

**HELIOS FAIRFAX PARTNERS ANNOUNCES PORTFOLIO INSURANCE
ARRANGEMENT WITH FAIRFAX FINANCIAL HOLDINGS LIMITED**

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Toronto, Canada, January 21, 2021 - Helios Fairfax Partners Corporation (TSX: HFPC.U) (“HFP”) announces that it has agreed to enter into a portfolio insurance arrangement with Fairfax Financial Holdings Corporation (“Fairfax”) pursuant to the terms of a binding term sheet. The portfolio insurance arrangement will provide HFP with stability regarding any price fluctuations regarding the Reference Investments (as defined below) and with \$100 million of investment proceeds which can be used by HFP for additional investments in Africa.

Under the terms of the transaction, Fairfax will subscribe for 3.0% unsecured debentures of HFP (the “Debentures”) on a private placement basis for an aggregate subscription price of US\$100 million (the “Principal Amount”). The Debentures will mature within three years of the date of issuance (the “Closing Date”) or, at the option of Fairfax, on either of the first two anniversary dates of the Closing Date. The “Redemption Price” for the Debentures will be equal to the Principal Amount, plus any accrued and unpaid interest, less the amount, if any, by which the fair value of HFP’s investments in AGH, Philafrica and the PGR2 Loan (collectively, the “**Reference Investments**”) is lower than \$102.6 million (representing the fair value of the Reference Investments as of June 30, 2020).

In addition, Fairfax will subscribe for 3 million warrants of HFP, allowing Fairfax to purchase HFP subordinate voting shares (“SVS”) at an exercise price of US\$4.90. The warrants are exercisable at any time prior to the fifth anniversary of the Closing Date. The Warrants will include customary anti-dilution provisions. If all of the Warrants are exercised, the aggregate SVS issued would represent approximately 5.6% of the SVS currently outstanding and 2.7% of all HFP shares currently outstanding (multiple voting shares and SVS).

The transaction, which constitutes a “related party transaction” as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), was unanimously approved by the board of directors of HFP, including a specific approval by the independent directors, with Fairfax affiliated directors abstaining. The transaction will be exempt from the minority approval and valuation requirements of MI 61-101.

Closing of the transaction is subject to the finalization of definitive documentation and customary conditions, including the receipt of the approval of the Toronto Stock Exchange. The transaction will close

as soon as all conditions precedent have been satisfied, which is expected to occur in Q1 2021.

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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Disclaimer

Certain statements included in this press release constitute forward-looking statements within the meaning of applicable securities laws, including, but not limited to, those identified by the expressions “expect”, “will”, “believe” and similar expressions. Some of the specific forward-looking statements in this press release include, but are not limited to, statements with respect to: the investment by Fairfax and the terms thereof, the expected date of completion of such investment and the anticipated benefits to shareholders. There can be no assurance that the proposed transaction will be completed or that it will be completed on the terms and conditions contemplated in this press release. The proposed transaction could be modified or terminated in accordance with its terms.

Forward-looking statements are based on a number of key expectations and assumptions made by HFP including, without limitation: the transaction will be completed on the terms currently contemplated; the transaction will be completed in accordance with the timing currently expected; all conditions to the completion to the transaction will be satisfied or waived and the term sheet will not be terminated prior to the completion of the transaction. Although the forward-looking statements contained in this press release are based on what HFP’s management believes to be reasonable assumptions, HFP cannot assure investors that actual results will be consistent with such information.

Forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results as actual results may differ materially from those expressed or implied in such forward-looking information. Those risks and uncertainties include, among other things: the transaction may not be completed on the terms, or in accordance with the timing, currently contemplated, or at all; and HFP and Fairfax may not be successful in satisfying the conditions to the transaction. Additional information about risks and uncertainties related to HFP are contained in HFP’s

annual information form for the year ended December 31, 2019 and in HFP's management's discussion and analysis of financial results dated September 30, 2020, both of which are available on SEDAR at www.sedar.com.

The forward-looking statements contained herein represents HFP's expectations as of the date of this press release, and are subject to change after this date. HFP assumes no obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law.