

**TSX Stock Symbol: HFPC.U**

**TORONTO, November 10, 2022**

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### **THIRD 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.)***

Helios Fairfax Partners Corporation (TSX: HFPC.U) today announced its financial results for the third quarter ended September 30, 2022 reporting a net loss of \$29.0 million in the third quarter of 2022 (\$0.27 net loss per diluted share), compared to a net loss of \$13.6 million in the third quarter of 2021 (\$0.12 net loss per diluted share).

#### **Tope Lawani and Babatunde Soyoye, co-CEOs of Helios Fairfax Partners, said:**

“Despite the challenging global macroeconomic backdrop, we have continued to make good progress on our stated plans to exit the legacy investments, with \$57.8 million of proceeds generated year-to-date associated with that portfolio. At the same time, we are actively executing on our strategy of re-deploying HFP’s capital into sectors and businesses that are linked to the long term African secular trends of demographics/urbanization and technology/innovation. These are exemplified by our investments in NBA Africa and Trone. We believe we are well positioned, especially in the current environment, to continue to make innovative and value-creating investments in Africa as a trusted investor and a partner of choice to corporates and entrepreneurs.”

#### **Q3 Highlights**

- Net change in unrealized losses on investments million was principally comprised of unrealized losses on Nova Pioneer Common Shares (\$5.5 million), TopCo Class A Limited Partnership Interest (\$3.7 million), TopCo Class B Limited Partnership Interest (\$2.2 million), NBA Africa (\$2.2 million), and Trone (\$2.0 million).
- Net realized gains on investments of \$34.0 million related to realized gains on the cancellation of the Atlas Mara Facility Guarantee (\$33.4 million) and disposal of Other Common Shares (\$5.2 million), offset by a realized loss on the assignment of the Atlas Mara Facility (\$5.1 million).
- The company reported net foreign exchange losses of \$11.7 million.

## YTD Highlights

- Deployment of capital into two new investments, Event Horizon (a live entertainment and content company) and Digital Ventures (a venture capital fund with a focus on investing in digital infrastructure across Africa) totaling \$24.3 million.
- Receipt of \$57.8 million in proceeds from the exits of Atlas Mara 7.5% Bonds, Atlas Mara Facility and Atlas Mara Facility Guarantee. HFP continues to execute its strategic initiative to reduce its holdings of legacy investments that were entered into prior to the Helios Transaction.
- The fair values of legacy investments decreased by \$23.1 million, largely reflecting global macroeconomic factors such as rising inflation, interest rates and foreign exchange movements. Such factors contributed to the decrease in value of AGH and Philafrica, which decreased by \$28.8 million and Nova Pioneer, which decreased by \$13.9 million. The decrease in the fair value of AGH and Philafrica was offset by the increase in the fair value of the HFP Redemption Derivative which offers downside protection on the AGH and Philafrica investments, resulting in a net decline of \$1.8 million when the investments are offset.
- Receipt of \$10.3 million in proceeds from the sale of one of HFP's Other Common Shares which were received as a distribution of carried interest proceeds from TopCo LP.
- HFP's other Portfolio Investments entered into after the Helios Transaction (excluding TopCo LP) decreased mainly as a result of returns of capital and equalization payments from Fund IV to the company of \$9.8 million, which reduced HFP's net contribution to \$21.6 million for that investment. Since inception, HFP has seen a 31.4% increase in its net investment in Fund IV based on the strong performance of the Fund's underlying investee companies. Trone and NBA Africa performed well in the current economic environment and increased by 6% and 5% respectively over the last nine months. NBA Africa's performance was driven by strong projected revenue growth and Trone's fair value increase was driven by strong performance of the underlying operating company, tempered by the impact of foreign currency fluctuations.
- TopCo LP is the investment vehicle through which HFP will receive cash flows from carried interest and excess management fees. TopCo Class A Limited Partnership interest decreased by \$16.2 million reflecting lower exit valuations, higher market volatility and an increase in the discount rate driven by the current economic environment. TopCo Class B Limited Partnership interest decreased by \$19.7 million primarily as a result of an increase in the discount rate, also driven by the current economic environment.
- HFP had \$128.1 million of cash and cash equivalents as at September 30, 2022, which is available to fund future investments. The \$70 million RMB facility remained undrawn at September 30, 2022 and is also available to fund future investments.

At September 30, 2022 common shareholders' equity was \$524.4 million, or book value per share of \$4.85 with 108,193,971 shares outstanding, compared to \$591.9 million, or book value per share of \$5.47 with 108,259,645 shares outstanding, at December 31, 2021, a decrease of 11.3%.

There were 108.2 million and 109.1 million weighted average shares outstanding during the third quarters of 2022 and 2021 respectively. At September 30, 2022 there were 52,741,106 subordinate voting shares and 55,452,865 multiple voting shares outstanding.

HFP's detailed third quarter report can be accessed at its website [www.heliosfairfax.com](http://www.heliosfairfax.com).

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.

For further information, contact:

Julia Gray, General Counsel & Corporate Secretary  
647-243-9882

*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: 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; concentration risk in Portfolio Investments, including with respect to Class A and Class B limited partnership interests in the Portfolio Advisor and Helios Fund IV; 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](http://www.sedar.com) and on the company's website at [www.heliosfairfax.com](http://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.*

## **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.