

Fairfax Africa Holdings Corporation

TSX Stock Symbol: FAH.U

News Release

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FAIRFAX AFRICA INVESTS IN CONVERTIBLE BONDS OF ATLAS MARA LIMITED AND PROVIDES FINANCING TO PHILAFRICA FOODS

(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) announces that it has agreed to invest in secured convertible bonds issued by Atlas Mara Limited (“Atlas Mara”) and has separately agreed to provide bridge financing to Philafrica Foods Proprietary Limited (“Philafrica”).

INVESTMENT IN ATLAS MARA CONVERTIBLE BONDS

Fairfax Africa has agreed to invest \$16 million in Atlas Mara secured convertible bonds maturing in April 2020, as an anchor investment in connection with a targeted \$37.5 million debt fundraising by Atlas Mara (the “Debt Fundraising”).

The Bonds are secured with a portion of Atlas Mara’s shareholding in Union Bank of Nigeria Plc (“UBN”). Subject to Atlas Mara shareholder approval, which will be sought at Atlas Mara’s next annual meeting, the Bonds will be convertible, at Fairfax Africa’s option, into Atlas Mara shares at the lower of (i) \$2.475 per share and (ii) a 10% discount to the 30-day volume weighted average price prior to the maturity date. The Bonds will bear interest at a rate of 7.5% payable in cash semi-annually and, in the event that shareholder approval for the conversion feature is not obtained, the interest rate will increase retroactively to 9.0%. In connection with the investment, Fairfax Africa will earn a structuring fee equal to 3% of the aggregate proceeds of the Debt Fundraising (approximately \$1.1 million) for its role in anchoring and structuring the Debt Fundraising.

The proceeds of the Debt Fundraising will be used by Atlas Mara for general corporate purposes, including providing ongoing liquidity support for Atlas Mara’s operations. Closing of the investment is subject to the finalization of security documentation relating to the UBN shares.

Atlas Mara is a publicly traded, Sub-Saharan African financial services group listed on the London Stock Exchange under the stock symbol ATMA. Atlas Mara’s vision is to establish itself as a premier financial institution across key markets in Sub-Saharan Africa. Since its inception in 2013, Atlas Mara has acquired control or a significant stake in banking operations spread across seven key Sub-Saharan African countries: Botswana, Mozambique, Nigeria, Rwanda, Tanzania, Zambia and Zimbabwe.

FACILITY AGREEMENT WITH PHILAFRICA

Fairfax Africa has entered into a secured lending arrangement with Philafrica, a subsidiary of AFGRI Group Holdings Proprietary Limited (“AFGRI”), pursuant to which it has provided Philafrica with ZAR330 million (approximately \$27 million at current exchange rates) (the “Philafrica Facility”). Philafrica sought out the financing ahead of an expected future equity capital raise in the form of a rights offering of Philafrica shares to existing AFGRI shareholders.

The Philafrica Facility is guaranteed by a wholly-owned subsidiary of AFGRI and matures in October 2018. Subject to AFGRI shareholder approval, the Philafrica Facility may be repaid through the issuance of Philafrica shares to Fairfax Africa. The Philafrica Facility bears interest at a rate of South African Prime plus 2% and, in the event that the AFGRI shareholder approval is not obtained, the interest rate will increase retroactively to South African Prime plus 4%. Fairfax Africa will receive an upfront fee equal to 2% of the loan proceeds (approximately \$540,000 plus interest), which fee is payable at maturity or upon repayment of the Philafrica Facility.

The proceeds from the Philafrica Facility will be used by Philafrica to fund strategic acquisitions and for general corporate purposes.

Based in South Africa, Philafrica owns and operates maize mills, wheat mills, oilseed-crushing and extraction of oil and other raw materials into edible oils, fats and proteins for human consumption (primarily for the food processing and quick-service restaurant industries). Philafrica is also one of South Africa's leading animal feed manufacturers with a production capacity of approximately 1 million tonnes per annum.

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.

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects Fairfax Africa'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 Fairfax Africa'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. Fairfax Africa 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.

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