

Fairfax Africa Holdings Corporation

TSX Stock Symbol: FAH.U

News Release

TORONTO, June 21, 2017

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

FAIRFAX AFRICA TO INVEST IN ATLAS MARA LIMITED

(Note: All dollar amounts in this news release are expressed in U.S. dollars, except as otherwise noted.)

Fairfax Africa Holdings Corporation (“Fairfax Africa”) (TSX: FAH.U) is pleased to announce that it has agreed to invest an expected minimum of \$130 million in Atlas Mara Limited (“Atlas Mara”) as part of a broader strategic investment announced by Atlas Mara.

The aggregate Atlas Mara strategic investment will be used to support its growth initiatives and will be anchored by new capital from Fairfax Africa and existing shareholders of Atlas Mara, comprising of:

- a \$100 million equity offering of new ordinary shares at a price of S\$2.25 per share (the “Issue Price”). Qualifying existing Atlas Mara shareholders will be invited to participate in the equity offering by way of an open offer alongside Fairfax Africa, which will serve as the committed underwriter of the equity offering. Fairfax Africa will have the right to secure a minimum of 30.0% of the equity offering. Any shares not taken up by qualifying existing Atlas Mara shareholders will be subscribed for by Fairfax Africa; and
- a \$100 million mandatory convertible bond to be issued to Fairfax Africa, which will convert into new ordinary shares at the Issue Price upon the closing of the open offer.

The agreed Issue Price of \$2.25 represents implied purchase price multiples of 0.33x Book Value, 0.42x Tangible Book Value, 8.7x LTM EPS and 6.4x Normalized LTM EPS (excluding one-time charges and other non-recurring items).

Upon conversion of the mandatory convertible bond and participation in the equity offering, Fairfax Africa is expected to have a total shareholding of at least 35%, but in any event less than 50% of the total voting rights in Atlas Mara. Fairfax Africa will nominate four (4) directors to the board of directors of Atlas Mara out of a total of nine (9) directors. Robert (“Bob”) E. Diamond will continue in his capacity as Executive Chairman of Atlas Mara.

The strategic investment is subject to shareholder approval at an upcoming extraordinary general meeting of Atlas Mara.

The aggregate proceeds of the strategic investment are primarily intended to be used to support Atlas Mara’s commitment to Union Bank of Nigeria Plc (“UBN”) and Nigeria via: (1) the funding of Atlas Mara’s acquisition of an indirect 13.4% shareholding in UBN; (2) the funding of Atlas Mara’s subscription for its pro rata entitlements under the forthcoming rights issue announced by UBN; and (3) further expanding Atlas Mara’s strategic business lines of Markets and Treasury and FinTech.

"We share the vision of Atlas Mara to create a leading pan-African financial services platform in key growth markets in sub-Saharan Africa," said Michael Wilkerson, Chief Executive Officer of Fairfax Africa, "We are delighted to enter into this strategic partnership with Atlas Mara, and to help strengthen and grow its existing and profitable network across seven countries in Africa. We believe this attractive investment represents substantial value creation potential for Fairfax Africa shareholders, and we look forward to working closely with Bob Diamond and the Atlas Mara team to successfully build upon the foundation laid over the past three years."

"We believe strongly in the long-term growth of good businesses in Africa", said Prem Watsa, Chairman of Fairfax Africa, "Banks are at the forefront of economic development in sub-Saharan Africa and Atlas Mara represents a unique opportunity to invest in many profitable banks in the region at a very attractive valuation."

About Fairfax Africa

Fairfax Africa is an investment holding company whose objective is to achieve long-term capital appreciation, while preserving capital, by investing in public and private equity securities and debt instruments of African businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, Africa.

About Atlas Mara

Atlas Mara is a financial services institution listed on the London Stock Exchange. Its vision is to create sub-Saharan Africa's premier financial services institution through organic and inorganic growth by combining the best of global institutional knowledge with extensive local insights. With a presence in seven sub-Saharan countries, Atlas Mara aims to be a positive disruptive force in the markets in which it operates by leveraging technology to provide innovative and differentiated product offerings, excellent customer service and accelerate financial inclusion in the countries in which Atlas Mara operates.

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects the Company's current expectations regarding future events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. The Company does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

-30-

For further information, contact:

Fairfax Africa Holdings Corporation
Guy Bentinck
Chief Financial Officer and Corporate Secretary
(416) 646-4181