

Fairfax Africa Holdings Corporation

TSX Stock Symbol: FAH.U

News Release

TORONTO, April 30, 2020

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

FIRST QUARTER FINANCIAL RESULTS

(Note: All dollar amounts in this news release are expressed in U.S. dollars except as otherwise noted. The financial results are prepared using the recognition and measurement requirements of International Financial Reporting Standards, except as otherwise noted, and are unaudited.)

Fairfax Africa Holdings Corporation (TSX: FAH.U) announces a net loss of \$121.8 million in the first quarter of 2020 (\$2.05 net loss per diluted share), compared to a net loss of \$21.5 million in the first quarter of 2019 (\$0.35 net loss per diluted share), reflecting increased net unrealized losses on investments and net foreign exchange losses in the quarter.

Highlights in the first quarter of 2020 included the following:

- Net loss of \$121.8 million included a net change in unrealized losses on investments of \$68.6 million, principally from decreases in the market price of the company's investment in Atlas Mara common shares (\$36.3 million), as well as the fair value of the company's indirect equity interest in AGH (\$18.8 million), and net foreign exchange losses of \$52.5 million reflecting a weakening of the South African rand relative to the U.S. dollar. The net loss in the first quarter of 2020 reflected negative market reactions to the COVID-19 pandemic and related government interventions, combined with a simultaneous shock to global energy markets.
- On February 28, 2020 Fairfax Africa invested an additional \$3.1 million (49.3 million South African rand) in GroCapital Holdings. Upon completion of this transaction, the company had invested aggregate cash consideration of \$17.6 million (253.7 million South African rand) and at March 31, 2020 the fair value of the company's equity interest in GroCapital was \$10.0 million (179.2 million South African rand).
- On March 30, 2020 the company entered into a secured lending arrangement with Atlas Mara pursuant to which Fairfax Africa agreed to provide up to \$40.0 million of financing. The facility will earn interest at a rate of 10% per annum and will mature on March 31, 2021. At March 31, 2020 the facility was undrawn by Atlas Mara. Subsequently on April 2, 2020 \$20.5 million was advanced to Atlas Mara under the facility.
- During the first quarter of 2020 the company purchased for cancellation 463,506 subordinate voting shares under the terms of the normal course issuer bid at a cost of \$1.9 million (approximately \$3.99 per subordinate voting share).
- During this period of uncertainty, Fairfax Africa remains in strong financial health, with sufficient undeployed cash and marketable securities.
- At March 31, 2020 common shareholders' equity was \$395.2 million, or book value per share of \$6.69, compared to \$518.8 million, or book value per share of \$8.72, at December 31, 2019, a decrease of 23.3% primarily related to the net loss in the first quarter of 2020.

There were 59.4 million and 62.0 million weighted average shares outstanding during the first quarters of 2020 and 2019 respectively. At March 31, 2020 there were 29,032,975 subordinate voting shares and 30,000,000 multiple voting shares outstanding.

Fairfax Africa's detailed first quarter report can be accessed at its website www.fairfaxafrica.ca.

In presenting the company's results in this news release, management has included book value per basic share. Book value per basic share is calculated by the company as common shareholders' equity divided by the number of common shares outstanding.

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

For further information, contact: Keir Hunt, Corporate Secretary
(416) 646-4180

This press release may contain forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements may relate to the company's or an African Investment's future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, plans and objectives of the company. Particularly, statements regarding future results, performance, achievements, prospects or opportunities of the company, an African Investment, or the African market are forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved".

Forward-looking statements are based on our opinions and estimates as of the date of this press release and they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to the following factors: taxation of the company, its shareholders and subsidiaries; risk of substantial loss of capital; geographic concentration of investments; risks associated with the global pandemic caused by COVID-19, and the related global reduction in commerce and substantial downturns in stock markets worldwide; financial market fluctuations; control or significant influence position risk; minority investments; risks upon dispositions of investments; bridge financings; reliance on key personnel and risks associated with the Investment Advisory Agreement; effect of fees; operating and financial risks of investments; valuation methodologies involve subjective judgments; lawsuits; foreign currency fluctuation; unknown merits and risks of future investments; illiquidity of investments; competitive market for investment opportunities; use of leverage; significant ownership by Fairfax may adversely affect the market price of the subordinate voting shares; trading price of subordinate voting shares relative to book value per share; emerging markets; volatility of African securities markets; political, economic, social and other factors; natural disaster risks; sovereign debt risk; economic risk; weather risk, oil price risk and adverse consequences to the company's business, investments and personnel resulting from or related to the COVID-19 pandemic. Additional risks and uncertainties are described in the company's annual information form dated March 6, 2020 which is available on SEDAR at www.sedar.com and on the company's website at www.fairfaxafrica.ca. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect the company. These factors and assumptions, however, should be considered carefully.

Although the company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The company does not undertake to update any forward-looking statements contained herein, except as required by applicable securities laws.