

Helios Fairfax Partners Corporation

News Release

TSX Stock Symbol: HFPC.U

TORONTO, March 22, 2022

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FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2021

(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.)

Helios Fairfax Partners Corporation (TSX: HFPC.U) announces a net loss of \$25.9 million for the fiscal year 2021 (\$0.24 net loss per diluted share), compared to a net loss of \$206.6 million in the fiscal year 2020 (\$3.31 net loss per diluted share), principally reflecting net change in unrealized gains in Portfolio Investments, decreased net realized losses on Portfolio Investments, and decreased expenses as 2020 included significant expenses related to the Helios Transaction.

Highlights for 2021 included the following:

- Net change in unrealized gains on investments of \$30.0 million principally comprised of increases in the fair value of the company's investments in the Atlas Mara Facility Guarantee (\$18.8 million), Other Common Shares (\$13.3 million), Helios Fund IV (\$6.9 million), NBA Africa (\$3.4 million), and TopCo LP Class A units (\$2.9 million). This was partially offset by net change in unrealized losses on the company's investments in TopCo LP Class B units (\$24.5 million), the HFP Redemption Derivative (\$6.0 million), and the Atlas Mara 11.0% Convertible Bonds (\$2.4 million). Further, the balance included a reversal upon settlement of prior period unrealized losses on the Nova Pioneer Bonds (\$7.8 million) and the Atlas Mara Facility (\$4.2 million).
- Net realized losses on investments of \$21.2 million principally related to a realized loss of \$16.4 million on partial settlement of the Atlas Mara Facility and \$9.5 million on the settlement of the Nova Pioneer Bonds for an indirect equity interest in Nova Pioneer, partially offset by a realized gain of \$3.6 million on the partial sale of Other Common Shares.
- The company reported net foreign exchange losses of \$12.9 million.
- At December 31, 2021 common shareholders' equity was \$591.9 million, or book value per share of \$5.47 with 108,259,645 shares outstanding, compared to \$599.7 million, or book value per share of \$5.50 with 109,118,253 shares outstanding, at December 31, 2020, a decrease of less than 1.0%.

There were 108.9 million and 72.1 million weighted average shares outstanding during the fourth quarters of 2021 and 2020 respectively. At December 31, 2021 there were 52,806,780 subordinate voting shares and 55,452,865 multiple voting shares outstanding.

A material weakness was identified in the company's internal control over financial reporting framework for the year ended December 31, 2021. Please refer to the company's consolidated financial statements and Management Discussion and Analysis for further information, including the company's proposed remediation plan in respect thereof.

Consolidated balance sheets, earnings and comprehensive income information follow and form part of this news release. Fourth quarter earnings and comprehensive income information that follow is unaudited. HFP's detailed 2021 report can be accessed at its website www.heliosfairfax.com.

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.

Helios Fairfax Partners Corporation 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.

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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 a Portfolio 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, a Portfolio 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: the COVID-19 pandemic; geographic concentration of investments; financial market fluctuations; pace of completing investments; minority investments; reliance on key personnel and risks associated with the Investment Advisory Agreement; operating and financial risks of Portfolio investments; valuation methodologies involve subjective judgments; lawsuits; use of leverage; foreign currency fluctuation; investments may be made in foreign private businesses where information is unreliable or unavailable; significant ownership by Fairfax and Principal Holdco may adversely affect the market price of the subordinate voting shares; emerging markets; South African black economic empowerment; economic risk; weather risk; taxation risks; MLI; and trading price of subordinate voting shares relative to book value per share. Additional risks and uncertainties are described in the company's annual information form dated March 22, 2022 which is available on SEDAR at www.sedar.com and on the company's website at www.heliosfairfax.com. 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.

Information on
CONSOLIDATED BALANCE SHEETS
as at December 31, 2021 and December 31, 2020
(US\$ thousands)

	December 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	76,284	66,052
Restricted cash deposits	—	7,525
Term deposits	—	12,392
Portfolio Investments	587,498	493,654
Related party loan	19,608	19,411
Total cash and investments	683,390	599,034
Interest receivable	2,978	8,961
Deferred income taxes	—	835
Income tax refundable	5,632	—
Receivable from related parties	11,002	—
Other assets	1,390	1,946
Total assets	704,392	610,776
Liabilities		
Accounts payable and accrued liabilities	136	6,982
Automatic share purchase plan liability	500	—
Payable to related parties	8,803	3,660
Income taxes payable	—	399
Deferred income taxes	4,419	—
Borrowings	98,632	—
Total liabilities	112,490	11,041
Equity		
Common shareholders' equity	591,902	599,735
	704,392	610,776
Book value per basic share	5.47	5.50

Information on

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)

for the three and twelve months ended December 31, 2021 and 2020

(US\$ thousands except per share)

	<i>(Unaudited)</i>			
	Fourth quarter		Year ended December 31,	
	2021	2020	2021	2020
Income				
Interest	(1,343)	2,988	139	18,727
Dividends	369	—	714	15
Net realized losses on investments	(15,285)	(208,462)	(21,247)	(208,462)
Net change in unrealized gains on investments	27,438	166,377	30,024	30,643
Net foreign exchange gains (losses)	(8,971)	24,756	(12,907)	(13,956)
	2,208	(14,341)	(3,277)	(173,033)
Expenses				
Investment and advisory fees	1,709	857	4,146	4,128
Performance fee	11	—	938	—
General and administration expenses	2,966	6,970	10,562	9,528
Helios Transaction expenses	—	2,150	—	16,507
Loss (recovery) on uncollectible accounts receivable	(6)	—	6,073	—
Interest expense	901	174	2,700	773
	5,581	10,151	24,419	30,936
Loss before income taxes	(3,373)	(24,492)	(27,696)	(203,969)
Provision for (recovery of) income taxes	(2,127)	(2,209)	(1,774)	2,677
Net loss and comprehensive loss	(1,246)	(22,283)	(25,922)	(206,646)
Net loss per share	\$ (0.01)	\$ (0.31)	\$ (0.24)	\$ (3.31)
Shares outstanding (weighted average)	108,933,942	72,098,700	109,071,609	62,406,662

GLOSSARY OF NON-GAAP AND OTHER FINANCIAL MEASURES

Management analyzes and assesses the financial position of the consolidated company in various ways. The measure included in this news release, which has been used consistently and disclosed regularly in the company's Annual Reports and interim financial reporting, does not have a prescribed meaning under IFRS and may not be comparable to similar measures presented by other companies. This measure is described below.

Book value per share - The company considers book value per share a key performance measure in evaluating its objective of long term capital appreciation, while preserving capital. Book value per share is a key performance measure of the company and is closely monitored. This measure is calculated by the company as common shareholders' equity divided by the number of common shares outstanding.