African markets over the next five years, reaching an enrollment of over 11,000 students, with an enrollment capacity of around 30,000 students. Nova Pioneer's long-term goal is to offer world-class and affordable education to students on over 100 campuses across Africa. Single school economics are very attractive. Once a campus reaches full enrollment, returns on invested capital tend to be very high and provide investment capital for further expansion. Schools are also non-cyclical with reliable long-term cash flows as individual students are enrolled for up to 15 years, and multi-sibling families even longer.

Fairfax Africa invested an additional $9.2 million in 2019 to support Nova Pioneer's continued growth.

We are pleased to report that Nova Pioneer produced its first graduating class in 2019 in both Kenya and South Africa. Alongside this important milestone, Chinezi and his team continued to focus in 2019 on system profitability, including further strengthening school unit economics (through management of capital and operating expenses and revenue diversification), which resulted in reaching a profitability milestone for the first two vintages of schools. Management continues to invest in curriculum to further improve strong educational results (specifically targeting enhanced student performance outcomes across all schools and ages on internationally benchmarked assessments).

Nova Pioneer is also focused on aggressively building its talent pool (both teachers and administrators), while remaining highly selective in its hiring, with less than 3% of applicants receiving offers.

Over the next three years, Nova Pioneer expects to grow from 13 to 20 schools, including expansion to West Africa in 2021, and is already working on the detailed development plans for these campuses. The demographic opportunity of for-profit education in Africa is vast, with very high growth rates and the potential for attractive long-term returns on investment. We are very proud of the management team's accomplishments to date and remain supportive of the team's strategy to serve this fast-growing market's potential in the coming years.

Pro forma for the exercise of its warrants, Fairfax Africa would have held a 15.0% interest in Nova Pioneer at December 31, 2019.

Philafrica Foods (Philafrica)

Fiscal Year Ended Mar. 31 (ZAR millions)	**2017**	**2018**	**2019**
Total assets	559	2,348	3,000
Shareholders' equity	(87)	75	1,306
Revenue	1,142	4,444	5,406
EBITDA	(8)	75	49
Net earnings (loss)	(40)	(39)	(121)
Return on equity	NM	(51.6)%	(17.5)%

Philafrica Foods ("Philafrica") was formed in April 2017 to hold AFGRI's legacy food processing business, and to serve as a platform for development and acquisition of additional food processing businesses in attractive categories and markets on the continent. Philafrica was partially (40.0%) spun-out of AGH in November 2018 through a direct investment by Fairfax Africa (26.0%) and the PIC (14.0%).

Led by Roland Decorvet, a seasoned Nestlé senior executive (including as CEO of Nestlé China), Philafrica is a leading food processing company investing in food categories across Africa, focused on raw materials locally sourced from small holder farmers, and supporting the entire value chain to unlock the potential of African agriculture through food processing. Philafrica's main assets include:

- AFGRI Animal Feeds, the largest independent animal feed producer in South Africa
- AFGRI Milling, the industrial milling of yellow maize and wheat
- Nedan, a soybean crushing and oil extraction business in South Africa
- Pakworks, a snack manufacturer producing snacks exclusively for PepsiCo in sub-Saharan Africa, owned 60% by Philafrica
- Novos Horizontes, an integrated poultry producer in Mozambique, owned 94% by Philafrica
- Sunshine Bakery, a bakery group in South Africa, owned 68% by Philafrica
- DADTCO Philafrica, a cassava processor in Côte d'Ivoire and Mozambique, owned 73% by Philafrica

All of the legacy businesses of AFGRI Foods, including Animal Feeds, Nedan and Milling, continued to perform well in fiscal 2019.

Philafrica integrated two acquisitions over the course of the year, including the snacking company Pakworks, PepsiCo's largest co-manufacturer in Africa, which produces the popular *Nik Naks* brand of maize snacks, and Sunshine Bakeries, a regional baker in the KwaZulu Natal province in South Africa. Both these businesses are highly exposed to consumer food markets, and have managed to weather the lackluster South African economy fairly well despite consumer weakness and pricing pressures. Pakworks continues to innovate on new SKUs and flavour profiles alongside PepsiCo, while Sunshine continues to grow sales volume and expand its markets despite flat bread volume sales in South Africa.

Greenfield developments have been more challenging for Philafrica. Philafrica built the largest mussels farm and processing plant in Africa but experienced multiple environmental challenges and underperformance since inception. Management took the difficult but right decision in 2019 to exit the business rather than face ongoing challenges unlikely to be favorably resolved. DADTCO, a unique cassava processing technology with mobile factories in Mozambique and Côte d'Ivoire, and Novos Horizontes, a poultry producer in Mozambique, both have taken much longer than originally planned to get to profitability and required additional funding support in 2019. However, management believes that both are now on track towards cash flow breakeven in 2020, and that proof-of-concept has been achieved, albeit somewhat delayed from the original business plans. This experience has led Roland and his team to fundamentally change their approach to greenfield development in Africa.

Fairfax Africa held a 26.0% interest in Philafrica at December 31, 2019.

The African Environment

Africa continues to represent one of the most attractive long-term investment opportunities in the world. Our core investment thesis is based on several compelling macro trends: strong underlying GDP growth; favorable demographics including a rising middle class, rapid urbanization, and improvements in human capital; emergence, represented by improved governance, stability, transparency, as well as regional and international integration; and the supply-demand imbalance represented by the ongoing scarcity of capital relative to investment opportunities in many parts of the continent. Both public and private company valuations in Africa remain quite low relative to most markets – developed or emerging – around the world.

We summarize some of these key themes and developments in Africa below:

Inflation is moderating:

Country / Region	2017	2018	2019F
South Africa	5.3%	4.6%	4.4%
Kenya	8.2%	4.7%	6.0%
Nigeria	16.3%	12.2%	11.7%
Mozambique	15.4%	3.9%	2.9%
Botswana	3.3%	3.2%	3.2%
Ghana	12.3%	9.9%	9.2%
Sub-Saharan Africa	*11.0%*	*8.4%*	*8.4%*
World	*3.2%*	*3.6%*	*3.5%*

Source: RMB Global Markets, IMF

Growth in human capital: Africa's population is expected to almost double by the year 2050, with population growth rate of 2.5% per annum, which is high when compared across the globe.

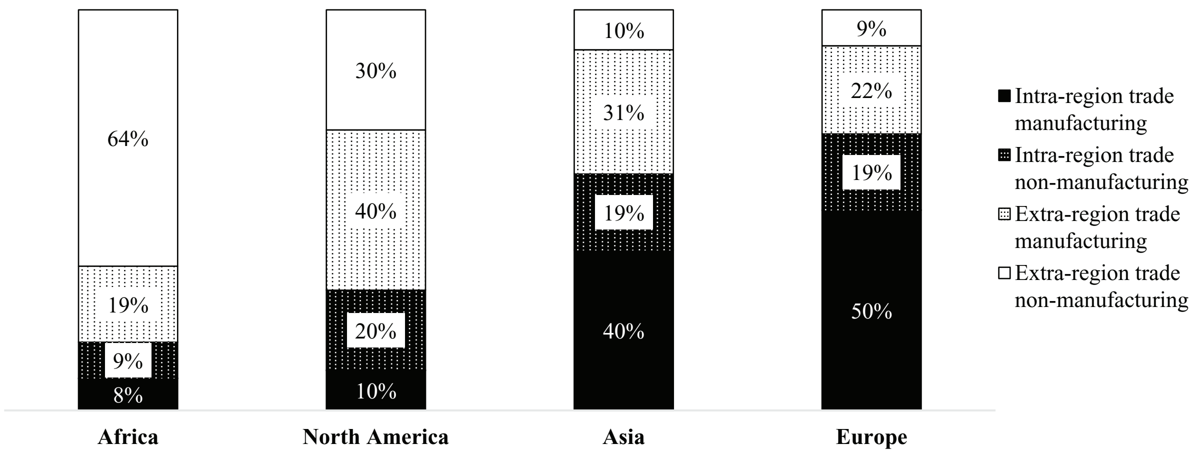
Region	2017	2018	2019-2024
Africa	*2.7%*	*2.5%*	*2.5%*
North Africa	*3.3%*	*1.9%*	*1.9%*
Sub-Saharan Africa	*2.6%*	*2.6%*	*2.6%*
India	1.3%	1.3%	1.3%
China, People's Republic of	0.5%	0.4%	0.2%
Emerging and Developing Asia	1.0%	0.9%	0.8%
Emerging Market and Developing Economies	1.3%	1.2%	1.2%
Emerging and Developing Europe	0.2%	0.2%	0.1%
World	1.2%	1.1%	1.1%
Major Advanced economies (G7)	0.4%	0.4%	0.3%

Source: IMF

Strong demographics and skills development on the continent are expected to contribute to a productive and growing workforce. A Bloomberg analysis of the United Nations World Population Division shows that by 2100, the working-age (15-to-64 year old) population in Africa will surpass Asia, which will be confronted by an aging population, while the shift in Africa will be toward more youth in need of employment.

Regional and economic integration – African Continental Free Trade Agreement ("AfCFTA"): On May 30, 2019, history's largest free trade agreement (a market size of $3 trillion) was launched, now with 54 African countries as signatories. The objective is to create a single continental market for goods and services, with free movement of business, persons and investments, and eventually an Africa-wide customs union. The AfCFTA will allow Africa to become more competitive in global trade and value chains and for industries to develop across borders – creating economies of scale for investors as they look at wider integrated markets. It could be the key to unlocking growth in manufacturing on the continent and ease the process of importing goods and raw materials between countries. Africa lags far behind Asia and Europe in terms of continental intra-regional trade and manufactured goods make up a small share of traded goods, signalling opportunities for rapid growth and development.

Intra- and extra- regional trade and manufacturing exports (%)

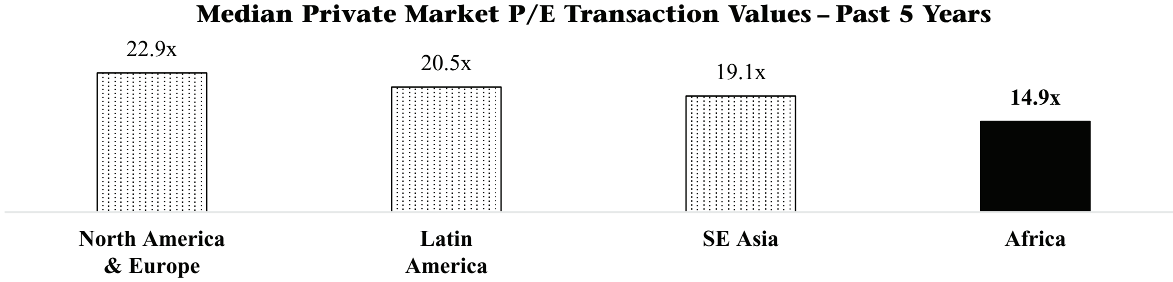


Source: UNCTAD, Foresight Africa

Scarcity of capital: Following 2018, the first year since 2015 of increased foreign direct investment ("FDI") in Africa, FDI flows amounted to $49 billion in 2019, an increase of 3%. This is contrary to negative 6% FDI growth in developing Asia and 0% FDI growth in developing economies globally. However, of the global pie, Africa represents only 3.5% of total FDI and only 7% of FDI in developing economies. As such, scarcity of capital remains a core issue for the continent and reinforces the benefits of Fairfax Africa's permanent capital investment structure.

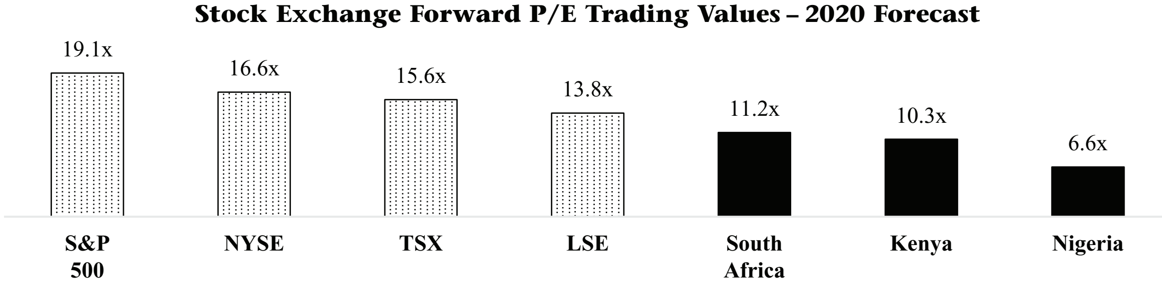
Valuations remain attractive:

Median Private Market P/E Transaction Values – Past 5 Years



Source: S&P Capital IQ

Stock Exchange Forward P/E Trading Values – 2020 Forecast



Source: Bloomberg Analyst Consensus Estimates

Africa's two largest economies (Nigeria and South Africa) underperformed in 2019, with GDP below 3% and 1%, respectively. This under-performance brought down continent-wide growth to 3.2%. However, excluding these markets Africa continued to grow at an estimated 4.5%, with East Africa leading the way at 5.0%.

Kenya & East Africa

Kenya, and East Africa generally (a region which includes Tanzania, Uganda, Rwanda and Ethiopia), continue to represent one of the fastest growing regions in the world, let alone Africa, with recent and projected annual GDP growth consistently above 5%. Regional growth is supported by advances in the manufacturing, telecom, energy, financial services and other sectors. GDP per capita is expected to increase by over 6% in 2020, supporting a thesis of investing behind the emerging middle class as household wealth and disposable income increases.

Fairfax Africa is invested in the region through Nova Pioneer (Kenya), AGH (Uganda), Atlas Mara (Rwanda and Tanzania) and CIG (Kenya, Ethiopia). The region will continue to be of interest for us going forward.

Nigeria & West Africa

West Africa remains a high growth region at approximately 3.7% despite the underperformance of its largest economy. Nigeria is the most populous country and largest economy in Africa (representing close to 20% of total GDP), however its growth has been muted in recent years. Historically dependent on oil and gas revenues, the country is slowly migrating its economy towards other sectors, but challenges persist, including insufficient infrastructure, inadequate power supply and lack of industrialization. These realities all present opportunities for Fairfax Africa. Regionally, smaller countries such as Côte d'Ivoire, Ghana and Senegal continue to offer examples of positive economic development, illustrated by improving business environments and government emphasis on diversifying their economies.

Fairfax Africa is invested in Nigeria through Atlas Mara's 49.97% stake in UBN, and CIG has recently entered the market through its Conlog subsidiary.

South Africa & SADC

South Africa's GDP growth slowed to 0.2% in 2019 from 0.8% in 2018. The World Bank recently cut South Africa's growth forecast to below 1% for 2020, and reduced long-term forecasts to 1.4% average through 2022. Electricity supply constraints (evidenced in 2019 by the resumption of rolling blackouts), stalled infrastructure projects, challenges at state-owned enterprises, and weaker global conditions (weighing on export demand) all impacted the local growth outlook. South African GDP has not expanded by more than 2% since 2014, and the currency has devalued by over 25% during this time. Moody's downgraded its outlook from stable to negative in November. As a result of these and other factors, Fairfax Africa is taking a more cautious approach to investment in the country. Excluding South Africa, the SADC region is expected to grow at 3.3% in 2020.

On a more positive note, there are recent signs that the energy sector is liberalizing and that legal and regulatory barriers to renewable energy and electrical power self-generation (i.e. by mines, municipalities, manufacturing facilities and other users) are being removed. The government published its Integrated Resource Plan in October 2019, which provided belated clarity on the future of South African electricity generation. Specifically, 11 gigawatts of the country's aging coal fleet will be shut down over the next 20 years and replaced by new capacity dominated by renewables (solar and wind) and by developing gas infrastructure. A number of policy actions have been announced in the first quarter of 2020 intended to address the near- and long-term power generation capacity shortfall in South Africa. While certainly aiding the SA economy generally, we expect that these developments could have a specific and substantially positive benefit for CIG as a leading provider and developer of electrical grid infrastructure in the country.

Fairfax Africa is invested in South Africa through AGH (incl. GroCapital and Philafrica), CIG, and Nova Pioneer, and the broader SADC region through Atlas Mara (Botswana, Zambia, Zimbabwe, Mozambique), AGH (Zambia, Zimbabwe, Mozambique, Botswana), and CIG (Angola and Namibia among others).

Egypt & North Africa

North Africa is projected to grow at 4.4% through 2024. While not currently invested in the region, Fairfax Africa finds Egypt and Morocco particularly attractive within the region, with growth rates above 5.5% and 3.5%

respectively, and generally favorable conditions for foreign investment. We're keeping an eye out for interesting opportunities that might provide a strong point of entry to the region.

Share Repurchases

Fairfax Africa may from time to time purchase shares for cancellation if it finds the price attractive and if it determines that such purchases are financially prudent. During 2019, Fairfax Africa purchased for cancellation 3,315,484 subordinate voting shares at an average price of $8.15 per share. These purchases were made at a substantial discount to the then prevailing book value and therefore were mildly accretive to book value per share. As such, management views these repurchases as a sensible use of Fairfax Africa's capital.

Additions to Our Team

Just prior to the start of the year, we welcomed Ahmad Mazhar as Managing Director of Investments. Ahmad was previously Head of the Abraaj Group's Southern African Investment team, and has nearly a decade of African investing experience. His insights and relationships have been very valuable as we continue to pursue value in Africa. Dmitri Navaratnam also joined the investments team from a similar role at George Weston, and is working closely with Ahmad. Amy Sherk was appointed as CFO in August 2019 following Jennifer Allen's promotion to CFO of Fairfax Financial. No stranger to Fairfax Africa, Amy has been involved from the beginning in various financial and valuation roles. Please join us in welcoming Amy, Ahmad and Dmitri when you see them at our AGM. And a word of thanks to Keir Hunt (General Counsel and Corporate Secretary) and Dylan Buttrick (MD Mauritius and South Africa), who lead our legal and regulatory teams in Toronto and Mauritius respectively, for their tireless efforts on behalf of the company.

In Closing

The underlying investment thesis for Fairfax Africa remains intact. While 2019 performance was disappointing, we remain confident in Fairfax Africa's ability to deliver value for its shareholders. Our focus in 2020 will be on building underlying book value at our investee companies, and closing the gaps between the market price and our book value, and between book value and the true potential of the company to deliver long-term value for shareholders.

Paul Rivett will continue to be actively involved with Fairfax Africa through his role on the board and other support.

On behalf of our colleagues at Fairfax Africa and our investee companies, we want to thank you for your continued support and confidence. We hope to see many of you at our annual meeting at 2:30 p.m. (Eastern time) on Wednesday, April 15 at the *Fairmont Royal York Hotel*, 100 Front Street West, Toronto, Canada.

March 6, 2020

Michael Wilkerson
Chief Executive Officer

Paul Rivett
Vice-Chairman