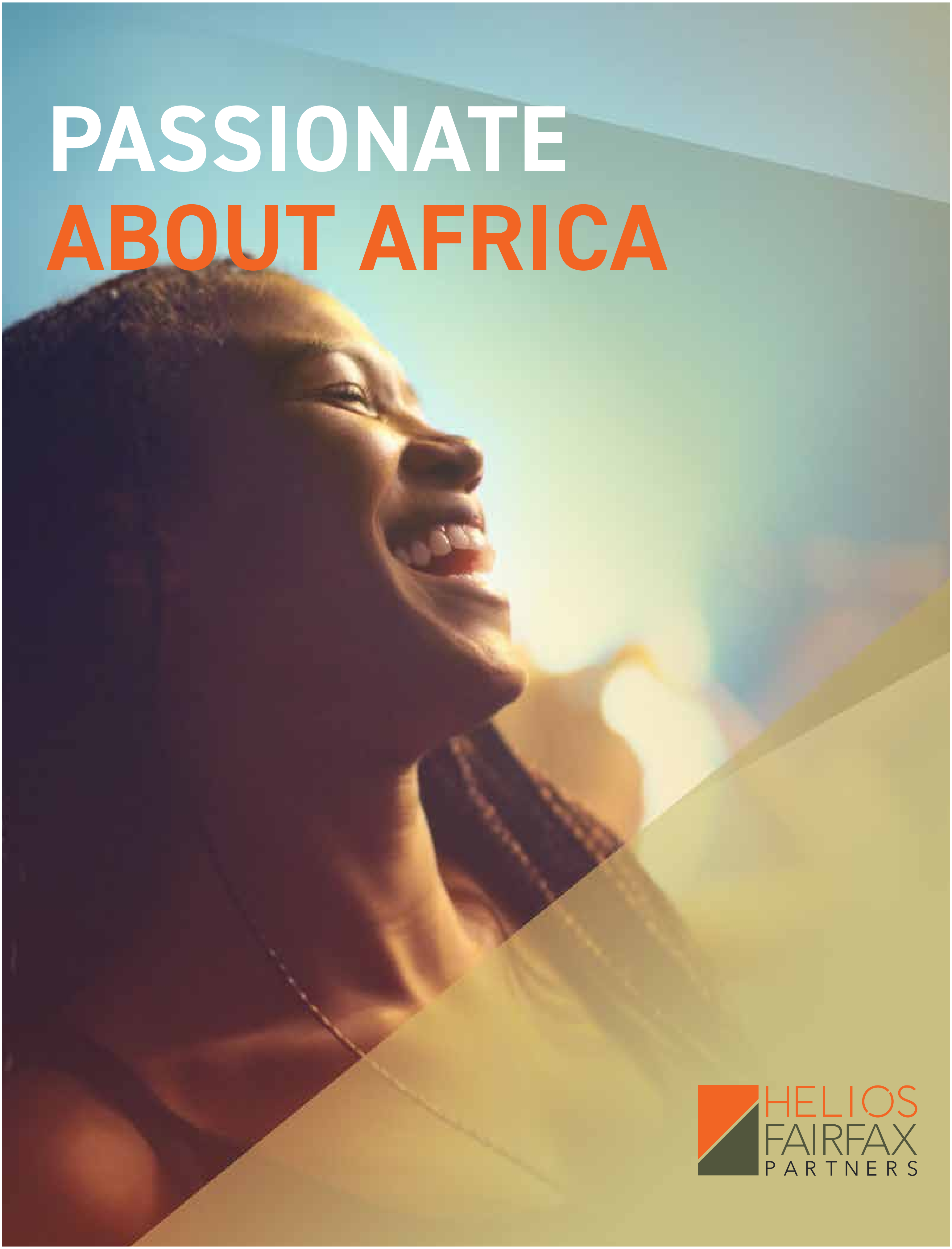
PASSIONATE ABOUT AFRICA



HELIOS FAIRFAX PARTNERS

INVESTING IN AFRICA. DRIVING GLOBAL GROWTH.

$400 million
Portfolio Investments

$217 million
Investments in Helios Strategies

10
Companies Invested In

10
Countries Invested In

Helios Fairfax Partners ("HFP") is an alternative investment company focused on the high-growth African market.

Our vision is to harness the wealth of investment opportunities in Africa to generate both globally competitive returns and real socio-economic impact by combining world class investment capabilities with an unparalleled mix of local & global connectivity.

A deep knowledge of the African operating environment, a singular commitment to the region and a proven capability to manage complexity, is key to unlocking the vast opportunities available in Africa. We believe that leveraging local and global networks to create attractive proprietary investments, with an emphasis on building market leaders in core economic sectors, will result in superior value creation.

OVERVIEW

YOUTH & ENERGY

WE ARE PASSIONATE ABOUT AFRICAN OPPORTUNITY

Africa's private equity landscape presents exceptional investment opportunities, powered by the continent's remarkable demographic advantage—a vibrant, energetic youth population that brings unprecedented innovation and entrepreneurial dynamism to rapidly evolving markets. This youthful vigour, combined with increasing digital adoption and urbanization, is transforming business models and creating scalable enterprises that offer both compelling financial returns and significant social impact. We aim to capitalize on this unique convergence of youthful energy and economic transformation as forward-thinking investors at the forefront of Africa's next growth chapter.

TECHNOLOGY & INNOVATION

A critical mass of young, urban and digitally savvy Africans is fostering the rapid adoption of innovative technologies that have led to a dramatic reduction in the cost of serving customers across the economy. This gives rise to exciting investible opportunities in financial technology, e-commerce, clean energy and energy access.

MOBILE MONEY HAS INCREASED GDP IN SUB-SAHARAN AFRICA BY MORE THAN

US$150B

Source: GSMA Mobile Money Report, 2024

THE VALUE OF REGISTERED MOBILE MONEY ACCOUNT TRANSACTIONS IN 2023:

US$919B

Source: GSMA Mobile Money Report, 2024

DEMOGRAPHICS & URBANIZATION

A youthful population that is rapidly urbanizing brings with it increases in productivity and broad structural changes in consumption patterns which create powerful long term investment opportunities.

THE REGION'S POPULATION IS POISED TO DOUBLE TO

2B BY 2050

Source: UN World Population Projections and IMF staff calculations

PERCENTAGE OF THE WORLD'S YOUNG PEOPLE LIVING IN AFRICA BY 2050

35%

Source: UN World Population Prospects 2022

A LETTER FROM THE CO-CEOS

FELLOW SHAREHOLDERS,

As we conclude 2024, we're pleased to report on another year of meaningful progress on our strategy of making investments that compound in value, seeding new Helios strategies that attract third-party capital, and simplifying our business both operationally and financially. The execution of this strategy has been funded through the successful liquidation of the legacy portfolio which is near complete. The expertise and strategic vision of our investment advisor, Helios Investment Partners, developed over more than two decades operating across the African continent, are pillars of our success, enabling us to identify and capitalize on opportunities in key growth sectors at the intersection of technology and demographics.

Our operating environment in Africa has shown signs of the beginning of a recovery, with most key economies exhibiting encouraging indicators of macroeconomic stability during the year. We have remained focused on creating long-term value for shareholders and advancing our mission to invest in the continent's transformative potential.

As of December 31, 2024, we have deployed $230 million across seeding new strategies and investing in Helios Managed Investments in 10 companies which operate in 10 countries across the continent. These investments have achieved an IRR of 14 % over the past 4 years, reflecting the strong performance of our investee companies.

In 2024 alone, we deployed a further $55 million in capital in Helios Managed Investments and recognized an increase in fair value of $28 million on this portfolio. Helios Sports & Entertainment Group ("HSEG") received $25 million to further enhance its leadership in Africa's growing sports and entertainment market including investments to launch PFL Africa, a new regional league of the rapidly growing Professional Fighters League. We also deployed $4 million through Helios Digital Ventures (HDV) which has a strongly performing portfolio of 6 companies. HDV investments this year included follow-on investments in a number of up-rounds in the portfolio companies and new investments in Moment, which offers integrated payments and other financial services to businesses and consumers; Galatea Bio, a biotechnology company specializing in genomics and drug discovery to enable precision health care; and SeamlessHR, a Cloud-based HR and payroll platform digitizing employee lifecycle management in Africa. Finally, alongside Helios Fund IV, we committed $16 million to M2P Solutions, a rapidly expanding provider of infrastructure API and Banking-as-a-Service technology that is transforming financial services across South Asia and Africa.

Our investments in seeding and developing new strategies that raised third-party capital has yielded progress on a number of fronts: an $87 million investment in HSEG that has generated a return of 25% and made great progress on attracting third-party capital with a commitment of $50 million from IFC and Proparco, and a successful first close of $183 million for CLEAR, a Helios-managed fund targeting $350 million with investments focused on climate adaptation and mitigation. In addition, Helios Fund V fundraising has kicked off successfully, with an initial commitment of $75 million by the European Investment Bank (EIB) in December 2024.

We are keenly focused on simplifying our business from both a financial and operational perspective. As part of this effort, we are consolidating our finance function with that of our investment manager, Helios Investment Partners, under a single leadership role. The benefits of this consolidation include greater efficiency and clearer communication with our investors.

Following the sale of HFP's interest in AGH for $16.3 million there remains only one legacy asset, Nova Pioneer, which we aim to make progress in fully divesting in 2025. This will free up further capital which we will deploy in investments that target the engines of growth in Africa, namely demographics and urbanization, and technology and innovation.

Our mission is to generate globally competitive investment returns and simultaneously create positive socio-economic development outcomes by building profitable, value-creating and socially responsible businesses. Africa's demographic trends and rapid adoption of innovative technologies continue to drive economic transformation, creating fertile ground for impactful investments. To achieve HFP's core objective of increasing Net Asset Value and narrowing the gap between NAV/share and our share price, we deploy capital into high-potential Helios Managed Investments, attract third-party capital through new fund strategies, and simplify our business. We believe these disciplined actions position HFP to enhance shareholder returns as Africa's growth potential continues to materialize in the coming years.

Thank you for your continued trust and support. Together, we are shaping a more prosperous and inclusive future for Africa while delivering competitive returns for our shareholders.

SINCERELY,
BABATUNDE & TOPE

BABATUNDE SOYOYE, CO-CEO

TOPE LAWANI, CO-CEO

LETTER FROM OUR CHAIR

DEAR SHAREHOLDERS,

I am pleased to present to you the 2024 Annual Report for Helios Fairfax Partners Corporation (HFP). As we reflect on the year, we remain encouraged by the resilience of our business, the continued success of our investments, and our ability to navigate the African investment environment. This dynamic, fast-growing region represents one of today's most compelling investment opportunities, driven by powerful structural trends that are fueling a remarkable transformation and positioning the continent for long-term growth

HFP has built a strong foundation since appointing Helios Investment Partners as our investment manager, driven by a deep commitment to creating long-term value for our shareholders, partners, and the communities in which we operate. Our investment philosophy, which focuses on identifying high quality opportunities across Africa, has proven effective in capturing the growth potential these regions offer. We continue to be guided by our strategic focus on disciplined capital deployment, increasing the amount of third-party capital managed and operational excellence. We believe HFP's investment strategy can play a meaningful role in shaping Africa's future while delivering strong returns. At the heart of our investment thesis in Africa are two key themes: demographics and urbanization, and technology and innovation.

The UN forecasts that Africa's population will double to 2.5 billion by 2050, with over 60% under the age of 25. This youthful demographic represents a dynamic and expanding workforce, a growing middle class, and a broadening consumer base. Simultaneously, urbanization is accelerating, with an increasing proportion of the population now living in cities. This shift will fuel demand for digital infrastructure, financial services and entertainment and leisure activities.

Technology and innovation are also transforming Africa at an unprecedented pace. According to GSMA, the continent leads in mobile money adoption, with over 850 million mobile wallets, surpassing global averages. Startups in fintech and knowledge industries continue to attract capital, demonstrating strong investor confidence. Moreover, major global tech firms, including Google and Microsoft, are establishing AI research hubs in cities like Nairobi and Lagos, reinforcing Africa's role in the digital economy. The ongoing growth in technological infrastructure, and its knock-on effects, further amplifies the expansion of the middle class and their consumption habits.

While pursuing HFP's growth strategy, we remain attentive to emerging global economic dynamics. U.S. tariff impositions and potential retaliatory measures between governments could impact global markets, exchange rates, and investment flows that may indirectly affect the African operating environment. Similarly, recent changes to certain U.S. global aid programs could create indirect effects on regional economies that receive this assistance. Though we anticipate no direct impact on our business from these policy shifts, we recognize their potential influence on the broader African investment landscape. Nevertheless, we believe the fundamental growth drivers underpinning HFP's investment thesis remain robust despite these potential headwinds.

Since the strategic transaction that created Helios Fairfax Partners, the Board has thoroughly endorsed management's initiatives to simplify and streamline the business. This strategic and operational refinement has been essential to positioning the company to enhance long-term shareholder returns. HFP's journey as a standalone company has required comprehensive oversight and attentive guidance, and these efforts have yielded significant progress over the past four years.

Our focus on sustainability remains paramount. We are committed to ensuring that our portfolio companies meet high standards of governance, environmental responsibility, and social impact. We understand the importance of creating value that goes beyond financial returns and are dedicated to fostering sustainable growth that benefits all stakeholders.

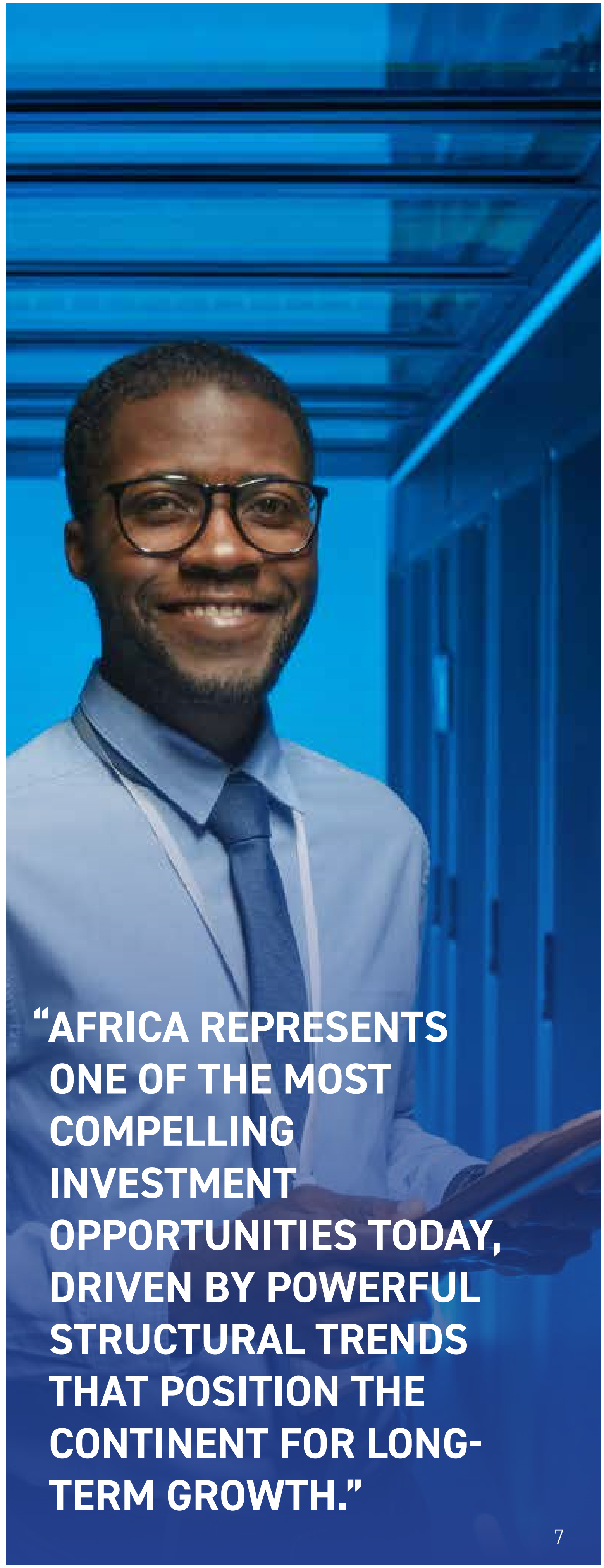
Maintaining a balanced composition of skills, experience, and perspectives remains central to effectively guiding the company. HFP's directors contribute diverse industry knowledge and deep regional expertise that enriches strategic decision-making and reinforces the company's governance practices. Through regular performance evaluations and governance assessments, we continuously identify opportunities to enhance Board effectiveness and adapt our oversight approach in response to evolving company needs and market dynamics.

Our Board is strongly committed to HFP's African investment strategy and maintains a close working relationship with our investment advisor, Helios Investment Partners. In alignment with this strategy, the Board actively supports management's key focus areas, which include driving fee revenue and enhancing financial reporting transparency. This collaborative approach ensures that our investment strategy remains both growth-oriented and financially disciplined.

We are proud to invest in Africa's future and by investing in these transformative themes, we position HFP for potentially strong returns while supporting a growing entrepreneurial base and contributing to the region's sustainable economic development.

I would like to take this opportunity to express my deepest gratitude to our shareholders for your continued trust and support. It is your belief in our vision that enables us to pursue ambitious goals and navigate the challenges we face. I would also like to thank our talented management team, whose hard work and commitment to excellence are the foundation of our success.

Sincerely,
Ken Costa
Chair, Helios Fairfax Partners



UNPARALLELED ACCESS TO AFRICA

OUR INVESTMENT ADVISOR: HELIOS INVESTMENT PARTNERS

Helios Investment Partners is the largest Africa-focused private investment firm. Bridging international capital and know-how with African talent and enterprise since 2004, Helios Investment Partners manages funds totalling more than C$3 billion. Led and predominantly staffed by African professionals with the language skills and cultural affinity to engage with local entrepreneurs, managers and intermediaries on the continent, Helios leverages its local and global networks to identify business opportunities and structure proprietary transactions.

Helios Investment Partners' unique combination of a deep knowledge of the African operating environment, a singular commitment to the region and a proven capability to manage complexity, is reflected in its diverse portfolio of growing, market-leading businesses and its position as a partner of choice of multinational corporations in Africa.

2004

Founded in 2004, Helios Investment Partners is the largest Africa-focused private investment firm

36

Investment professionals, with offices in Lagos, London, Paris and Nairobi

37

HIP has capital deployed across 37 investments in over 35 countries in Africa

B CORP

Helios Investment Partners is a certified B Corp, recognizing the firm's long-standing commitment to sustainability and responsible business practices

CREATING VALUE

We seek to create value for our shareholders by making investments that appreciate in value and drive excess management fee and carried interest revenue streams, and generate compound growth in net asset value per share.

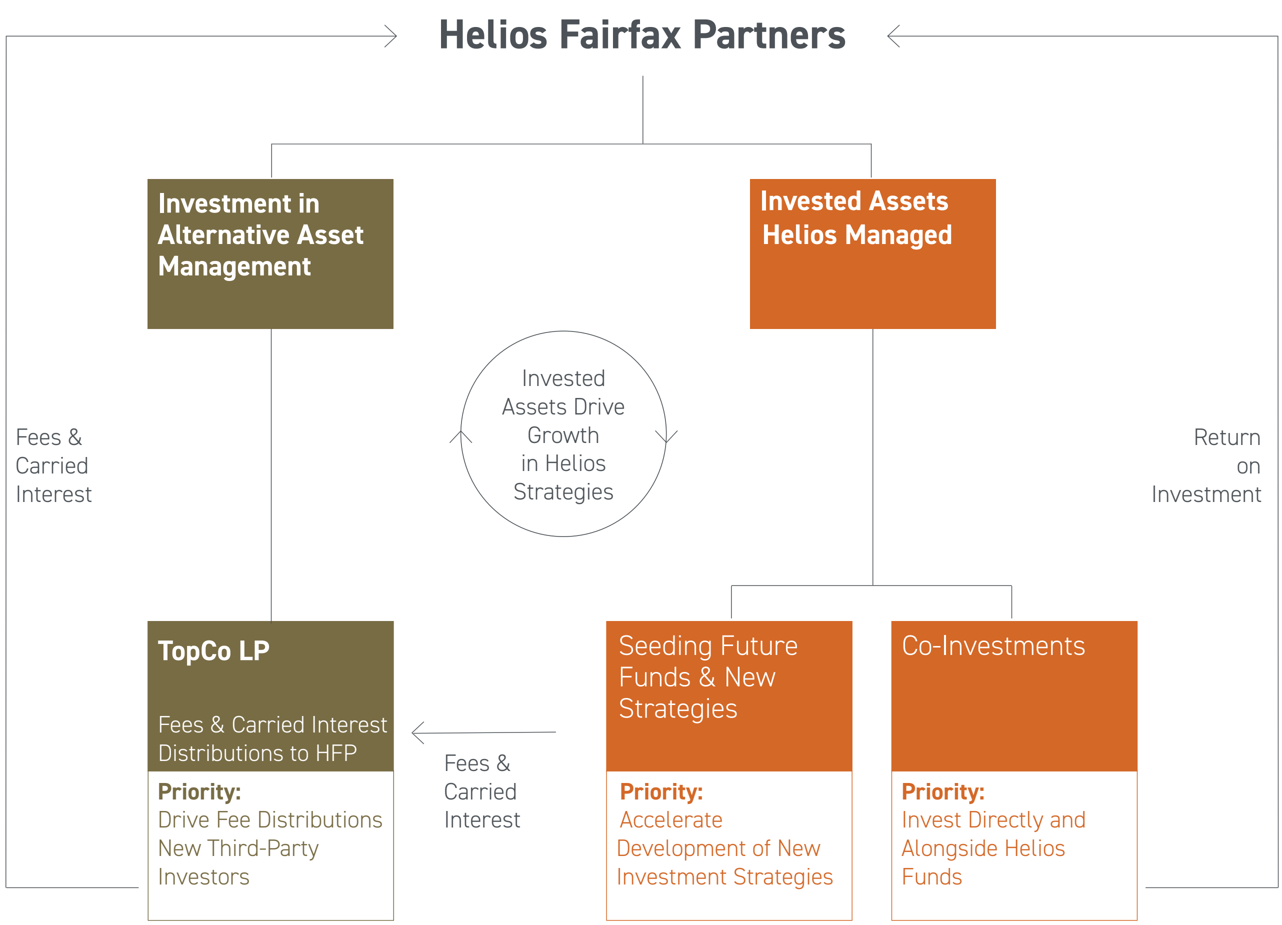
1.

Making investments that achieve long-term capital appreciation and drive TopCo LP's management fees and carried interest streams

2.

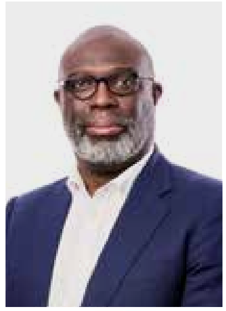
Investing our balance sheet capital in opportunities arising from Helios' investment strategies

These strategies target powerful secular trends such as demographics & urbanization and technology & innovation, invest in energy transition and low carbon fuels, and capitalize on opportunistic public and private investment valuations.



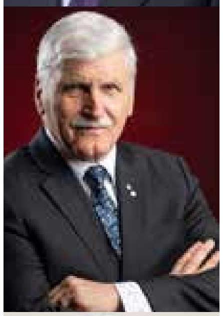
BOARD OF DIRECTORS

Ken Costa,
Chairman



Kofi Adjepong-Boateng,
Independent Director

Kathy Cunningham,
Independent Director



Lieutenant-General (ret.) Roméo Dallaire,
Independent Director

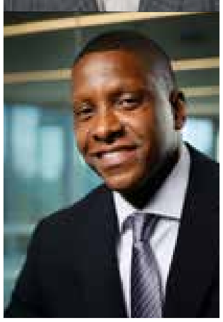
Christopher Hodgson,
Independent Director

Tope Lawani,
Director

Quinn McLean,
Director

Sahar Nasr,
Independent Director

Babatunde Soyoye,
Director



Masai Ujiri,
Independent Director

OFFICERS

Tope Lawani,
Co-Chief Executive Officer

Babatunde Soyoye,
Co-Chief Executive Officer

Ken Costa,
Chairman

Belinda Blades,
Chief Financial Officer

Luciana Germinario,
Chief Operating Officer

Julia Gray,
General Counsel & Corporate Secretary

2024 Annual Report

Helios Fairfax Partners Corporation Corporate Performance

(in US$ thousands, except as otherwise indicated)[1]

As at and for the years ended December 31	Book value per share[2]	Closing share price[1]	Income (loss)	Net earnings (loss)	Total assets	Invest-ments	Common share-holders' equity	Shares out-standing[1]	Earnings (loss) per share
Initial public offering	10.00	10.00[3]							
2017	10.21	14.16	31,851	23,484	669,111	339,052	516,736	50.6	0.54
2018	9.60	8.11	(42,108)	(60,580)	643,830	409,475	603,127	62.8	(1.06)
2019	8.72	5.91	(46,242)	(61,199)	520,667	458,565	518,815	59.5	(1.01)
2020	5.50	5.25	(173,033)	(206,646)	610,776	513,065	599,735	109.1	(3.31)
2021	5.47	3.37	(3,277)	(25,922)	704,392	607,106	591,902	108.3	(0.24)
2022	5.03	2.85	(22,056)	(50,777)	652,612	523,120	544,307	108.2	(0.47)
2023	4.39	2.55	(45,923)	(71,687)	488,333	386,002	474,596	108.2	(0.66)
2024	3.84	1.96	(20,224)	(58,790)	437,117	394,949	415,941	108.2	(0.54)
Compound annual decline	(11.4)%	(21.1)%							

(1) All share references are to common shares; closing share price and per share amounts are in U.S. dollars; shares outstanding are in millions.

(2) Calculated as common shareholders' equity divided by common shares effectively outstanding.

(3) On February 17, 2017, upon completion of the company's initial public offering price of $10.00 per share, Fairfax Africa Holdings Corporation's subordinate voting shares began trading on the Toronto Stock Exchange under the symbol FAH.U. In December 2020, following completion of The Transaction (see definition below), the TSX symbol for the company's subordinate voting shares was changed to HFPC.U.

(4) On December 8, 2020, the company finalized a transaction with Helios Holdings Limited ("HHL"), pursuant to which HHL exchanged certain fee streams for a 45.9% equity stake in the company ("The Transaction").

Index to Management's Discussion and Analysis

Management's Discussion and Analysis
(as of March 28, 2025)
(Figures and amounts are in US$ and $ thousands except share and per share amounts and as otherwise indicated. Figures may not add due to rounding.)

Notes to Management's Discussion and Analysis

(1) The Management's Discussion and Analysis ("MD&A") presents management's view of the financial condition and results of operations of Helios Fairfax Partners Corporation ("HFP" or the "company") as at and for the years ended December 31, 2024, and 2023 and should be read in conjunction with the audited consolidated financial statements and the entire Annual Report for additional commentary and information. Additional information relating to the company, including its annual information form, can be found on SEDAR+ at www.sedarplus.ca. Additional information can also be accessed from the company's website www.heliosinvestment.com/helios-fairfax-partners.

(2) Unless otherwise noted, consolidated financial information of the company within this MD&A is derived from the consolidated financial statements of the company prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), and is presented in U.S. dollars which is also the functional currency of the company and its consolidated subsidiaries.

(3) Throughout this MD&A, the term "Portfolio Investments" refers to deployed capital invested in public and private investments as disclosed in note 5 (Portfolio Investments) to the consolidated financial statements for the year ended December 31, 2024.

Forward-Looking Statements

This MD&A 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 MD&A 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: geopolitical risks; inflation and fluctuating interest rates; tariffs; 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 geographic concentration and with respect to Class A and Class B limited partnership interests in the Portfolio Advisor; operating and financial risks of Portfolio Investments; valuation methodologies involve subjective judgments; lawsuits; cybersecurity and technology; reliance on third parties; use of leverage; foreign currency fluctuation; investments may be made in foreign private businesses where information is unreliable or unavailable; significant ownership by Fairfax Financial Holdings Limited ("Fairfax") and HFP Investments Holdings SARL ("Principal Holdco") may adversely affect the market price of the subordinate voting shares; emerging markets; South African black economic empowerment; South Africa's grey-listing; economic risk; climate change, natural disaster, and weather risks; 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 28, 2025 which is available on SEDAR+ at www.sedarplus.ca and on the company's website at www.heliosinvestment.com/helios-fairfax-partners. 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.

Specified Financial Measures

The company discloses specified financial measures that are calculated using methodologies that are not in accordance with IFRS Accounting Standards. The presentation of specified financial measures in this manner should not be considered as the only measure of our performance and should not be considered as a substitute for similar financial measures calculated in accordance with IFRS Accounting Standards. These financial measures do not have a standardized meaning prescribed under IFRS Accounting Standards and are therefore unlikely to be comparable to similar financial measures presented by other companies. The company uses these financial measures in managing the business and believes these financial measures provide helpful information to investors. Reconciliations of the specified financial measures to the most directly comparable financial measures calculated and presented in accordance with IFRS Accounting Standards have been presented, where applicable, within this MD&A. Refer to the Glossary of Non-GAAP and Other Financial Measures located at the end of this MD&A for details.

Business Overview

HFP 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 in Africa and African businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, Africa ("Portfolio Investments").

The company makes its investments either directly or through one of its wholly-owned subsidiaries, which include a South Africa-based subsidiary HFP South Africa Investments Proprietary Limited ("SA Sub") and a Mauritius-based subsidiary HFP Investments Limited ("Mauritius Sub").

HFA Topco, L.P. ("TopCo LP" or the "Portfolio Advisor") is the portfolio advisor of the company and, through its sub-advisor, Helios Investment Partners LLP ("Helios" or the "Manager"), provides investment management services, investment advisory services and investment administration services to the company. TopCo LP is also the investment vehicle through which HFP receives cash flows from its entitlement to certain Helios fee streams, including carried interest and Excess Management Fees from TopCo LP Class A and B Limited Partnership units, respectively, from current and future funds managed by Helios Holdings Group or any of its affiliates (the "Helios Funds or "Helios Strategies").

Investment Strategy

The company's investment strategy is two-pronged:

1. *Seeding Investments:*

The company seeks to create value by making investments ("Seeding Investments") that achieve long-term capital appreciation and/or contribute to the growth and diversification of TopCo LP's Excess Management Fee and carried interest fee streams arising from Helios' third-party alternative asset management business. Seeding Investments will be in entities structured to receive and deploy capital from third-party limited partners or investors, in strategies that the Manager believes to be most closely geared to the engines of growth in Africa, namely demographics and urbanization, and technology and innovation. Seeding Investments may range from relatively large investments that enable the relevant new strategy to begin deployment ahead of raising third party capital, to smaller commitments designed to demonstrate the alignment of the company's interests with those of third-party investors, and in some instances, fund the startup costs of the new Helios Strategies. As Helios' third-party asset management business grows across complementary strategies, the company benefits from the long-term capital appreciation of such investments, and returns and distributions from TopCo LP's Excess Management Fee and carried interest income are expected to increase in scale and predictability. Collectively, these investments are expected to enhance the overall return on HFP's shareholders' equity.

The company has invested in or funded the startup costs of the following new Helios Strategies in entities structured to receive capital from third-party investors:

Helios Climate, Energy Access & Resilience (“CLEAR”), a strategy that aims to bridge the significant climate financing gap in Africa by targeting both climate adaptation and mitigation, with the highest climate integrity (Article 9 designation). The fund intends to deploy growth equity into opportunities in renewable energy solutions, climate-smart agriculture & food, green transport and logistics, recycling and resource efficiency and digital and financial climate enablers. CLEAR, a limited partnership, has raised $183 million in commitments for its first close and continues to actively seek a total of $400 million in third-party limited partner commitments.

Helios Sports and Entertainment Group (“HSEG”), an investment strategy designed to capitalize on Africa’s unique demographic profile and global technological advancements by investing in companies and assets in the African sports and entertainment sector. HSEG, a limited liability company, is actively seeking $75 million in third-party investor capital.

Helios Digital Ventures (“HDV”), a new venture capital investment strategy that benefits from the explosive growth in digital innovation across Africa. HDV will invest in early-stage technology-driven businesses in thematic areas such as financial services, food security, healthcare, human capital and sustainability. HDV, a limited partnership, is actively seeking $135 million in third-party limited partner commitments.

Helios Seven Rivers Fund Ltd. (“Seven Rivers”), a hedge fund focused on public African equity and credit securities, utilizing a macro hedging overlay to manage systemic risk. Seven Rivers’ objective is to invest in securities that exhibit highly profitable unit economics and long growth runways to achieve strong absolute returns over a long horizon, while minimizing drawdowns and NAV volatility. Helios anticipates that Seven Rivers will commence marketing to potential third-party investors in the near term.

The seeding of the above new Helios Strategies will contribute to either the company’s objective of long-term capital appreciation and/or the growth and diversification of TopCo LP’s Excess Management Fee and carried interest fee streams. As at December 31, 2024, TopCo LP’s Excess Management Fees and carried interest fee streams derived predominantly from funds within the Helios Private Equity strategy. Helios has begun marketing its successor fund within its Private Equity strategy:

Helios Investors V, L.P. (“Helios Fund V”), a private equity fund focused on growth and buyout investments in the Consumer Non-Discretionary, Digital Infrastructure, Financial Services & Technology, and Tech-Enabled Business Services sectors. Helios Fund V, a limited partnership, is actively seeking $750 million in third-party limited partner commitments.

While there can be no assurance that any new strategies will be successfully launched or generate Excess Management Fees, carried interest, or incentive fees, the Helios fee streams to which TopCo LP is entitled will include Excess Management Fees and 50% of any carried interest or similar incentive fee that may arise from such new strategies.

2. *Helios Co-Investments*

The company also seeks to achieve long-term capital appreciation by investing its balance sheet capital in opportunities arising from Helios’ investment strategies (“Helios Co-Investments”). Balance sheet capital may be invested alongside the current and future funds managed by Helios Holdings Limited (“HHL”, together with one or more of its affiliates, as the context requires, the “Helios Holdings Group”) or any of its affiliates (the “Helios Funds”). We believe this will ensure that HFP’s capital is exposed to the best ideas Helios’ market-leading investment teams identify. And, importantly, this further aligns our interests with those of the third-party investors in the Helios Funds. HFP’s Helios Co-Investments will generally be structured as limited partner positions in Helios Funds (with no additional management or incentive fees being charged), or as direct investments into special purpose vehicles through which Helios Funds have structured their investment in the ultimate investee.

In 2024, the company funded additional capital of $2,064 into Helios Fund IV, pursuant to its pre-existing commitment, to fund operating expenses and as a follow-on to an existing investment in a carrier neutral data center.

In 2024, the company committed and fully funded a $16,133 investment in Taj Holdings, a Guernsey-based holding company with an equity interest in an entity that provides core banking, lending, and payment solutions, as a co-investment alongside Helios Fund IV.

The company may from time to time seek to realize any of its Portfolio Investments. The circumstances under which the company may sell some or all of its investments include: (i) where the company believes that the Portfolio Investments are fully valued or that the original investment thesis has played out; or (ii) where the company has identified other investment opportunities which it believes present more attractive risk-adjusted return opportunities and additional capital is needed to make such alternative investments.

Investment Selection

While specific investment criteria will differ among the various investment strategies, the company generally targets investments with the following characteristics:

- Benefiting from secular rather than cyclical growth;
- Achieving growth rates meaningfully higher than GDP;
- Capital light – or, where capital intensive, having a high degree of revenue visibility;
- Maintaining a high degree of control over their own value/supply chains, with few third-party operational dependencies;
- Having minimal daily interaction with public sector entities (for example, as customers or suppliers); and
- Pursuing business strategies that are consistent with global climate targets and objectives.

Environmental, social and governance ("ESG") considerations are paramount, and concerns related to these matters could render a potential investment unsuitable. To outline our commitment to understanding the impact of our business activities on the broader community and the environment, and to integrating ESG policies and practices into our operational and investment strategies, the company adopted a written Environmental, Social & Governance Statement and Policy (the "ESG Policy") in March 2023. The ESG policy is applicable to all directors, officers, consultants and employees of HFP and every subsidiary of HFP and is reviewed on an annual basis. Prior to recommending an investment to the Investment Committee, the Manager conducts an ESG assessment based on the principles set out in the ESG Policy, in which ESG risks, requirements and expectations are defined, and business integrity risk monitoring procedures are determined. In the initial stages of reviewing an investment, should any key ESG, business integrity, or reputational issues or risks to the company emerge, the Manager may recommend to the Investment Committee that the deal should be declined or, alternatively, that specialty consultants be retained to explore any such issues in further detail.

Investment Restrictions

The company will not make a Portfolio Investment if, after giving effect to such investment, the total invested amount of such investment would exceed 20.0% of the company's total assets at the time of the investment, provided, however, that the company is permitted to complete up to two Portfolio Investments where, after giving effect to each such investment, the total invested amount of each such investment would be equal to or no more than 25.0% of the company's total assets (the "Investment Concentration Restriction").

The company intends to make multiple different investments as part of its prudent investment strategy. Portfolio Investments may be financed through equity or debt offerings as part of the company's objective to reduce its cost of capital and provide returns to shareholders. At December 31, 2024, the company determined that it was in compliance with the Investment Concentration Restriction.

Overview of African Operating Environment

The long-term demographic and technological trends that make Africa an attractive investment destination remain intact. Africa's young and rapidly growing population continues to underpin its strategic importance to the global labour force, while an expanding base of urban, digitally savvy consumers is driving innovation across the continent. This digital transformation, supported by rising internet penetration and the expansion of mobile-based services, has been a critical engine for economic diversification and sets the stage for sustained long-term growth.

Recent macroeconomic data indicates that Sub-Saharan Africa's real GDP grew at an estimated 3.6% in 2024, with projections rising to 4.2% in 2025. Although high inflation has long been a feature of the region's economic environment, current forecasts suggest a gradual easing from approximately 18.1% in 2024 to approximately 12.3% in 2025. This decline reflects, in part, favourable base effects and the impact of recent fiscal and monetary adjustments. While persistently high inflation remains a challenge, many households and businesses have adapted to operating under these conditions.

Efforts to strengthen fiscal positions in Sub-Saharan Africa have yielded some positive signals. Recent initiatives across the continent have unlocked substantial multilateral funding and improved access to external financing – a development further bolstered by a more favourable global interest-rate environment. These measures are expected to ease fiscal constraints and provide additional room for structural reforms. However, pressures remain, notably from high debt-service obligations and limited fiscal headroom in many economies.

Recent changes to and cancellations of certain United States global aid programs may have an impact on the overall African economy as certain African countries that receive aid from these programs may see some disruption. In addition, the recent tariff actions by the United States, retaliatory measures by other governments, and the possibility of a prolonged trade war may cause additional disruption in global trade, which could further impact inflation, interest rates, and currency volatility based on government policy responses and could impact the overall African economy.

Recent well-received bond issuances in select markets have underscored a renewed investor confidence in Africa's debt markets, even as external factors such as global trade uncertainties and shifts in energy policy in major economies pose potential risks. Currency volatility persists, and while recent fiscal interventions have helped lay a stronger foundation for key regional currencies, ongoing external shocks and geopolitical uncertainties could still impact investor sentiment in the near term.

Projected improvements in GDP growth and inflation moderation, coupled with supportive structural reforms and easing global interest rates, provide a promising backdrop for sustained recovery. This positive momentum is tempered by several challenges. Structural imbalances, fiscal constraints, and the inherent volatility of external factors, including fluctuating commodity prices and geopolitical risk, continue to challenge the region's economic trajectory.

Africa's long-term fundamentals remain extremely attractive due to demographic shifts in combination with urbanization, as well as a dynamic digital economy that is fostering rapid adoption and a growing culture of innovation. At the same time, the region is navigating a complex macroeconomic environment. The balance between these positive long-term trends and the current challenges underscores the complexity of the region's economic landscape as it moves into 2025.

See *Risk Management* for additional discussion on risks relating to the Geopolitical Risks, Inflation and Fluctuating Interest Rates, Financial Market Fluctuations, Operating and Financial Risks of Portfolio Investments, and Valuation Methodologies Involving Subjective Judgments.

Business Developments

Capital Transactions

On March 3, 2022, the company closed a $70,000 secured, revolving demand credit facility (the "RMB Facility") with FirstRand Bank Limited (acting through its Rand Merchant Bank division) ("FirstRand"), bearing interest based on the Secured Overnight Financing Rate ("SOFR") plus 6.88%, payable quarterly. The RMB Facility matures on March 3, 2027, and was undrawn at December 31, 2024.

On November 1, 2024, the Facility Agreement between the company and FirstRand was amended. The amendment reflects changes to certain financial covenants as follows: an increase in the Asset Cover Ratio and the replacement of the Asset Cover Ratio (listed) with an Asset Cover Ratio incorporating the fair value of Seven Rivers rather than the fair value of listed Portfolio Investments. Additionally, the requirement for an adjusted tangible net worth of at least $350,000 has been removed. The amendment also reflects a decrease in the facility limit from $70,000 to $65,000 in 2025, and to $60,000 in 2026. This decrease can be waived by the lender.

Refer to note 7 (Borrowings) to the consolidated financial statements for the year ended December 31, 2024 for additional details.

At the company's Annual and Special Meeting of shareholders held on May 11, 2023, a special resolution was passed by shareholders of the company, to reduce the stated capital account maintained by the company in respect of the subordinated voting shares by $3.32 per subordinated voting share, and reduce the stated capital account maintained by the company in respect of the multiple voting shares by $3.32 per multiple voting share, or in each case, such lesser amount as may be determined by the Board. The reduction in stated capital was effective as of May 31, 2023. The company reduced the stated capital of its multiple voting shares by $179,550 and its subordinate voting shares by $179,550. The reduction of stated capital reduced common stock by $359,100, increased contributed surplus by $359,100, with no distribution to any shareholder of the company and no change to total equity.

During 2024, under the terms of its normal course issuer bid, the company purchased for cancellation 97,314 subordinate voting shares (2023 – 166,492 subordinate voting shares) for a net cost of $259 (2023 – $458) and $530 (2023 – $893) was recorded as a benefit in retained earnings.

Refer to note 8 (Common Shareholders' Equity) to the consolidated financial statements for the year ended December 31, 2024 for additional details.

Portfolio Investments

Cautionary Statement Regarding Financial Information of Significant Portfolio Investments

HFP has agreed to voluntarily provide, within its MD&A, summarized unaudited financial information prepared for TopCo LP. TopCo LP prepares its financial statements in accordance with IFRS Accounting Standards. Such unaudited financial information is the responsibility of TopCo LP's management team and has been prepared by them using recognition, measurement and presentation principles consistent with IFRS Accounting Standards.

The company's investment in TopCo LP ("Significant Portfolio Investment") has a fiscal year which ends on December 31. Summarized financial information of the company's Significant Portfolio Investment has generally been provided for the periods subsequent to the company's investment and to the extent that the most recent interim financial information is available to the company's management.

HFP has no knowledge that would indicate that the Significant Portfolio Investment's summarized financial information contained herein requires material modifications. However, readers are cautioned that the Significant Portfolio Investment's summarized financial information contained in this MD&A may not be appropriate for their purposes.

Summary of Portfolio Investments

The table below provides a summary of the company's Portfolio Investments:

	Initial Year of Acquisition	December 31, 2023	Capital Deployed	Realization, Distribution, Transfer and Reductions[1]	Change in Fair Value	December 31, 2024
Alternative Asset Management						
TopCo LP Class A Limited Partnership Interest	2020	55,815	310	–	(35,565)	20,560
TopCo LP Class B Limited Partnership Interest	2020	99,942	–	(5,109)	(18,998)	75,835
Total		155,757	310	(5,109)	(54,563)	96,395
Helios Managed Investments						
Co-Investments						
Helios Fund IV Limited Partnership Interest	2021	51,996	2,064	–	10,376	64,436
Trone Common Shares	2021	18,652	–	–	1,917	20,569
Taj Holdings Limited Partnership Interest	2024	–	16,133	–	–	16,133
		70,648	18,197	–	12,293	101,138
Seeding Investments						
NBA Africa Common Shares	2021	39,182	–	–	544	39,726
HSEG Common Shares	2023	31,625	12,950	–	11,725	56,300
HSEG Loan Facility	2024	–	12,000	–	474	12,474
Digital Ventures $40M Facility	2022	21,508	11,835	–	2,116	35,459
Digital Ventures $1M Facility	2022	518	153	–	33	704
Seven Rivers Common Shares	2023	34,827	–	–	1,404	36,231
		127,660	36,938	–	16,296	180,894
Total		198,308	55,135	–	28,589	282,032
Legacy Non-Core Investments						
Indirect Equity Interest in Nova Pioneer	2021	17,000	–	–	(504)	16,496
Indirect Equity Interest in AGH	2017	2,400	–	(2,374)	–	26
Philafrica Common Shares	2018	4,400	–	(4,400)	–	–
AGH Loan	2024	–	4,400	(4,400)	–	–
Philafrica Facility	2020	8,137	–	(9,498)	1,361	–
Total		31,937	4,400	(20,672)	857	16,522
Total Portfolio Investments		386,002	59,845	(25,781)	(25,117)	394,949

(1) The company, as the TopCo Class B Limited Partner, made the business decision to have the TopCo LP Class B Limited Partnership Interest absorb $5,109 of costs associated with Helios' multi-strategy transition and the launch of its new strategies, exceeding the management fees received by the TopCo Limited Partnership. This decision maintains the fund-raising momentum of the new Helios Funds and Helios Strategies which are anticipated to generate capital appreciation and future distributions of Excess Management Fees and carried interest proceeds to the company.

Private Portfolio Investments

Cautionary Statement Regarding the Valuation of Private Portfolio Investments

In the absence of an active market for the company's Private Portfolio Investments (with the exception of Seven Rivers being a level 2 investment, valued with reference to market input), fair values of these investments are determined by management using industry accepted valuation methodologies after considering the history and nature of the business, operating results and financial conditions, outlook and prospects, general economic, industry and market conditions, contractual rights relating to the investment, public market comparables (if available) and, where applicable, other pertinent considerations. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed. The amounts at which the company's Private Portfolio Investments could be disposed of may differ from the fair values assigned and those differences may be material.

Alternative Asset Management

TopCo LP

TopCo LP, an affiliate of the Helios Holdings Group, is a limited partnership established under the laws of Guernsey and controlled by its general partner, HFA GP (Guernsey) Limited, an affiliate of the Helios Holdings Group.

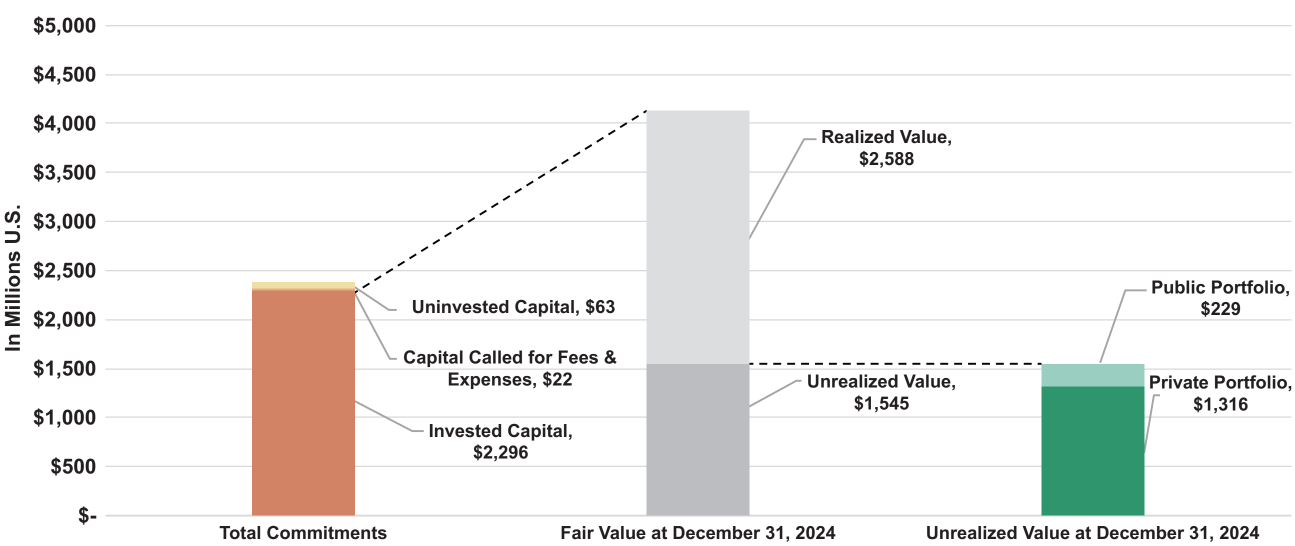
Business Overview

TopCo LP is the investment vehicle through which HFP receives cash flows from its entitlement to certain Helios fee streams, including Excess Management Fees and carried interest. TopCo LP is the portfolio advisor of the company and its consolidated subsidiaries and has entered into a sub-advisory agreement with the Manager to provide the investment and advisory services to HFP, for which it receives investment advisory fees.

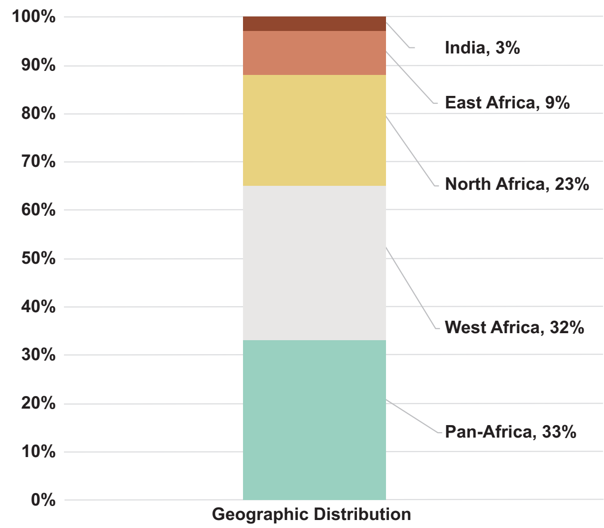
The Helios fee streams to which TopCo LP is entitled are currently derived from private equity funds managed by Helios and future Helios Strategies. Each fund was formed with the purpose of investing in African businesses or other businesses with customers, suppliers or businesses primarily conducted in, or dependent on, Africa. In each fund, the general partner receives a 20% carried interest above an 8% hurdle and a management fee which varies with time and other factors.

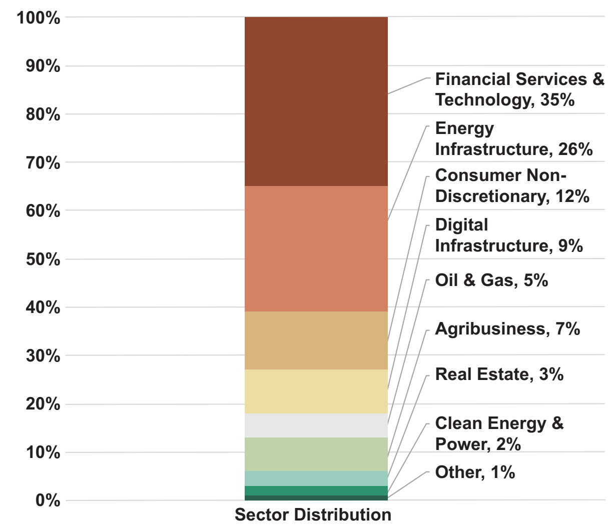
Helios Fund II, in which TopCo LP is entitled to a 25% share of the general partner's carried interest, is a private equity fund domiciled in the Cayman Islands that was formed in 2009 with $908,500 in committed capital; Helios Fund III (from which TopCo LP is entitled to 25% carried interest) is a private equity fund domiciled in the Cayman Islands that was formed in 2014 with $1,117,000 in committed capital; and Helios Fund IV (from which TopCo LP is entitled to 50% carried interest) is a private equity fund domiciled in the Cayman Islands that was formed in 2020 with $355,000 in committed capital.

As at December 31, 2024, the status and composition of the Helios Funds was as follows:



As at December 31, 2024, the composition of the Helios Funds' unrealized portfolio was as follows:





For the twelve months ended December 31, 2024, the companies in which the Funds have invested experienced a 3.7% decrease in fair value, excluding investment exits. This decline was primarily driven by a significant drop in the fair value of a private company specializing in the transportation, storage, and processing of liquefied natural gas (LNG), a public financial services company, and a public upstream oil and gas company within Helios Fund III's portfolio. The decrease was partially offset by increased valuations of Helios Fund IV companies driven by revenue and profitability growth in the underlying businesses and increase in trading multiples.

As at December 31, 2024, the five largest investments in the Helios Funds by unrealized value, were: (i) a private company operating in the gas distribution sector principally in Nigeria; (ii) a private company operating an electronic payments platform across Pan-Africa; (iii) a private company providing corporate and specialty reinsurance solutions across Pan-Africa; (iv) a public company providing cross border payment and foreign exchange services across Africa; and (v) a private company operating in the agricultural sector in Egypt.

Summarized below is unrealized carried interest from the Helios Funds as at December 31, 2024 and December 31, 2023. Unrealized carried interest represents the amount of carried interest that would have been realized if all the portfolio investments in the respective Helios Funds were to be exited at their reporting date fair values.

Unrealized carried interest
(unaudited – US$ thousands)

	December 31, 2024	**December 31, 2023**
Total unrealized carried interest	**27,056**	16,902
TopCo LP's share of the unrealized carried interest	**13,528**	8,451

Total unrealized carried interest increased by $10,154 at December 31, 2024 compared to December 31, 2023. TopCo LP's share of unrealized carried interest increased by $5,077 at December 31, 2024 compared to December 31, 2023. The increase was driven primarily by increased valuations of Helios Fund IV companies driven by revenue and profitability growth in the underlying businesses and an increase in trading multiples.

Key Business Drivers, Events, and Risks

TopCo LP is structured to accumulate and distribute carried interest proceeds from the carried interest recipients and Excess Management Fees from the Helios Holdings Group to HFP by virtue of HFP's TopCo LP Class A and Class B Limited Partnership Interests respectively, and the investment and advisory fees from HFP to the Helios Holdings Group.

TopCo LP Class A Limited Partnership Interest

HFP is entitled to receive carried interest proceeds received by TopCo LP, through its ownership of TopCo LP Class A Limited Partnership Interest, when relevant amounts become available for distribution. The company may be subject to clawback obligations with respect to its TopCo LP Class A Limited Partnership Interest to the extent it has received carried interest proceeds and a clawback is required. At December 31, 2024 and December 31, 2023, the company was not subject to any clawback obligations with respect to its TopCo LP Class A Limited Partnership Interest.

HFP is committed to contribute its pro rata share, being 50% of Management Team Commitments that are required to be made in respect of the Helios Fund IV and Helios CLEAR Fund. In addition, HFP is committed to contribute its pro rata share, being 50% of the lesser of $15,000 or 2% of the aggregate commitments that are required to be made in respect of any fund or investment vehicle in which HFP earns carried interest. Contributions in excess of this limit require consultation in good faith with the company and with Fairfax. This commitment is funded from capital contributed via HFP’s TopCo LP Class A Limited Partnership Interest. HFP’s Management Team Commitment is not subject to management fees and carried interest.

In 2024, the company funded a capital call of $310 (2023 – $1,295) from TopCo LP for its share of HIP Equity IV Management Team Commitment in Helios Fund IV. At December 31, 2024, the company’s net capital contribution to TopCo LP in respect of Management Team Commitments was $5,327 (December 31, 2023 – $5,017) and the remaining capital commitment was $2,173 (December 31, 2023 – $2,483).

TopCo LP Class B Limited Partnership Interest

TopCo LP receives management fees from certain Helios Holdings Group entities and pays all expenses incurred, to the extent of management fee revenue available, which results in Excess Management Fees to be paid to HFP. HFP’s ownership of TopCo LP Class B Limited Partnership Interest entitles HFP to receive the Excess Management Fees after a six-month holding period by TopCo LP.

At December 31, 2024 and December 31, 2023, HFP held all of the issued and outstanding Class A and Class B Limited Partnership Interests of TopCo LP.

Valuation and Consolidated Financial Statement Impact

TopCo LP Class A Limited Partnership Interest

At December 31, 2024, the company estimated the fair value of its TopCo LP Class A Limited Partnership Interest using a sum-of-the-parts valuation comprised of:

(i) Fair value of carried interest proceeds from Helios Funds, which were determined using a discounted cash flow analysis based on multi-year free cash flow forecasts with the following assumptions:
   a. discount rates at 29.8% (December 31, 2023 – 26.9% to 30.9%);
   b. target exit multiples of invested capital averaging 1.9x to 3.1x across Helios Funds II, III, and IV (December 31, 2023 – 2.1x to 3.2x);
   c. forecasted exit dates ranging from 2025 to 2028 for Helios Funds II and III, and from 2025 to 2030 for Helios Fund IV (December 31, 2023 – 2024 to 2026 and 2025 to 2028); and
   d. free cash flow forecasts based on estimates of carried interest proceeds derived for each fund in accordance with waterfall provisions, prepared by Helios’ management.

(ii) Fair value of TopCo LP’s indirect interest in Helios Fund IV arising from its $7,500 Management Team Commitment which was valued based on the net asset value of Helios Fund IV; TopCo LP’s interest in Helios Fund IV does not bear management fees or carried interest.

The limited partnership agreement for each Helios Fund includes a distribution waterfall provision, which is common in private equity fund structures, and requires that proceeds (generated following realizations or partial realizations of the relevant fund’s investments or as other income becomes available to the relevant fund for distribution) be distributed in accordance with each specific waterfall provision.

Free Cash Flow Forecast Inputs

The primary drivers of free cash flow estimates are the exit assumptions on Helios Funds' underlying portfolio investments, including the planned exit strategy, target exit multiples of invested capital and timing of exit. The target exit multiple of invested capital for an underlying portfolio investment is equal to the fund's expected total proceeds divided by the expected total cost from initial investment to exit. Carried interest proceeds which may arise from future Helios Funds have been excluded from free cash flow estimates. In the event that the target exit amount and timings are not met and delayed in future periods, this may result in a negative and potentially significant impact on the fair value of the company's TopCo LP Class A Limited Partnership Interest.

Current Model Assumptions

The following table provides a summary of inputs used in the company's internal valuation model to estimate the fair value of the company's investment in the TopCo LP Class A Limited Partnership Interest at December 31, 2024:

Valuation Technique	Model Inputs	Inputs at December 31, 2024	Inputs at December 31, 2023	Description
Discounted cash flow and net asset value	Discount rates	29.8%	26.9% to 30.9%	Based on the company's assessment of risk premiums to the appropriate risk-free rate of the economic environment of the investment.
	Target exit dates	2025 to 2030	2024 to 2028	Based on the timing of the fund's expected disposition of the underlying portfolio investment.
	Exit multiple of invested capital	1.9x to 3.1x	2.1x to 3.2x	Calculated as the fund's expected total proceeds divided by the expected total cost from initial investment to exit.
	HFP's share of carried interest	25% – 50%	25% – 50%	Reflected HFP's entitlement to carried interest proceeds received by TopCo LP, through its ownership of TopCo LP Class A Limited Partnership Interest.

The continued growth in these underlying companies' businesses is expected to yield attractive exit valuations, subject to prevailing market conditions at the time of exit. Helios Funds IV, which forms all of the fair value of carried interest proceeds, is actively evaluating exit options for their portfolio investments with carried interest proceeds expected to be realized beginning in 2026.

At December 31, 2024, the company's internal valuation model indicated that the fair value of its TopCo LP Class A Limited Partnership Interest was $20,560 (December 31, 2023 – $55,815).

The decrease in fair value of TopCo LP Class A Limited Partnership Interest from the December 31, 2023 fair value of $55,815 was driven by a combination of reduced expectations of the value to be realized from various investments (in particular, a public financial services company, a private company specializing in the transportation, storage, and processing of liquefied natural gas (LNG), and a public upstream oil and gas company within Helios Fund III's portfolio) and expected delays in the timing of certain exits (relating to Helios Fund III investments in the oil and gas, financial services and electronic payment sectors, resulting in the expected carried interest from Fund III to decrease to nil).

The decrease in fair value of TopCo LP Class A Limited Partnership Interest from the September 30, 2024 fair value of $44,809 was driven by a combination of reduced expectations of the value to be realized from various investments (in particular, a public financial services company and a private company specializing in the transportation, storage, and processing of liquefied natural gas (LNG) within Helios Fund III's portfolio) and expected delays in the timing of certain exits (relating to Helios Fund III investments in the oil and gas, financial services and electronic payment sectors, resulting in the expected carried interest from Fund III to decrease to nil).

The valuation of TopCo LP Class A Limited Partnership Interest is particularly sensitive to the expected value and timing of exits when the overall fund returns are close to the 8% preferred investor return, as is the case for Helios Fund II and Helios Fund III.

TopCo LP Class B Limited Partnership Interest

At December 31, 2024, the company estimated the fair value of its TopCo LP Class B Limited Partnership Interest using a discounted cash flow analysis based on multi-year probability-weighted free cash flow forecasts and an assumed discount rate. At December 31, 2024, free cash flow forecasts were based on Excess Management Fee forecasts prepared by Helios' management.

Free Cash Flow Forecast Inputs

The primary drivers of the free cash flow estimates are the forecasted growth in management fee revenue over eight years through the creation of new Helios private equity funds, as well as new Helios Strategies such as Helios Digital Ventures, Helios Sports and Entertainment Group, Helios Seven Rivers Fund, and Helios CLEAR. The $20.7 million in management fee revenue for the year ended December 31, 2024 could potentially increase to $89.0 million over the eight year forecasting period, implying a compound annual growth rate of 20.2%. Growth in profit margins is expected to be driven by growth in management fee revenue, combined with expected operating leverage. In the event that the Helios Funds and Helios Strategies do not achieve the forecasted growth in management fee revenue in future periods, this may result in a negative impact on the fair value of the company's TopCo LP Class B Limited Partnership Interest.

Current Model Assumptions

The following table provides a summary of inputs used in the company's internal valuation model to estimate the fair value of the company's investment in the TopCo LP Class B Limited Partnership Interest at December 31, 2024:

Valuation Technique	**Model Inputs**	**Inputs at December 31, 2024**	**Inputs at December 31, 2023**	**Description**
Discounted cash flow	Discount rate	17.1%	16.2%	Included certain risk premiums commensurate with the risks inherent in the probability-weighted expected future cash flows.
	Growth in management fee revenue	20.2%	23.5%	Represented the compound annual growth rate in management fee revenue over eight years from $20.7 million to $89.0 million (December 31, 2023 – $24.8 million to $134.4 million), before taking into account probability weightings.
	Long term pre-tax profit margin	33.8%	34.6%	Estimated by Helios' management based on probability-weighted management fee income and expected operating leverage, resulting in expected long term pre-tax profit margins that were comparable to publicly listed global private equity asset managers.
	Long term growth rate	4.5%	4.5%	Based on the expected long term sustainable growth rate of the economic environments and sectors in which the investment operates.

At December 31, 2024, the company's internal valuation model indicated that the fair value of its TopCo LP Class B Limited Partnership Interest was $75,835 (December 31, 2023 – $99,942).

The decrease in fair value of TopCo LP Class B Limited Partnership Interest from the December 31, 2023 fair value of $99,942 was primarily driven by a reduction in the forecasted management fee revenue from a strategy focused on energy infrastructure in Africa, as well as an increase in the discount rate driven by rising interest rates. The lower forecasted management fees resulted from a strategic shift in focus due to unfavorable market conditions driven by macro factors and geopolitical events. The overall decline in the forecasted management fee revenue was partially offset by increased forecasted management fee revenue due to the successful first close of fundraising for one of the new Helios Strategies which increased the probability weighting associated with this strategy. Additionally, the company, as the TopCo Class B Limited Partner, made the business decision to have the TopCo LP Class B Limited Partnership Interest absorb certain Helios expenses of $5,109, exceeding the management fees received by the TopCo Limited Partnership. This decision maintains the fund-raising momentum of the new Helios Funds and Helios Strategies which are anticipated to generate capital appreciation and future distributions of Excess Management Fees and carried interest proceeds to the company.

The decrease in fair value of TopCo LP Class B Limited Partnership Interest from the September 30, 2024 fair value of $87,295 was due primarily to an increase in the discount rate driven by rising interest rates. Additionally, the company, as the TopCo Class B Limited Partner, made the business decision to have the TopCo LP Class B Limited Partnership Interest absorb certain Helios expenses of $5,109, exceeding the management fees received by the TopCo Limited Partnership. This decision maintains the fund-raising momentum of the new Helios Funds and Helios Strategies which are anticipated to generate capital appreciation and future distributions of Excess Management Fees and carried interest proceeds to the company.

TopCo LP's Summarized Financial Information

Summarized below is TopCo LP's balance sheet at December 31, 2024.

Balance Sheet
(unaudited – US$ thousands)

	December 31, 2024
Assets	
Cash and cash equivalents	**4**
Equity interest in limited partnerships	**20,560**
Future net fee related earnings	**75,835**
Accounts receivable	**19**
Due from affiliates	**1,723**
Total Assets	**98,141**
Liabilities	
Due to affiliates	**6,753**
Accrued expenses	**102**
Amounts due to Class A interest holder	**20,560**
Amounts due to Class B interest holder	**75,835**
Total Liabilities	**103,250**
Net Deficit Attributable to Partners	**(5,109)**

Summarized below is selected information from TopCo LP for the year ended December 31, 2024.

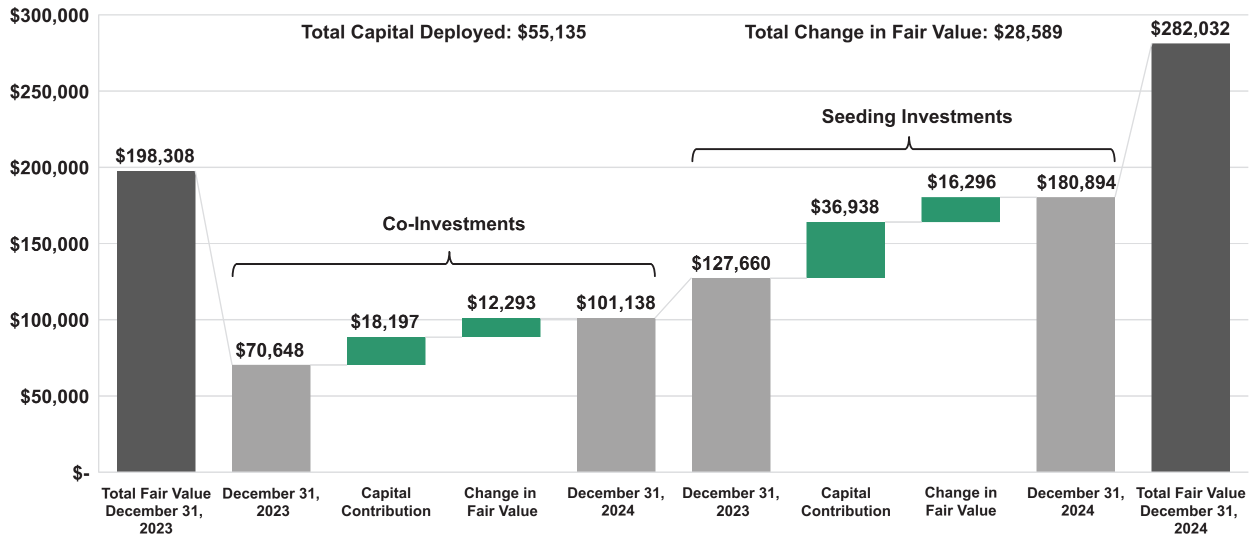
Excess Management Fees
(unaudited – US$ thousands)

	Year ended December 31, 2024
Gross management fees	**20,710**
Gross expenses	**25,819**
Excess expenses absorbed by HFP	**(5,109)**

Helios Managed Investments

As at December 31, 2024, the company has deployed $216,829 into Helios Managed Investments representing $67,172 in direct or co-investments and $149,657 to accelerate the development of new strategies. Since the company's initial investments, the fair value has increased by $65,203 (30.1%) to $282,032 as a result of the strong performance of the underlying investee companies.

In 2024, the company deployed capital of $55,135 in Helios Managed Investments. The company recognized an increase in the total fair value of these investments of $28,589. The activities during the year are outlined in the table below.



Co-Investments

Helios Fund IV

Helios Investors IV, L.P. ("Helios Fund IV") is a limited partnership based in the Cayman Islands, structured to receive and deploy capital from limited partners with the objective of earning returns from investments directly or indirectly in Africa. Helios Fund IV is controlled by its general partner, Helios Investors Genpar IV, Ltd. ("Helios Fund IV GP").

On March 31, 2021, the company committed to invest $50,000 in Helios Fund IV. As agreed with the Helios Fund IV GP, the company was admitted to Helios Fund IV as a "Listed Fund" under the terms of Helios Fund IV's limited partnership agreement, as amended and restated (the "Helios Fund IV LPA"), meaning that the company will not incur any management fees nor any carried interest payable to Helios Fund IV GP with respect to its investment in Helios Fund IV, which would otherwise be incurred in accordance with the Helios Fund IV LPA.

As of December 31, 2024, Helios Fund IV manages $355 million of committed capital and has made investments in: (i) TTMFS Singapore, a private company that provides electronic payment processing services globally (including Africa); (ii) Africa Specialty Risks, a private reinsurance company established in 2020 operating across Africa; (iii) BIM Stores Morocco, a private company operating in the discount grocery retail space in Morocco; (iv) Trone, a private company operating in medical devices, in vitro diagnostics and pharmaceuticals in Morocco and Francophone Africa; (v) IXAfrica, a private company developing and operating hyperscale-ready data centers in Kenya; (vi) MDC, a carrier neutral data center in Morocco; and (vii) M2P Solutions, an infrastructure API and Banking-as-a-Service (BaaS) provider headquartered in India, rapidly expanding across Africa and the wider region.

In 2024, the company funded a capital call of $2,064 (2023 – $8,632). At December 31, 2024, the company had funded aggregate capital calls of $35,511, representing 14.1% (December 31, 2023 – $33,447 and 14.1%) of the limited partnership interest in Helios Fund IV based on committed capital.

At December 31, 2024, the company's remaining capital commitment to Helios Fund IV was $14,489 (December 31, 2023 – $16,553), which may be called at any time by Helios Fund IV GP in accordance with the Helios Fund IV LPA.

At December 31, 2024, the company estimated the fair value of its investment in Helios Fund IV Limited Partnership Interest to be $64,436 (December 31, 2023 – $51,996).

The increase in fair value of the company's investment in Helios Fund IV Limited Partnership Interest from the December 31, 2023 fair value of $51,996 was largely due to the acquisition of a Banking-as-a-Service (BaaS) provider, and the significant appreciation in the fair value of the underlying investments, particularly in the reinsurance, data center, and electronic payments sectors, supported by revenue growth, improved profitability in the underlying businesses, and higher trading multiples driven by market conditions.

The increase in fair value of the company's investment in Helios Fund IV Limited Partnership Interest from the September 30, 2024 fair value of $62,067 was largely due to the increase in fair value of the underlying investments, primarily in the electronic payments, data center, and reinsurance sectors, supported by revenue growth, improved profitability in the underlying businesses, and higher trading multiples driven by market conditions.

Since the company's initial investment, the fair value of Helios Fund IV has increased by $28,925 (81.5%) as a result of the strong performance of the underlying investee companies.

Trone Holdings

Trone Investment Holdings (UK) ("Trone Holdings") is a holding company based in London, United Kingdom, created for the purpose of holding an equity interest in a Moroccan medical technology distribution group ("Trone"). Trone distributes and maintains medical imaging and diagnostic equipment and produces and distributes contrast pharmaceuticals for imaging.

At December 31, 2024 and December 31, 2023, the company had invested $15,528 for a 22.0% equity interest in Trone Holdings. Helios Fund IV holds the remaining 78.0% equity interest in Trone Holdings. Trone Holdings, together with the founding partner and management of Trone, holds the entire equity interest in SPV Rayon Holdings ("SPV Rayon"), a Moroccan holding company which owns 100.0% of Trone's operating businesses.

At December 31, 2024, the company estimated the fair value of its 22.0% equity interest in Trone Holdings to be $20,569 (December 31, 2023 – $18,652). The increase in fair value since December 31, 2023 of $1,917 was due to the strong performance of the operating businesses in the current year and the operating businesses securing significant multi-year projects that will help support its future growth plan, as well as an increase in trading multiples driven by market conditions.

Since the company's initial investment, the fair value of Trone Holdings has increased by $5,041 (32.5%).

Taj Holdings

Taj Joint Holdings LP ("Taj Holdings") is a limited partnership based in Guernsey, established for the purpose of investing in Taj Investment Holdings Ltd. ("Taj Investment"), a Guernsey-based holding company with an equity interest in M2P Solutions Private Ltd. ("M2P Solutions"). M2P Solutions is an infrastructure API and Banking-as-a-Service (BaaS) provider headquartered in India and rapidly expanding across Africa and the wider region.

In September 2024, the company committed and fully funded $16,133 for a 100.0% limited partnership interest in Taj Holdings. Taj Holdings, in turn, invested the full amount in Taj Investment for a 24.0% equity interest. Helios Fund IV holds the remaining 76.0% equity interest in Taj Investment. HFP's investment in Taj Holdings is not subject to management fees and carried interest.

At December 31, 2024, the company remains the sole limited partner of Taj Holdings. At December 31, 2024, the company estimated the fair value of its investment in Taj Holdings to be $16,133.

Seeding Investments

The investment in NBA Africa is a seeding investment for Helios' sports and entertainment strategy.

NBA Africa

NBA Africa, LLC ("NBA Africa"), is an entity formed by the National Basketball Association ("NBA") to conduct the league's business in Africa including the Basketball Africa League, a partnership between the NBA and the International Basketball Federation. HFP's investment in NBA Africa is the company's first investment into the sports and entertainment sector, a strategy that was launched in 2021.

In 2021, the company invested $30,000 in exchange for an equity interest in NBA Africa.

In 2024, the company legally transferred its 100% interest in U.S. Holdco, which is the beneficial and registered owner of the equity interest in NBA Africa, to HSEG at the fair value of $39,163, in exchange for 39,163,251 ordinary shares in HSEG. Subsequently, HSEG legally transferred the interest in U.S. Holdco, including the equity interest in NBA Africa, to HSEH in exchange for 39,163,251 ordinary shares in HSEH. The transfer of U.S. Holdco, and the equity interest in NBA Africa, did not meet the derecognition criteria, as the company retains control over the asset through its equity interest in HSEG and HSEH, and thus, NBA Africa continues to be reflected on the company's consolidated balance sheet.

At December 31, 2024, the company estimated the fair value of its investment in NBA Africa to be $39,726 (December 31, 2023 – $39,182).

Helios Sports and Entertainment Group

Helios Sports and Entertainment Group Ltd. (“HSEG”) was incorporated under the laws of Guernsey and is a wholly owned subsidiary of the company. HSEG invests in brands, companies and assets in the African sports and entertainment ecosystem. In 2023, the company seeded this new strategy by investing cash of $11,000 in exchange for shares in HSEG and by transferring the Event Horizon Loan to HSEG at its fair value of $21,050 in exchange for 21,050,194 shares of HSEG.

In 2023, the company, through HSEG and its subsidiary, subscribed for a 25% equity interest in Zaria Group Limited (“Zaria”) for nominal value and made a maximum financial commitment of $12,000 to Zaria. Zaria was incorporated in Guernsey for the purposes of acquiring, owning, developing, investing in, and operating development sites for mixed-use sports, recreation and entertainment properties in the major urban centers in Africa. A portion of the financial commitment was fulfilled in the form of a $4,000 loan to Zaria (the “Zaria Loan”). The Zaria Loan bears interest at 3-month SOFR plus 5% per annum, is unsecured and matures on June 8, 2033. In 2024 the loan was increased by an additional $2,750, bringing the total loan balance to $6,750.

In 2023 the company, through HSEG and its subsidiary, also subscribed to preference shares in The Malachite Group (“TMG”). TMG was incorporated in the United Kingdom on November 20, 2023, for the purpose of holding the “Afro Nation” related business activities that were previously a division of Event Horizon Entertainment Limited. The preference shares accrue dividends at a fixed rate of 12%, compounding semi-annually.

In 2024, the company enhanced its strategic position in HSEG by subscribing to an additional 12,949,806 shares for a cash consideration of $12,950. The company also legally transferred its 100% interest in U.S. Holdco, which is the beneficial and registered owner of the equity interest in NBA Africa, to HSEG at a fair value of $39,163. in exchange for 39,163,251 ordinary shares in HSEG.

In July 2024, the company entered into a loan facility agreement for $12,000 with HSEG (the “HSEG Loan Facility”). The HSEG Loan Facility bears interest at 6-month SOFR plus 4.375% per annum, accrued and capitalized semi-annually, is unsecured, and matures on the earlier of June 30, 2025, or the completion of a bona fide transaction for raising capital by HSEG where securities are issued and sold to a third party. The loan proceeds were used to fund HSEG’s investment in PFL Africa (PYT) Limited (“PFL Africa”), a new regional league of the Professional Fighters League (PFL). In August 2024, HSEG, through its subsidiary, made an investment of $15,000 in PFL Africa.

At December 31, 2024, the company had invested $57,000, comprising a $12,000 loan to HSEG and equity contributions of $45,000 for a 100% ownership in HSEG. Through HSEG’s subsidiary, the company indirectly holds an equity interest and an option in TMG, a junior loan and an equity interest in Zaria, and an equity interest in PFL Africa. At December 31, 2024, the fair value of the company’s equity investment in HSEG was estimated to be $56,300 and the fair value of the HSEG Loan Facility was estimated at $12,474. In addition, the fair value of the legally transferred equity interest in NBA Africa, had a fair value of $39,726 (see discussion under the header “NBA Africa”).

The increase in the fair value of the company’s equity investment in HSEG from the December 31, 2023 fair value of $31,625 was driven primarily by the additional $12,950 capital contribution, and a fair value increase of $11,725, reflecting the expansion of HSEG’s portfolio and the enhanced strategic positioning of its underlying investments. The investment in PFL Africa diversified HSEG’s exposure within the sports and entertainment sector. Furthermore, the operational developments and performance improvements in TMG and Zaria also contributed positively to the overall increase in value. As of December 31, 2024, the valuation technique transitioned from a discounted cash flow analysis and transaction price methodology to a risk adjusted offer price, recognizing the combined value of HSEG’s strategic investments.

The increase in the fair value of the company’s equity investment in HSEG from the September 30, 2024 fair value of $47,357 was driven primarily by improved financial performance across HSEG’s key investments. The acquisition of PFL Africa, and ongoing developments in TMG and Zaria contributed to the overall increase in valuation.

Digital Ventures Facilities

Helios Digital Ventures LP (“HDV”), a limited partnership domiciled in Guernsey, is a venture capital fund with a focus on investing in early-stage technology businesses in thematic areas such as financial services, food security, healthcare, human capital and sustainability.

On May 30, 2022, the company entered into a loan facility agreement for $40,000 with HDV (the "Digital Ventures $40M Facility"). The Digital Ventures $40M Facility is available to fund approved investments consistent with the strategy of HDV. Concurrently, the company entered into a loan facility for $1,000 with Obashe Trust ("Obashe"), a company domiciled in the United States (the "Digital Ventures $1M Facility"). Obashe is the sole limited partner of HDV. The Digital Ventures $1M Facility is available to fund Obashe's limited partnership commitment to HDV pro rata with the investments made with funds drawn on the Digital Ventures $40M Facility. The facilities provide the company with the opportunity to include early-stage growth investments in its Portfolio Investments.

In 2024, the company funded drawdowns of $11,835 and $153 on the Digital Ventures $40M Facility and the Digital Ventures $1M Facility, respectively. As at December 31, 2024, drawdowns of $32,016 were funded for the Digital Ventures $40M Facility and drawdowns of $640 were funded for the Digital Ventures $1M Facility.

The funds were used by HDV to invest in Paymob, a leading merchant acquirer in Egypt; Nomba, a provider of accessible and affordable fintech services; Conduit, which enables businesses in emerging markets to access financial products built on blockchain technology; Moment, which offers integrated payments and other financial services to businesses and consumers; Galatea Bio, a biotechnology company specializing in genomics and drug discovery with the mission to enable precision health at scale for all; and SeamlessHR, a cloud-based HR and payroll software platform digitizing employee lifecycle management in Africa.

The Digital Ventures $40M Facility bore interest at a rate of 8% per annum, accrued and capitalized quarterly, was unsecured and matured on May 30, 2023. Effective June 1, 2023, the Digital Ventures $40M Facility was amended to extend the maturity date to June 1, 2024. Effective May 31, 2024, the Digital Ventures $40M Facility was further amended to extend the maturity date to May 31, 2025. All other terms of the facility remain unchanged. Upon maturity of the Digital Ventures $40M Facility, the company expects to become a limited partner of HDV.

The Digital Ventures $1M Facility bears interest at a rate of 6% per annum, accrued and capitalized quarterly, is unsecured and matures on June 7, 2037.

At December 31, 2024, the company estimated the fair values of the amounts drawn on the Digital Ventures $40M Facility and the Digital Ventures $1M Facility to be $35,459 and $704 (December 31, 2023 – $21,508 and $518).

In 2024, the company recorded interest income of $2,145 (2023 – $1,290) and $35 (2023 – $23) within the consolidated statements of loss and comprehensive loss related to the Digital Ventures $40M Facility and the Digital Ventures $1M Facility, respectively.

Subsequent to December 31, 2024

Subsequent to December 31, 2024, the company funded drawdowns of $2,424 on the Digital Ventures $40M Facility and $61 on the Digital Ventures $1M Facility.

Helios Seven Rivers Fund

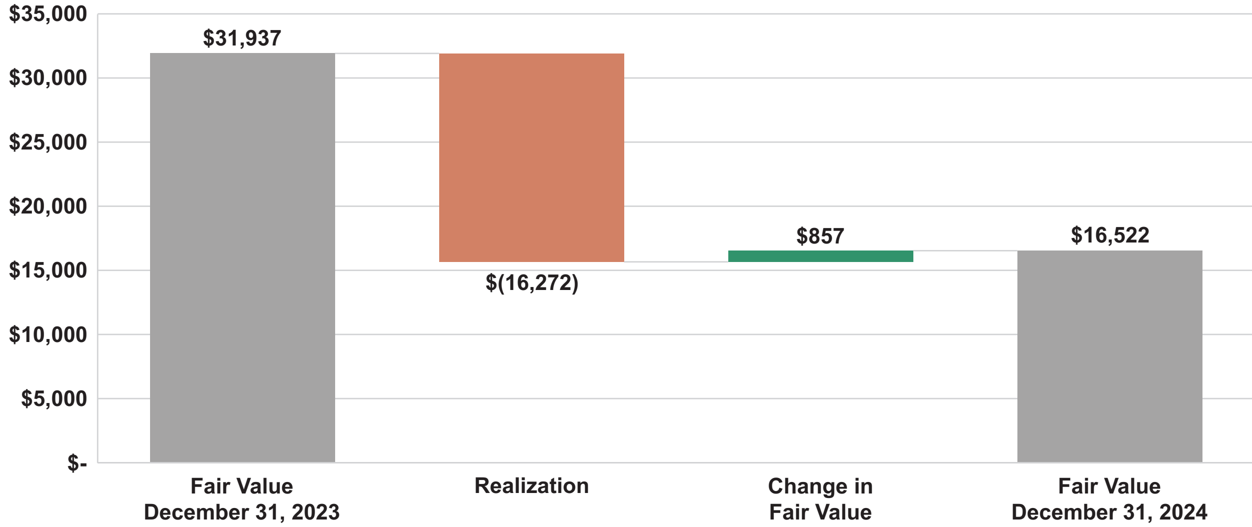
Helios Seven Rivers Fund Ltd. ("Seven Rivers") was incorporated in the Cayman Islands to focus on investing in publicly traded African equity and credit securities, utilizing a macro hedging overlay to manage systemic risk. Seven Rivers' objective is to invest in securities that exhibit highly profitable unit economics and long growth runways to achieve strong absolute returns over a long horizon, while minimizing drawdowns and NAV volatility.

In 2023, the company seeded this new strategy by contributing its investment in Other Common Shares of $15,841 and cash of $14,159, for a total investment of $30,000, in exchange for a 93.7% equity interest in Seven Rivers. As of December 31, 2024, the company's equity interest in Seven Rivers decreased to 90.9% driven by subscriptions.

At December 31, 2024, the fair value of the company's investment in Seven Rivers was $36,231. Since the company's initial investment, the fair value of Seven Rivers has increased by $6,231 (20.8%) due to the strong performance of the underlying portfolio.

Legacy Non-core Investments

During the year the company exited a significant portion of the remaining Legacy Non-core Investments realizing $16,272 in cash. The activities during the year are outlined in the table below.



Indirect equity interest in Nova Pioneer

Nova Pioneer Education Group ("Nova Pioneer") is a Pan-African independent school network offering preschool through secondary education. Nova Pioneer is wholly-owned by Ascendant Learning Limited ("Ascendant"), its Mauritius-based parent entity.

At December 31, 2024 and December 31, 2023, the company had invested an aggregate of $38,811 for a 56.3% equity interest in Ascendant ("Indirect equity interest in Nova Pioneer").

At December 31, 2024, the company estimated the fair value of its indirect equity interest in Nova Pioneer to be $16,496 (December 31, 2023 – $17,000). At December 31, 2024, the valuation technique was changed from an offer price to a weighted average between a revenue multiple and a discounted cash flow analysis. The decrease in fair value from December 31, 2023 was primarily driven by updated financial performance expectations and market conditions, which were reflected in the inputs used for the valuation.

Subsequent to December 31, 2024

Subsequent to December 31, 2024, revised expectations for the company's future performance and changes in market conditions impacting sector valuation trends have emerged. These factors could have a negative effect on the valuation of Nova Pioneer.

Indirect equity interest in AGH

AFGRI Holdings Proprietary Limited ("AFGRI Holdings") is a private holding company based in South Africa that owns 100.0% of AFGRI Group Holdings Proprietary Limited ("AGH"), an investment holding company with interests in a number of agricultural and food-related companies.

At August 28, 2023 and December 31, 2023, prior to the completion of the Tranche 1 Sale and Purchase, the company had invested $98,876 in Joseph Investment Holdings ("Joseph Holdings") (comprised of $88,744 for 74.6% interest in common shares and 73.7% interest in Class A shares of Joseph Holdings, providing a 74.6% voting interest; and $10,132 as a shareholder loan). Through its investment in Joseph Holdings, HFP was the largest beneficial shareholder of AGH.

In 2023, the company entered into a Sale and Purchase Agreement whereby it agreed to sell a portion of its investment in Joseph Holdings (comprised of 158,429,106 Ordinary Shares, 26,363,011 Class A Shares of Joseph Holdings, and the shareholder loan) for an aggregate consideration of $14,000 (the "Tranche 1 Sale and Purchase"). The Tranche 1 Sale and Purchase was completed and the company received sale proceeds of $14,000 in full in 2023. In addition, the company received $295 from Joseph Holdings. Following the Tranche 1 Sale and Purchase, HFP retained a 16.3% indirect equity interest in AGH.

Pursuant to the terms of the Sale and Purchase Agreement and subject to the completion of the Tranche 1 Sale and Purchase, the company will sell its remaining investment in Joseph Holdings (comprised of its remaining interest in common shares and Class A shares of Joseph Holdings) for an aggregate consideration of $2,400 (the “Tranche 2 Sale and Purchase”).

The Sale and Purchase Agreement contains an Anti-Embarrassment Clause, which outlines a provision for additional payments to the company in the event of a significant post-transaction value increase within the 24-month period commencing on August 29, 2023, triggered by specific types of share or asset disposals. The Sale and Purchase Agreement also contains a Claw Back Clause which represents a liability of up to $8,200 to the company, the payment of which is conditional upon material agreement terminations within the 24-month period commencing on August 29, 2023. Additionally, the Sale and Purchase Agreement includes an Indemnity Clause establishing a liability related to certain ongoing claims, allowing the acquirer to potentially claim amounts under specified conditions within the 24-month period from July 28, 2023, which could result in a maximum liability of $16,400 to the company. The company has not attributed any value to these assets and liabilities, as management has assessed the probability of receipt or payment as a result of these clauses being triggered is remote and therefore the fair value of the asset and liabilities are nominal as at December 31, 2024.

In 2024, the company entered into an amendment agreement (the “First Addendum”) to modify the Sale and Purchase Agreement dated July 28, 2023. The First Addendum amends the terms relating to the Tranche 2 Sale and Purchase. Specifically, the Tranche 2 Sale and Purchase has been split into Tranche 2 Sale Shares and Tranche 3 Sale Shares. The Tranche 2 Sale Shares consist of 15,913,616 Class A shares for $2,374, with an updated long-stop date of November 30, 2024, which was later extended to December 13, 2024. The Tranche 3 Sale Shares consist of 82,630,549 Ordinary Shares for $26, subject to conditions precedent, with an updated long-stop date of April 30, 2025.

In December 2024, all of the conditions for the sale of the Tranche 2 Shares have been fulfilled or waived. The sale of the Tranche 2 Shares was completed and the proceeds of $2,374 were received.

Subsequent to December 31, 2024

Subsequent to December 31, 2024, all the closing conditions for the Tranche 3 Sale and Purchase have been fulfilled or waived. The sale of the Tranche 3 Shares was completed and the proceeds of $26 were received.

Philafrica Foods Proprietary Ltd.

Philafrica Foods Proprietary Ltd. (“Philafrica”) is a South African entity that owns and operates maize and wheat mills and animal feed factories.

At December 31, 2023, the company had invested $23,254 (325.0 million South African rand) into 26,000 common shares or 26.0% equity interest in Philafrica. Philafrica is controlled by AGH through AGH’s 60.0% equity interest.

In 2023, the company entered into a Sale and Purchase Agreement. Pursuant to the terms of the Sale and Purchase Agreement, the company expected to sell its equity interest in Philafrica for an aggregate consideration of not less than $4,400 and receive full repayment of the principal and accrued interest of the Philafrica Facility on or before August 29, 2024 or such later date as may be agreed upon by the company (the “Liquidity Transactions”). Additionally, the Sale and Purchase Agreement stipulated that if the Liquidity Transactions are not completed on or before August 29, 2024 or such later date as may be notified by the company in writing to the purchaser, the purchaser will acquire the company’s equity interest in Philafrica for an aggregate consideration of not less than $4,400 and all rights and obligations under the Philafrica Facility including the principal and accrued interest (see discussion under the header “Indirect equity interest in AGH”).

In March 2024, the company, through its SA Sub, entered into a Sale of Shares and Claims Agreement with AGH and Philafrica, whereby the company committed to selling its equity interest in Philafrica to AGH for an aggregate consideration of $4,400, subject to the fulfillment or waiver of certain closing conditions.

In August 2024, the closing conditions were met, and the transaction was completed. The company sold its equity interest in Philafrica and received purchase consideration in the form of a loan with a principal balance of $4,400. The loan bears interest at a rate of CME Term SOFR plus 4%, payable on or before August 31, 2024 (see discussion under the header “AGH Loan”).

Philafrica Facility

At December 31, 2024 and December 31, 2023, the company had advanced $5,622 (98.0 million South African rand), net of a 2.0% transaction fee, to Philafrica under a secured lending arrangement (the "Philafrica Facility"). The Philafrica Facility bears interest at a rate of South African prime plus 2.0% per annum, which is accrued and capitalized monthly. The repayment of the Philafrica Facility was subordinated against other third-party debt and is currently not repayable under its existing terms. The Philafrica Facility is secured by a general guarantee from AGH and AGH's pledge of equity interests in Philafrica. In March 2023, the company and Philafrica entered into an agreement whereby the Philafrica Facility was amended to increase the margin to 4% and the allowance of a prepayment of the Philafrica Facility through the issuance of ordinary shares by Philafrica to the company.

In 2023, the company entered into a Sale and Purchase Agreement. Pursuant to the terms of the Sale and Purchase Agreement, the company expected to sell its equity interest in Philafrica for an aggregate consideration of not less than $4,400 and receive full repayment of the principal and accrued interest of the Philafrica Facility on or before August 29, 2024 or such later date as may be agreed upon by the company (the "Liquidity Transactions"). Additionally, the Sale and Purchase Agreement stipulated that if the Liquidity Transactions are not completed on or before August 29, 2024 or such later date as may be notified by the company in writing to the purchaser, the purchaser will acquire the company's equity interest in Philafrica for an aggregate consideration of not less than $4,400 and all rights and obligations under the Philafrica Facility including the principal and accrued interest (see discussion under the header "Indirect equity interest in AGH"). In August 2024, the company entered into an agreement extending the long stop date of the transaction to November 29, 2024.

In October 2024, the company entered into a debt purchase agreement to sell all the rights and claims against and debts owing under the Philafrica Facility. The consideration for the Philafrica Facility is the total outstanding balance, including principal and accrued interest, at the time that the consideration is settled.

In December 2024, all of the conditions for the sale of the Philafrica Facility have been fulfilled or waived. The sale of the Philafrica Facility was completed and the proceeds of $9,587 were received.

AGH Loan

In March 2024, the company, through its SA Sub, entered into a Sale of Shares and Claims Agreement with AGH and Philafrica, whereby the company committed to selling its equity interest in Philafrica to AGH for an aggregate consideration of $4,400, subject to the fulfillment or waiver of certain closing conditions.

In August 2024, the closing conditions were met, and the transaction was completed. The company sold its equity interest in Philafrica and received purchase consideration in the form of a loan with a principal balance of $4,400. The loan bears interest at a rate of CME Term SOFR plus 4%, payable on or before August 31, 2024 (the "AGH Loan").

In October 2024, the company entered into a debt purchase agreement to sell all the rights and claims against and debts owing under the AGH Loan. The consideration for the AGH Loan is the total outstanding balance, including principal and accrued interest, at the time that the consideration is settled.

In December 2024, all of the conditions for the sale of the AGH Loan have been fulfilled or waived. The sale of the AGH Loan was completed and the proceeds of $4,530 were received.

GP and Management Company Loans

In 2024, to support the initial startup costs of the new Helios Strategies discussed earlier in this document, the company extended loan facilities totaling $13,200 to Helios Investors Genpar Clear Fund S.A.R.L. ("Helios CLEAR GP"), Helios Digital Ventures Genpar Ltd. ("HDV GP"), and HSEG ManCo Ltd. ("HSEG ManCo"), being the general partners or management companies of the new strategies. These entities serve as the general partners or management companies for Helios CLEAR Fund SCSp ("Helios CLEAR Fund"), HDV, and HSEG, respectively.

During the fourth quarter of 2024, as part of its ongoing strategic and financial considerations, the company made a business decision to forgive the loans extended to these general partners and management companies.

The decision provides ongoing support to the new Helios Strategies, preserving the momentum of fundraising activities that are anticipated to generate value through capital appreciation of the company's investment in the new strategies, as applicable, and distributions of Excess Management Fees and carried interest proceeds through the company's interests in TopCo LP Class B Limited Partnership Interest and TopCo LP Class A Limited Partnership Interest, respectively.

Accordingly, the full principal amounts, along with any accrued and capitalized interest, were derecognized in the fourth quarter of 2024. The loan forgiveness has been recorded as an expense in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2024.

Results of Operations

HFP's consolidated statements of loss and comprehensive loss for the years ended December 31, 2024, 2023 and 2022 are shown in the following table:

	2024	2023	2022
Income			
Interest and dividends	**9,245**	12,036	9,947
Net losses on investments	**(29,164)**	(53,143)	(23,189)
Net foreign exchange gains (losses)	**(305)**	(4,816)	(8,814)
	(20,224)	(45,923)	(22,056)
Expenses			
Investment and advisory fees	**4,055**	3,492	3,642
Performance fee recovery	**–**	–	(938)
Transaction costs	**1,725**	–	–
General and administration expenses	**10,585**	12,153	14,623
Loss on loan forgiveness and other expenses	**21,979**	–	–
Interest expense	**1,799**	3,372	3,593
Loss on uncollectible accounts receivable	**441**	–	–
	40,584	19,017	20,920
Loss before income taxes	**(60,808)**	(64,940)	(42,976)
Provision for (recovery of) income taxes	**(2,018)**	6,747	7,801
Net loss and comprehensive loss	**(58,790)**	(71,687)	(50,777)
Net loss per share	**$ (0.54)**	$ (0.66)	$ (0.47)

Total loss from income of $20,224 in 2024 decreased from $45,923 in 2023 principally as a result of decreased net losses on investments and net foreign exchange losses, partially offset by a decrease in interest and dividends.

Net losses on investments in 2024 and 2023 were comprised as follows:

	2024			2023		
	Net realized gains (losses)	Net change in unrealized gains (losses)	Net gains (losses)	Net realized gains (losses)	Net change in unrealized gains (losses)	Net gains (losses)
Net gains (losses) on investments:						
Limited partnership investments	**–**	**(44,187)**	**(44,187)**	–	(60,872)	(60,872)
Common shares	**(27,367)**	**41,834**	**14,467**	(63,748)	61,616	(2,132)
Loans	**11**	**545**	**556**	421	176	597
Derivatives and guarantees	**–**	**–**	**–**	49,535	(40,271)	9,264
	(27,356)	**(1,808)**	**(29,164)**	(13,792)	(39,351)	(53,143)

Net realized losses on investments of $27,356 in 2024 were comprised of realized losses on the disposals of Indirect equity interest in AGH and Philafrica common shares.

Net realized losses on investments of $13,792 in 2023 were principally comprised of a realized loss on the partial sale of Indirect equity interest in AGH ($52,882) and Indirect Equity Interest in Access Bank SA ($19,125), partially offset by realized gains on the sale of Other Common Shares by Seven Rivers ($8,259) and the HFP Redemption Derivative embedded in the HFP 3.0% Debentures ($49,535).

Net change in unrealized losses on investments of $1,808 in 2024 was principally comprised of unrealized losses on TopCo LP Class A Limited Partnership Interest ($35,565) and TopCo LP Class B Limited Partnership Interest ($18,998), partially offset by unrealized gains on HSEG ($11,725), Helios Fund IV ($10,376), Trone ($1,917), and Seven Rivers ($1,404), and the reversal of previously recognized unrealized losses on Indirect equity interest in AGH ($13,389) and Philafrica ($13,359).

The net change in unrealized losses on investments of $39,351 in 2023 was primarily comprised of the reversal of unrealized gains on the HFP Redemption Derivative ($40,271) and Other Common Shares ($8,324) and unrealized losses on TopCo LP Class A Limited Partnership Interest ($21,940) and TopCo LP Class B Limited Partnership Interest ($48,511) and Indirect equity interest in Nova Pioneer ($8,468). These were partially offset by the reversal of unrealized losses on the Indirect equity interest in AGH ($53,946), Indirect equity interest in Access Bank SA ($18,627) and unrealized gains on Helios Fund IV ($9,579), Seven Rivers ($4,827), and Trone Holdings ($1,146).

Net foreign exchange gains (losses) in 2024 and 2023 were comprised as follows:

	2024	2023
	Net gains (losses)	**Net losses**
Net foreign exchange gains (losses) on:		
Cash and cash equivalents	**(1,268)**	(434)
Common shares	**619**	(2,822)
Loans	**124**	(1,480)
Other	**220**	(80)
	(305)	(4,816)

Net foreign exchange losses of $305 in 2024 (2023 – $4,816) were principally a result of the weakening of the South African rand relative to the U.S. dollar.

Total expenses of $40,584 in 2024 increased from total expenses of $19,017 in 2023, principally as a result of a loss from the forgiveness of the loans to the entities acting as general partners and management companies of certain new Helios Strategies and certain Helios expenses absorbed by the TopCo LP Class B Limited Partnership Interest in excess of the management fees received, partially offset by lower interest expense.

General and administrative expenses of $10,585 in 2024, decreased from $12,153 in 2023, principally as a result of non-recurring consulting fees incurred in 2023.

Transaction costs of $1,725 in 2024 (2023 – $511) include expenses attributable to investment activities and include legal and other professional services related to the investment process. In 2023, transaction costs were included in general and administrative expenses within the consolidated statements of loss and comprehensive loss.

In 2024, investment and advisory fees, calculated as 0.5% of the value of undeployed capital and 1.5% of the company's common shareholders' equity less the value of undeployed capital and the fair value of TopCo LP, were $4,055 (2023 – $3,492).

At December 31, 2024, no performance fee was accrued to TopCo LP (December 31, 2023 – $nil), as the Adjusted Book Value per Share of $2.95 (December 31, 2023 – $2.92) was less than the hurdle per share at that date of $3.57.

In 2024, the company recognized a loss on loan forgiveness and other expenses of $21,979 (2023 – $nil), due to the full forgiveness of the loans to the entities acting as general partners and management companies of certain new Helios Strategies of $16,870 and certain Helios expenses of $5,109 absorbed by the TopCo LP Class B Limited Partnership Interest in excess of the management fees received.

During 2024, the company recorded $1,799 in interest expense, comprising of $1,723 in standby fees related to the revolving credit facility and $76 in interest expense related to the lease liability. In 2023, interest expense of $3,372 was primarily comprised of $3,359 related to the HFP 3.0% Debentures which were repaid in full in 2023. Interest expense decreased from 2024 to 2023, primarily due to the early repayment of HFP 3.0% Debentures in 2023.

The recovery of income taxes of $2,018 in 2024 differed from the recovery of income taxes that would be determined by applying the company's Canadian statutory income tax rate of 26.5% to the company's earnings before income taxes primarily as a result of the non-taxable portion of unrealized gains and losses on investments, the tax rate differential on losses outside of Canada, the change in unrecorded tax benefit of losses and temporary differences, realized gains and foreign exchange effects, and other permanent differences, partially offset by the reversal of the UK tax liability, recovery relating to prior years, and unused tax losses.

The provision for income taxes of $6,747 in 2023 differed from the recovery of income taxes that would be determined by applying the company's Canadian statutory income tax rate of 26.5% to the company's earnings before income taxes primarily as a result of the tax rate differential on earnings and losses incurred outside of Canada, non-taxable losses on investments, UK tax liability, unused tax losses, and changes in unrecorded tax benefit of losses and temporary differences, partially offset by realized gains and foreign exchange effects.

The company reported a net loss of $58,790 (net loss of $0.54 per basic and diluted share) in 2024 compared to a net loss of $71,687 (net loss of $0.66 per basic and diluted share) in 2023. The decrease in net loss primarily reflects lower net losses on investments, lower net foreign exchange losses, lower general and administrative expenses, lower interest expense, and a recovery of income tax compared to a provision for income tax, partially offset by decreased interest and dividends and higher transaction costs compared to 2023 and the loss on loan forgiveness and other expenses which were incurred in 2024.

Consolidated Balance Sheet Summary

The assets and liabilities reflected on the company's consolidated balance sheet at December 31, 2024, were primarily impacted by changes in the Portfolio Investments. These changes include the funding of the Digital Ventures $40M Facility, HSEG, Taj Holdings, the HSEG Loan, and Helios Fund IV, and the sales of Indirect equity interest in AGH, the AGH Loan, the Philafrica Facility, and the Philafrica Common Shares.

	December 31, 2024	**December 31, 2023**	**December 31, 2022**
Assets			
Cash and cash equivalents	**38,320**	95,913	125,241
Related party loan	**–**	–	19,030
Related party derivatives and guarantees	**–**	–	62,136
Portfolio Investments	**394,949**	386,002	441,954
Total cash and investments	**433,269**	481,915	648,361
Interest receivable	**762**	412	405
Income tax refundable	**437**	2,874	1,695
Other receivables from related parties	**126**	991	1,319
Other assets	**1,347**	1,167	832
Property and equipment	**1,176**	974	–
Total assets	**437,117**	488,333	652,612
Liabilities			
Accounts payable and accrued liabilities	**6,594**	1,601	218
Payable to related parties	**846**	1,096	803
Lease liability	**471**	548	–
Deferred income taxes	**13,265**	10,492	8,058
Borrowings	**–**	–	99,226
Total liabilities	**21,176**	13,737	108,305
Equity			
Common shareholders' equity	**415,941**	474,596	544,307
	437,117	488,333	652,612

Total Assets

Total assets at December 31, 2024 of $437,117 decreased compared to total assets of $488,333 at December 31, 2023. The decrease was principally comprised of the following:

Total cash and investments decreased to $433,269 at December 31, 2024 from $481,915 at December 31, 2023.

Cash and cash equivalents decreased to $38,320 at December 31, 2024 from $95,913 at December 31, 2023, primarily as a result of the funding of the Digital Ventures $40M Facility, HSEG, Taj Holdings, Helios Fund IV, the HSEG Loan, Helios CLEAR GP Loan, HDV GP Loan, and the HSEG ManCo Loan, and payment of operating expenses.

Portfolio investments – The company is actively seeking investment opportunities in Africa and will continue to redirect capital from its cash and cash equivalents into Portfolio Investments as and when those opportunities are identified. For more information about recent Portfolio Investments, see the Portfolio Investments section of this MD&A.

Income tax refundable decreased to $437 at December 31, 2024 from $2,874 at December 31, 2023 primarily due to refunds received related to prior year reassessments.

Total Liabilities

Total liabilities at December 31, 2024 of $21,176 increased compared to $13,737 at December 31, 2023. The increase was principally comprised of the following:

Accounts payable and accrued liabilities of $6,594 at December 31, 2024 increased compared to $1,601 at December 31, 2023, primarily due to accruals of withholding taxes related to the forgiveness of the GP and management company loans and increased accruals relating to operating expenses due to the timing of receipt of related invoices.

Deferred income taxes increased to $13,265 at December 31, 2024 from $10,492 at December 31, 2023, primarily due to increases in the fair value of the company's investments meeting the deferred tax recognition criteria, specifically investments in HSEG and Helios Fund IV, compared to the increase in tax basis, resulting in higher taxes expected on future settlement.

Comparison of 2023 to 2022 – Total assets decreased from $652,612 at December 31, 2022, to $488,333 at December 31, 2023. This decline was primarily driven by changes in the Portfolio Investments. These changes include the repayment of the CIG Loan, the AFGRI International Facility, the Fairfax Loan, and the partial sale of Indirect equity interest in AGH and the redemption of the HFP 3.0% Debentures and the related HFP Redemption Derivative. Also contributing to the decrease in total assets were unrealized losses on TopCo LP Class A and Class B Limited Partnership Interests and the payment of operating expenses.

Financial Risk Management

The primary goals of the company's financial risk management program are to ensure that the outcomes of activities involving elements of risk are consistent with the company's objectives and risk tolerance, while maintaining an appropriate balance between risk and reward and protecting the company's consolidated balance sheets from events that have the potential to materially impair its financial strength. There were no significant changes in the types of the company's risk exposures or the processes used by the company for managing those risk exposures at December 31, 2024 compared to those identified at December 31, 2023, other than as outlined in note 12 (Financial Risk Management) to the consolidated financial statements for the year ended December 31, 2024.

Capital Resources and Management

The company's objectives when managing capital is to optimize returns for common shareholders, while seeking attractive risk-adjusted returns. Total capital, comprised of common shareholders' equity and borrowings, was $415,941 at December 31, 2024 (December 31, 2023 – $474,596). The decrease primarily reflected the net loss of $58,790.

Book Value per Share

Common shareholders' equity at December 31, 2024 was $415,941 (December 31, 2023 – $474,596). The company's book value per share at December 31, 2024 was $3.84 compared to $4.39 at December 31, 2023, representing a decrease in 2024 of 12.5%, primarily due to a net loss of $58,790 in 2024. At December 31, 2024, the company determined that a performance fee of $nil should be accrued to TopCo LP (December 31, 2023 – $nil) as the Adjusted Book Value per Share of $2.95 (before factoring in the impact of the performance fee) at December 31, 2024 was less than the hurdle per share at that date of $3.57.

The table below presents the book value per share from the company's IPO date of February 17, 2017 to December 31, 2024, and the annual growth (decline) and the compound annual decline in book value per share since IPO.

	Book value per share	Annual growth (decline) in book value per share
February 17, 2017	$10.00	–
December 31, 2017	$10.21	2.1%
December 31, 2018	$ 9.60	(6.0)%
December 31, 2019	$ 8.72	(9.2)%
December 31, 2020	$ 5.50	(36.9)%
December 31, 2021	$ 5.47	(0.5)%
December 31, 2022	$ 5.03	(8.0)%
December 31, 2023	$ 4.39	(12.7)%
December 31, 2024	$ 3.84	(12.5)%
Compound annual decline in book value per share		(11.4)%

HFP's book value per share of $3.84 at December 31, 2024, represented a compound annual decline of 11.4% since its initial public offering date of February 17, 2017, underperforming the compound annual decline of the MSCI Emerging Frontier Markets Africa Index of 1.6% during the same period.

During 2024 the total number of shares effectively outstanding increased as a result of issuances of 106,624 subordinate voting shares, offset by purchases for cancellation of 97,314 subordinate voting shares under the terms of its normal course issuer bid. At December 31, 2024 there were 108,179,127 common shares effectively outstanding.

The company has issued and purchased its common shares since it was federally incorporated on April 28, 2016, as follows:

Date	Number of subordinate voting shares	Number of multiple voting shares[(1)]	Total number of shares	Average issue / purchase price per share	Net proceeds (purchase cost)
2016 – issuance of shares	–	1	1	$10.00	–
2017 – issuance of shares	20,620,189	29,999,999	50,620,188	$ 9.75	$493,326
2018 – issuance of shares	12,300,000	–	12,300,000	$12.06	$148,316
2018 – purchase of shares	(108,224)	–	(108,224)	$ 9.06	$ (981)
2019 – purchase of shares	(3,315,484)	–	(3,315,484)	$ 8.15	$ (27,018)
2020 – issuance of shares	24,632,413	25,452,865	50,085,278	$ 5.50	$275,299
2020 – purchase of shares	(463,506)	–	(463,506)	$ 3.99	$ (1,850)
2021 – purchase of shares	(858,608)	–	(858,608)	$ 3.01	$ (2,587)
2022 – issuance of shares	23,102	–	23,102	$ 3.10	$ 72
2022 – purchase of shares	(88,776)	–	(88,776)	$ 3.44	$ (305)
2023 – issuance of shares	142,338	–	142,338	$ 3.33	$ 473
2023 – purchase of shares	(166,492)	–	(166,492)	$ 2.75	$ (458)
	52,716,952	55,452,865	108,169,817		
2024 – issuance of shares	106,624	–	106,624	$ 3.33	$ 355
2024 – purchase of shares	(97,314)	–	(97,314)	$ 2.66	$ (259)
	52,726,262	55,452,865	108,179,127		

(1) Multiple voting shares are not publicly traded.

During the period January 1, 2024 to June 22, 2024, the company was entitled, subject to compliance with applicable corporate and securities laws, to purchase for cancellation subordinate voting shares at prevailing market prices under the terms of its normal course issuer bid and in accordance with the rules and policies of the TSX. The Notice of Intention to Make a Normal Course Issuer Bid is available, without charge, by contacting the Corporate Secretary of the company.

During 2024, under the terms of its normal course issuer bid, the company purchased for cancellation 97,314 subordinate voting shares (2023 – 166,492) for a net cost of $259 (2023 – $458) and $530 (2023 – $893) was recorded as a benefit in retained earnings.

The company's normal course issuer bid program expired on June 22, 2024.

Liquidity

Cash, readily realizable investments and the RMB facility (refer to note 7) at December 31, 2024 provide liquidity to meet the company's remaining known significant commitments over the next twelve months. There are uncertainties related to the timing and amount of fundraising for the new Helios Strategies, and related to cash flows from exiting investments, which may impact liquidity. The development stage of certain Helios Strategies and the illiquid nature of the company's investments do not currently generate sufficient operating cash flows to fund short term obligations. This may require the Company to obtain liquidity by drawing on the RMB facility of which $70,000 is available to be drawn based on current financial covenants.

At December 31, 2024 and 2023, the company determined that a performance fee of $nil should be accrued to TopCo LP. Refer to the Contractual Obligations section of this MD&A for details on the settlement of the performance fees, if any, at the end of the second calculation period, December 31, 2026.

The company may be subject to clawback obligations with respect to its TopCo LP Class A Limited Partnership Interest to the extent it has received carried interest proceeds and a clawback is required. The risk is partially mitigated by escrow accounts established by each Helios Fund in accordance with their respective governing documents. At December 31, 2024, and 2023, the company was not subject to any clawback obligations with respect to its TopCo LP Class A Limited Partnership Interest.

The company may be subject to clawback and indemnity obligations with respect to the sale of a portion of its indirect equity interest in AGH, should certain clauses in the Sale and Purchase Agreement be triggered. On December 4, 2023, through Mauritius Sub, the company and Fairfax entered into an Indemnity Agreement, pursuant to which Fairfax agreed to pay up to $8,200 for the Claw Back Clause and indemnify the company for Indemnified Losses incurred as per the Sale and Purchase Agreement dated July 28, 2023. The company has not attributed any value to these assets, as management has assessed the probability of receiving payment due to these clauses being triggered as remote. At December 31, 2024, the company was not subject to any clawback or indemnity obligations with respect to its indirect equity interest in AGH.

The company may also be subject to capital call obligations with respect to its TopCo LP Class A and Class B Limited Partnership Interests to cover its pro rata share of expenses incurred by TopCo LP and TopCo LP's share of commitments to the general partners of the Helios Funds, the risk of which is partially mitigated by the six-month holding period of Excess Management Fee Proceeds by TopCo LP.

Highlights in 2024 (with comparisons to 2023) of major components of the statements of cash flows are presented in the following table:

	2024	2023
Operating activities		
Cash used in operating activities excluding net disposals (purchases) of investments, receipt of Excess Management Fees, and receipt of carried interest	**(17,722)**	(12,854)
Net (purchases) disposals of investments	**(39,173)**	12,564
Receipt of Excess Management Fees	**991**	409
Receipt of carried interest	**–**	363
Investing activities		
Property and equipment	**(344)**	(427)
Financing activities		
Repayment of borrowings	**–**	(28,400)
Principal elements of lease payments	**(38)**	–
Subordinate voting shares – purchases for cancellation	**(259)**	(458)
Decrease in cash and cash equivalents during the year	**(56,545)**	(28,803)

Cash used in operating activities excluding net disposals (purchases) of investments, receipt of Excess Management Fees, and receipt of carried interest of $17,722 in 2024 increased from cash used in operating activities, excluding net disposals of investments, and receipt of carried interest of $12,854 in 2023 primarily due to the funding of GP and management company loans in 2024.

Net purchases of investments of $39,173 in 2024 comprised purchases of investments of $55,445 related to funding of the Digital Ventures $40M Facility, HSEG, Taj Holdings, Helios Fund IV, and the HSEG Loan, partially offset by disposals of investments of $16,272 related to disposals of Indirect equity interest in AGH, Philafrica Common Shares, the Philafrica Facility, and the AGH Loan.

Net disposals of investments of $12,564 in 2023 were comprised of disposals of investments of $62,748 related to the full repayment of the CIG Loan and the AFGRI International Facility, settlement of the Fairfax Loan and the partial sale of Indirect equity interest in AGH, and Indirect equity interest in Access Bank SA, offset by purchases of investments of $50,184 related to the company's investments in Seven Rivers, HSEG, the Event Horizon Loan, Helios Fund IV, TopCo LP Class A, the Digital Ventures $40M Facility, and the Digital Ventures $1M Facility.

Repayment of borrowings of $28,400 in 2023 related to the repayment of the HFP 3.0% Debentures, which were repaid in full in 2023. In 2024, there were no new borrowings and therefore no proceeds from or repayments of borrowings.

Contractual Obligations

The following tables present the company's commitments, and contractual obligations by their contractual maturity date at December 31, 2024 and 2023:

	December 31, 2024				
	Total	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Digital Ventures $40M Facility	**7,984**	**7,984**	**–**	**–**	**–**
Digital Ventures $1M Facility	**360**	**360**	**–**	**–**	**–**
Helios Fund IV Commitment	**14,489**	**14,489**	**–**	**–**	**–**
Zaria Loan Commitment	**5,250**	**5,250**	**–**	**–**	**–**
HSEH Guarantee(1)	**5,000**	**5,000**	**–**	**–**	**–**
TopCo LP Management Team Commitment	**2,173**	**2,173**	**–**	**–**	**–**
Due to related parties	**846**	**846**	**–**	**–**	**–**
Accounts payable and accrued liabilities	**6,594**	**6,594**	**–**	**–**	**–**
Lease commitments	**1,610**	**160**	**385**	**358**	**707**
	44,306	**42,856**	**385**	**358**	**707**

(1) HSEH provided a guarantee of $5,000 on behalf of TMG, securing the payment of a portion of the purchase consideration for an acquisition made by TMG (refer to note 13 (Related Party Transactions) to the consolidated financial statements for the year ended December 31, 2024).

(2) The company made a business decision to allow TopCo LP Class B Limited Partnership Interest to absorb initial startup costs for the new Helios Strategies in excess of management fees for the year ending December 31, 2025, as needed.

	December 31, 2023				
	Total	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Digital Ventures $40M Facility	19,819	19,819	–	–	–
Digital Ventures $1M Facility	513	513	–	–	–
Helios Fund IV Commitment	16,553	16,553	–	–	–
Zaria Loan Commitment	8,000	8,000	–	–	–
TMG Obligation	6,000	6,000	–	–	–
TopCo LP Management Team Commitment	2,483	2,483	–	–	–
Due to related parties	1,096	1,096	–	–	–
Accounts payable and accrued liabilities	1,601	1,601	–	–	–
Lease commitments	2,074	178	407	445	1,044
	58,139	56,243	407	445	1,044

Subsequent to December 31, 2024

Subsequent to December 31, 2024, the company committed to paying the initial startup costs of Seven Rivers in the amount of $2,314.

Under the terms of the Investment Advisory Agreement (defined in the Related Party Transactions section later in this MD&A), the company is contractually obligated to pay TopCo LP an investment and advisory fee and, if applicable, a performance fee. These fees will vary based on the company's common shareholders' equity and book value per share. The investment and advisory fees recorded within the consolidated statements of loss and comprehensive loss in 2024 was $4,055 (2023 – $3,492).

At December 31, 2024 the company determined that a performance fee of $nil should be accrued to TopCo LP (December 31, 2023 – $nil) as the Adjusted Book Value per Share of $2.95 (before factoring in the impact of the performance fee) at December 31, 2024 was less than the hurdle per share at that date of $3.57. Refer to the Related Party Transactions section of this MD&A for discussion on the performance fee.

Concentration Risk

The company's investments are primarily concentrated in Africa and in African businesses or businesses with customers, suppliers or business primarily conducted in, or dependent on, Africa. As a result, the company's performance is particularly sensitive to economic changes in the countries in Africa in which it invests. The market value of the company's investments, the income generated by the company and the company's performance will be particularly sensitive to changes in the economic condition, interest rates, and regulatory environment of African countries in which the company has investments. Adverse changes to the economic condition, interest rates or regulatory environment in those African countries may have a material adverse effect on the company's business, cash flows, financial condition and results of operations.

The composition of the company's Portfolio Investments by industry sector is presented in the following table:

	December 31, 2024					December 31, 2023				
	North Africa(1)	Sub-Saharan Africa(2)	Pan-Africa(3)	Other	Total	North Africa(1)	Sub-Saharan Africa(2)	Pan-Africa(3)	Other	Total
Cash and cash equivalents	–	**13,892**	–	**24,428**	**38,320**	–	55,746	–	40,167	95,913
Limited partnership investments:										
Asset management(5)	–	–	**96,395**	–	**96,395**	–	–	155,757	–	155,757
Financial services(4)(5)	**16,133**	–	**17,591**	**6,444**	**40,168**	–	–	16,691	–	16,691
Insurance(4)(5)	–	–	**15,078**	–	**15,078**	–	–	12,947	–	12,947
Retail and distribution(4)(5)	**15,142**	**10,181**	–	–	**25,323**	13,831	8,527	–	–	22,358
Common shares:										
Food and agriculture	–	**14**	–	**12**	**26**	–	5,720	–	1,080	6,800
Financial services	–	–	**2,257**	–	**2,257**	–	–	10,765	–	10,765
Infrastructure	–	–	**6,150**	–	**6,150**	–	–	10,640	–	10,640
Sports and entertainment	–	**56,300**	**39,726**	–	**96,026**	–	30,671	39,182	–	69,853
Retail and distribution	**20,569**	–	**17,695**	–	**38,264**	18,652	–	4,213	–	22,865
Education	–	**16,496**	–	–	**16,496**	–	17,000	–	–	17,000
Other	–	–	–	**10,129**	**10,129**	–	–	–	10,163	10,163
Loans:										
Food and agriculture	–	–	–	–	–	–	8,137	–	–	8,137
Financial services	**16,908**	**19,255**	–	–	**36,163**	10,300	11,726	–	–	22,026
Sports and entertainment	–	**12,474**	–	–	**12,474**	–	–	–	–	–
	68,752	**128,612**	**194,892**	**41,013**	**433,269**	42,783	137,527	250,195	51,410	481,915

(1) North Africa is geographically, the area of the continent of Africa that lies north of the Sahara Desert. It encompasses 8 of Africa's 54 countries.

(2) Sub-Saharan Africa is geographically, the area of the continent of Africa that lies south of the Sahara Desert. It encompasses 46 of Africa's 54 countries.

(3) Pan-Africa is geographically, the continent of Africa. Investments operating broadly across the continent of Africa are exposed to Pan-African regional risk.

(4) Helios Fund IV, Seven Rivers, and HSEG have been allocated to industry sectors based on underlying investment holdings.

(5) A significant portion of the returns of TopCo LP Class A and Class B Limited Partnership Interests are tied to the performance of Helios.

The company's loans are not rated, with no issuer concentration at December 31, 2024 or December 31, 2023.

During 2024, the company's exposure to concentration risk by sector through its Portfolio Investments changed as follows:

- Asset management sector decreased primarily due to unrealized losses on TopCo LP Class A and Class B Limited Partnership Interests.
- Sports and entertainment sector increased primarily due to unrealized gains on and additional investments in HSEG.
- Food and agriculture sector decreased due to the sales of Indirect equity interest in AGH, the AGH Loan, the Philafrica Facility, and Philafrica Common Shares.
- Financial services sector increased primarily due to additional funding of the Digital Venture $40M Facility and an investment in Taj Holdings.
- Infrastructure sector decreased primarily due to a rebalancing of the investment portfolio held by Seven Rivers.
- Insurance sector increased primarily due to unrealized gains on Helios Fund IV.
- Retail and distribution sector increased primarily due to an additional investment in Helios Fund IV, unrealized gains on Helios Fund IV and Trone, and a rebalancing of the investment portfolio held by Seven Rivers.

Helios is the sub-advisor of TopCo LP, which is portfolio advisor of the company and provides investment management services, investment advisory services and investment administration services to HFP and its subsidiaries. As of December 31, 2024, the company is exposed to concentration risk as the investments in entities managed by Helios Holdings Group entities represent a significant portion of the company's Portfolio Investments.

In accordance with the company's bylaws, the company will not make a Portfolio Investment if, after giving effect to such investment, the total invested amount of such investment would exceed 20.0% of the company's total assets at the time of the investment, provided, however, that the company is permitted to complete up to two Portfolio Investments where, after giving effect to each such investment, the total invested amount of each such investment would be equal to or no more than 25.0% of the company's total assets (the "Investment Concentration Restriction").

The company intends to make multiple different investments as part of its prudent investment strategy. Portfolio Investments may be financed through equity or debt offerings as part of the company's objective to reduce its cost of capital and provide returns to shareholders. At December 31, 2024 and December 31, 2023, the company determined that it was in compliance with the Investment Concentration Restriction.

Related Party Transactions

Payable to Related Parties

At December 31, 2024, the company's payable to related parties of $846 was comprised of a payable to TopCo LP for investment and advisory fees (December 31, 2023 – $1,096).

Investment Advisory Agreement

The company and its subsidiaries are parties to the Investment Advisory Agreement with TopCo LP. TopCo LP has entered into a sub-investment and advisory agreement with the Manager, pursuant to which the Manager was appointed as TopCo LP's sub-advisor for the purposes of the Investment Advisory Agreement. As compensation for the provision of these services, the company and its subsidiaries pay an investment and advisory fee, and if applicable, a performance fee.

The investment and advisory fees are calculated and payable quarterly as 0.5% of the value of undeployed capital and 1.5% of the company's common shareholders' equity less the value of undeployed capital and the fair value of TopCo LP. In 2024, investment and advisory fees recorded within the consolidated statements of loss and comprehensive loss were $4,055 (2023 – $3,492).

Performance Fee

The performance fee under the Investment Advisory Agreement is accrued quarterly and is calculated, on a cumulative basis, as 20% of any increase in book value per share, excluding investment in and any cash distributions made by TopCo LP ("Adjusted Book Value per Share"), above a 5% per annum increase less any performance fees settled in prior calculation periods. The amount of Adjusted Book Value per Share at any time which must be achieved before any performance fee would be payable is sometimes referred to as the "hurdle per share".

Under the Investment Advisory Agreement, the period from January 1, 2024 to December 31, 2026 (the “second calculation period”) is the second consecutive three-year period for which a performance fee, if applicable, will be payable to TopCo LP. At December 31, 2024 the company determined that a performance fee of $nil should be accrued to TopCo LP (December 31, 2023 – $nil) as the Adjusted Book Value per Share of $2.95 (before factoring in the impact of the performance fee) at December 31, 2024 was less than the hurdle per share at that date of $3.57.

The performance fee, if applicable, will be paid within 30 days after the company issues its annual audited consolidated financial statements for the year ended December 31, 2026. TopCo LP’s general partner may elect, no later than fifteen days from the end of the calculation period (the “election date”), to receive the performance fee, wholly or partly, in cash or in subordinate voting shares of the company. The number of subordinate voting shares to be issued will be calculated based on the volume-weighted average trading price of the company’s subordinate voting shares for the 10 trading days prior to and including the election date.

In 2024 and 2023, a performance fee of $nil was recorded within the consolidated statements of loss and comprehensive loss.

Other Receivables from Related Parties

Other receivables from related parties were $126 at December 31, 2024 (December 31, 2023 – $991). At December 31, 2023, other receivables from related parties was comprised of a distribution receivable from TopCo LP Class B Limited Partnership Interest in connection with Excess Management Fees earned.

Fairfax’s Voting Rights and Equity Interest

At December 31, 2024, Fairfax, through its subsidiaries, owned 30,000,000 multiple voting shares and 7,304,067 subordinate voting shares of HFP (December 31, 2023 – 30,000,000 and 7,304,067 respectively), as well as 3,000,000 HFP Warrants exercisable for one subordinate voting share each, none of which have been exercised.

At December 31, 2024, Fairfax’s holdings of multiple and subordinate voting shares represented 53.3% of the voting rights and 34.5% of the equity interest in HFP (December 31, 2023 – 53.3% and 34.5%).

Principal Holdco’s Voting Rights and Equity Interest

At December 31, 2024 and 2023, Principal Holdco, a Luxembourg holding company indirectly owned by the co-CEOs of the company, owned 25,452,865 multiple voting shares and 24,632,413 subordinate voting shares of HFP. At December 31, 2024, in addition to his ownership through Principal Holdco, one of the co-CEOs also directly owned 4,500 subordinate voting shares (December 31, 2023 – 4,500) and indirectly owned 97,000 subordinate voting shares through a holding company (December 31, 2023 – 97,000).

At December 31, 2024, Principal Holdco’s holdings of multiple and subordinate voting shares represented 45.9% of the voting rights and 46.3% of the equity interest in HFP (December 31, 2023 – 45.9% and 46.3%).

Special Incentive Plan

The company adopted the Special Incentive Plan, pursuant to which options to purchase subordinate voting shares of the company were granted to the SIP Recipients (refer to note 9 (Share-Based Incentive Plans) to the consolidated financial statements for the year ended December 31, 2024). Certain SIP Recipients are key management personnel of the company or employees of the Manager.

Long Term Incentive Plan

The company adopted the Long Term Incentive Plan, pursuant to which restricted share units of the company were granted to the LTIP Recipients (refer to note 9 (Share-Based Incentive Plans) to the consolidated financial statements for the year ended December 31, 2024). Certain LTIP Recipients are key management personnel and directors of the company.

GP and Management Company Loans

In 2024, the company entered into loan facility agreements with Helios CLEAR GP, HDV GP, and HSEG ManCo. These entities serve as the general partners or management companies for Helios CLEAR Fund, HDV, and HSEG, respectively.

To support the initial startup costs of these strategies, the company extended loan facilities totaling $13,200 to the general partners or management companies of these entities pursuant to the loan facility agreements. These loans were unsecured and bore interest at rates based on the 6-month SOFR reference rate plus margins ranging from 5% to 6%, with repayment based on a five-year amortization period and full repayment due by the respective maturity dates.

Loan	Facility	Interest Rate	Maturity Date	Drawdowns Funded	Relationship with HFP
Helios CLEAR GP Loan	$6,500	6-month SOFR + 0.10% + 5% per annum	January 31, 2030	$6,500	Helios CLEAR GP is the general partner of Helios CLEAR Fund. It is a related party due to HFP's co-CEOs jointly owning 100% of Helios CLEAR GP and also holding key management positions within HFP. HFP's co-CEOs' ownership does not entitle them to any economic benefit. HFP has the contractual right to the management fees of CLEAR GP through its investment in TopCo LP Class B Limited Partnership Interest.
HDV GP Loan	$4,700	6-month SOFR + 0.10% + 6% per annum	May 17, 2029	$4,700	HDV GP is the general partner of HDV. It is a related party due to HFP's co-CEOs jointly owning 100% of HDV GP and also holding key management positions within HFP. HFP's co-CEOs' ownership does not entitle them to any economic benefit. HFP will have the contractual right to the management fees of HDV GP through its investment in TopCo LP Class B Limited Partnership Interest.
HSEG ManCo Loan	$2,000	6-month SOFR + 0.10% + 6% per annum	June 21, 2029	$2,000	HSEG ManCo is the investment manager of HSEG. It is a related party due to HFP's co-CEOs jointly owning 100% of HSEG ManCo and also holding key management positions within HFP. HFP's co-CEOs' ownership does not entitle them to any economic benefit. HFP will have the contractual right to the management fees of HSEG ManCo through its investment in TopCo LP Class B Limited Partnership Interest.

During the fourth quarter of 2024, as part of its ongoing strategic and financial considerations, the company made a business decision to forgive the loans extended to these general partners and management companies.

Accordingly, the full principal amounts, along with any accrued and capitalized interest, were derecognized in the fourth quarter of 2024. The loan forgiveness has been recorded as an expense in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2024.

Related Party Investment Transactions

Helios Fund IV

Helios Fund IV is related to HFP by virtue of common key management personnel. During the year ended December 31, 2024, the company funded a capital call of $2,064.

At December 31, 2024, the company had funded aggregate capital calls of $35,511, representing 14.1% (December 31, 2023 – $33,447 and 14.1%) of the limited partnership interest in Helios Fund IV based on committed capital. The exchange amounts of the transactions represented fair value. At December 31, 2024, the company's remaining capital commitment to Helios Fund IV was $14,489 (December 31, 2023 – $16,553), which may be called at any time by Helios Fund IV GP in accordance with the Helios Fund IV LPA (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024).

Taj Holdings

In September 2024, the company invested $16,133 for a 100% equity interest in Taj Holdings. Through Taj Holdings, the company subscribed for 24.0% equity interest in Taj Investment. Taj Investment is a related party of HFP as it is a subsidiary of HFP. Helios Fund IV owns the remaining 76.0% equity interest in Taj Investment. The exchange amount of the transaction represented fair value (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024).

Trone Holdings

On December 14, 2021, the company invested $15,528 for a 22.0% equity interest in Trone Holdings. Trone Holdings is a related party of HFP by virtue of common key management personnel and is an associate of the company. Helios Fund IV, who controls SPV Rayon and the operating businesses of Trone, holds the remaining 78.0% equity interest in Trone Holdings. The exchange amount of the transaction represented fair value on initial recognition (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024).

TopCo LP

TopCo LP is a related party of HFP by virtue of common key management personnel and is an associate of the company. The general partner of TopCo, HFA GP (Guernsey) Limited, is also controlled by the company's co-CEOs. During the year ended December 31, 2023, the company recognized a distribution receivable from its TopCo LP Class B Limited Partnership Interest of $122. There was no distribution receivable recognized during the year ended December 31, 2024.

The company, as the TopCo Class B Limited Partner, made the business decision to have the TopCo LP Class B Limited Partnership Interest absorb certain Helios expenses of $5,109, exceeding the management fees received by the TopCo Limited Partnership, which is included in loss on loan forgiveness and other expenses in the consolidated statements of loss and comprehensive loss.

TopCo LP Management Team Commitment

HFP is committed to contribute $7,500 to TopCo LP in respect of Management Team Commitments for Helios Fund IV. During the year ended December 31, 2024, the company funded a capital call of $310 from TopCo LP for its share of HIP Equity IV Management Team Commitment in Helios Fund IV.

At December 31, 2024, the company's remaining capital commitment to TopCo LP with respect to the Management Team Commitment was $2,173 (refer to note 5 (Portfolio Investments) to the consolidated financial statements for the year ended December 31, 2024).

Digital Ventures Facilities

On May 30, 2022, the company entered into the Digital Ventures $40M Facility with HDV and concurrently, entered into the Digital Ventures $1M Facility with Obashe. Obashe is the sole limited partner of HDV. HDV is related to HFP by virtue of common key management personnel. Obashe is also related to HFP.

During the year ended December 31, 2024, the company funded drawdowns of $11,835 and $153 on the Digital Ventures $40M Facility and Digital Ventures $1M Facility, respectively (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024).

At December 31, 2024, the company's remaining capital commitments to the Digital Ventures $40M Facility and the Digital Ventures $1M Facility were $7,984 and $360, which may be called at any time in accordance with the respective loan facility agreements.

The exchange amount of the transactions represented fair value (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024).

Helios Sports and Entertainment Group

At December 31, 2024, the company had invested $45,000 and has a 100% equity interest in HSEG. HSEG is a related party of HFP as HFP controls HSEG.

In 2023, the company, through HSEG and HSEH, subscribed for 25% equity interest in Zaria for no consideration and made a maximum financial commitment of $12,000 to Zaria. A portion of the financial commitment was fulfilled in the form of the Zaria Loan, which in 2024 was increased by $2,750 to bring the total loan balance to $6,750. The Zaria Loan bears interest at a rate of the 3-month SOFR reference rate plus a margin of 5% per annum, accrued and capitalized quarterly, is unsecured and matures on June 8, 2033 (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024.

Zaria Holdings Limited owns the remaining 75% equity interest in Zaria and is a related party of HFP by virtue of common key management personnel. Zaria is a related party of HFP by virtue of being an associate of HFP.

In 2023, HSEG through its wholly owned subsidiary HSEH, also subscribed to preference shares in TMG. The preference shares accrue a fixed 12% dividend. These shares include a conversion feature for potential equity interest conversion based on achieving a cumulative return target by November 2030.TMG is a related party of HFP as TMG is indirectly controlled by HFP.

In 2024, the company invested an additional $12,950 in HSEG in exchange for 12,949,806 shares. The company also legally transferred its 100% interest in U.S. Holdco, which is the beneficial and registered owner of the equity interest in NBA Africa, to HSEG at a fair value of $39,163. HSEG, in turn, legally transferred the interest in U.S. Holdco, including the equity interest in NBA Africa, to HSEH.

In 2024, HSEG, through its wholly owned subsidiary HSEH, made an investment of $15,000 in PFL Africa, a new regional league of the Professional Fighters League (PFL) (see discussion under header "HSEG Loan Facility" later in this note). PFL Africa is a related party of HFP, as PFL Africa is an indirect associate of HFP.

During the year, TMG entered into an agreement to acquire a significant equity interest in a company within the entertainment industry. As part of the transaction, HSEH provided the seller a deed of guarantee of $5,000 on behalf of TMG, securing the payment of a portion of the purchase consideration for the acquisition. Additionally, HSEH was granted an option to subscribe for shares in TMG in connection with the guarantee.

The exchange amount of the transactions represented fair value (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024).

Helios Seven Rivers Fund

In April 2023, the company seeded this new strategy by contributing a total investment of $30,000 in exchange for a 93.7% equity interest in Seven Rivers. Seven Rivers is a related party of HFP as HFP controls Seven Rivers. The exchange amount of the transaction represented fair value (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024).

As of December 31, 2024, the company's equity interest in Seven Rivers decreased to 90.9%, driven by third party subscriptions.

HSEG Loan Facility

In 2024, the company entered into a loan facility agreement for $12,000 with HSEG (the "HSEG Loan Facility"). The HSEG Loan Facility bears interest at a rate of the 6-month SOFR reference rate plus an adjustment of 0.10% and a margin of 4.275% per annum, accrued and capitalized semi-annually, is unsecured, and matures on the earlier of June 30, 2025, or the completion of a bona fide transaction for raising capital by HSEG where securities are issued and sold to a third party. The loan is to be fully repaid by the maturity date.

Pursuant to the loan agreement, drawdowns of $12,000 were funded in 2024 and the proceeds were used to fund HSEG's investment in PFL Africa.

The exchange amount of the transactions represented fair value (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024).

Indirect equity interest in Nova Pioneer

Nova Pioneer Education Group is a Pan-African independent school network offering preschool through secondary education. Nova Pioneer is wholly owned by Ascendant Learning Limited, a Mauritius-based parent entity. Helios Fairfax Partners Corporation (HFP) holds an indirect equity interest in Nova Pioneer through its investment in Ascendant.

As of December 31, 2024, and December 31, 2023, HFP had invested a total of $38,811, representing a 56.3% equity interest in Ascendant. Nova Pioneer is a related party of HFP by virtue of HFP's indirect control over Nova Pioneer through its equity interest in Ascendant.

During the year ended December 31, 2024, there were no transactions or outstanding balances between HFP and Nova Pioneer.

AGH Loan

In 2024, the company, through its SA Sub, entered into a Sale of Shares and Claims Agreement with AGH and Philafrica, whereby the company committed to selling its 26,000 common shares or 26.0% equity interest in Philafrica to AGH for an aggregate consideration of $4,400, subject to the fulfillment or waiver of certain closing conditions. AGH is a related party of HFP as AGH is indirectly controlled by HFP.

In August 2024, the closing conditions were met, and the transaction was completed. The company sold its 26,000 common shares in Philafrica and received purchase consideration in the form of a loan with a principal balance of $4,400. The loan bears interest at a rate of CME Term SOFR plus 4%, payable on or before August 31, 2024. The AGH Loan was fully settled on December 18, 2024 for a total payment of $4,530.

The exchange amount of the transactions represented fair value (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024).

Philafrica Facility

In 2024, the company entered into a debt purchase agreement to sell all the rights and claims against and debts owing under the Philafrica Facility. The consideration for the Philafrica Facility is the total outstanding balance, including principal and accrued interest, at the time that the consideration is settled. The purchaser of the Philafrica Facility is a company controlled by common key management personnel of AGH. The Philafrica Facility was settled for a total of $9,587 on December 18, 2024.

The exchange amount of the transactions represented fair value (refer to notes 5 (Portfolio Investments) and 6 (Fair Value Measurement) to the consolidated financial statements for the year ended December 31, 2024).

Indirect equity interest in AGH

At December 31, 2023, the company had invested $98,876 in Joseph Holdings (comprised of $88,744 for 74.6% interest in common shares and 73.7% interest in Class A shares of Joseph Holdings, providing a 74.6% voting interest; and $10,132 as a shareholder loan). Through its investment in Joseph Holdings, HFP was the largest beneficial shareholder of AFGRI Holdings, a private holding company based in South Africa that owns 100.0% of AGH, an investment holding company with interests in a number of agricultural and food-related companies.

During 2023 and 2024, the company completed the Tranche 1 Sale and Purchase and the Tranche 2 Sale and Purchase. The exchange amounts of the transactions represented fair value.

As of December 31, 2024, due to the outstanding Tranche 3 Sale Shares, HFP had a 25.6% interest in Joseph Holdings and through this investment held a 16.1% indirect equity interest in AGH. Joseph Holdings is a related party of HFP as Joseph Holdings is an associate of HFP.

Related Party Indemnity

In 2022, the company entered into an agreement with Fairfax in respect of which Fairfax agreed to indemnify the company for all claims and liabilities that may arise from the settlement, in 2021, of the Atlas Mara Zambia Term Deposit Guarantee of $13,495, inclusive of interest.

On December 4, 2023, through Mauritius Sub, the company and Fairfax entered into an Indemnity Agreement, pursuant to which Fairfax agreed to pay up to $8,200 for the Claw Back Clause and indemnify the company for Indemnified Losses incurred as per the Sale and Purchase Agreement dated July 28, 2023. The company has not attributed any value to these assets, as management has assessed the probability of receiving payment due to these clauses being triggered as remote.

Accounting and Disclosure Matters

Management's Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of the company's management, including the company's Co-CEOs and CFO, the company conducted an evaluation of the effectiveness of its disclosure controls and procedures as of December 31, 2024, as required by the Canadian securities legislation. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by the company in the reports it files or submits under securities legislation is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and reported to management, including the company's Co-CEOs and CFO, as appropriate, to allow required disclosures to be made in a timely fashion. Based on their evaluation, the Co-CEOs and CFO have concluded that as of December 31, 2024, the company's disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

The company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined under National Instrument 52-109). The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS Accounting Standards, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The company's management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2024. In making this assessment, the company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework (2013). Based on that assessment, the company's management concluded that our internal control over financial reporting was not effective as of December 31, 2024 as remediation continues on the material weakness identified in the previous year. Aside from the remediation, there were no significant changes to the design and effectiveness of the company's internal control over financial reporting. A material weakness is a control deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement in the annual or interim financial statements will not be prevented or detected on a timely basis.

As of December 31, 2023, the following material weakness was identified and included in Management's assessment:

- The company relies on the controls implemented by its Manager that ensure the accuracy of the inputs and the reasonableness of the assumptions used in its level 3 valuation process. Specifically, the controls implemented by the Manager and relied upon by the company did not include effective review and monitoring to (i) verify the accuracy of valuation model inputs; and (ii) assess the reasonability of valuation assumptions. This control deficiency resulted in a material audit adjustment to reduce the estimated fair value of Portfolio Investments, which also impacted reported net change in unrealized gains (losses) on investments. The adjustment was made prior to issuing the annual audited consolidated financial statements and no restatement is required.

Management is committed to ensuring the remediation efforts designed to ensure the control deficiencies that contributed to the material weakness are remediated, such that these controls are designed, implemented and operating effectively. During 2024, the company in conjunction with its Manager continued to be actively engaged in the implementation of remediation efforts to address the material weakness identified in the fourth quarter of 2023. The following measures have been implemented: (i) enhancing the review process to include peer review, detailed analysis of available information and benchmarking key model assumptions; (ii) simplifying the valuation process and (iii) additional training for staff involved in the process.

The status of the remediation plan was reviewed with the Audit Committee and the Audit Committee was advised that while significant progress had been made, the material weakness continued to exist at December 31, 2024. This material weakness could result in misstatements of the company's financial statement accounts and disclosures that could result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Due to the nature of the remediation process and the need to allow adequate time after implementation to evaluate the design and test the effectiveness of the controls, no assurance can be given as to the timing of remediation.

The material weakness will be fully remediated when, in the opinion of the company's management, the revised control procedures are appropriately designed, and processes have been operating for a sufficient period of time to provide reasonable assurance as to their effectiveness. The remediation and ultimate resolution of the company's material weakness will be reviewed by the Audit Committee of the company's Board of Directors. The company continues to assign the highest priority to remediation efforts and will disclose any further developments in future filings.

Critical Accounting Estimates and Judgments

In the preparation of the company's consolidated financial statements, management has made a number of critical accounting estimates and judgments that affect the reported amounts of assets, liabilities, income and expenses recorded during the period at the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effects on the company's development of critical accounting estimates are further described below.

Determination of Investment Entity Status

The company exercised judgment and concluded that it continues to meet the definition of an investment entity. The company's conclusion was supported by the following key factors: (i) the company's strategic objective of investing and providing investment management services to investors for the purpose of generating returns in the form of long-term capital appreciation remains unchanged; and (ii) the company's most indicative measure of performance continues to be the fair value of its underlying investments.

The company's investment in TopCo LP Class A and Class B Limited Partnership units entitles it to carried interest proceeds and Excess Management Fees (defined later in note 5 (Portfolio Investments) to the consolidated financial statements for the year ended December 31, 2024) respectively from the Helios Funds or Helios Strategies, which are solely driven by the asset management activities of Helios Holdings Group, for which the company does not have any performance obligations. As at December 31, 2024, TopCo LP was formed to allow the company to receive cash flows from its entitlement to carried interest proceeds and Excess Management Fees from the underlying Helios Funds or Helios Strategies as well as returns from contributions to Management Team Commitments (defined later in note 5 (Portfolio Investments) to the consolidated financial statements for the year ended December 31, 2024) in the underlying Helios Funds or Helios Strategies. While the company does not have exit strategies for its TopCo LP Class A and Class B Limited Partnership Interests, the underlying Helios Funds have exit strategies in place for each of their underlying portfolio investments.

As at December 31, 2024, the company has made certain investments and absorbed certain expenses of the Helios Holdings Group to support its broader investment strategy, including investments that contribute to the growth and scalability of TopCo LP. These investments are made with the objective of enhancing the value of the company's overall investment portfolio. While these investments may have varying characteristics, the company continues to evaluate substantially all of its investments on a fair value basis and measure performance through capital appreciation or investment income. Additionally, these investments are made with a clear path to exit, which reinforces their alignment with the characteristics of an investment entity. The company determined that these investments remain consistent with its overall investment purpose and do not alter its fundamental objective of generating returns for investors.

The company's assessment of its investment entity status requires an ongoing assessment of the company's strategic objectives, business activities, and its method of measuring and evaluating its performance. Accordingly, the company's investment entity status may change in future reporting periods based on the facts and circumstances at that time.

The company exercised judgment and concluded that its subsidiary, Seven Rivers, meets the definition of an investment entity and should, therefore, be recognized as a portfolio investment recorded at fair value through profit and loss. The company's conclusion is supported by the following key factors: (i) Seven Rivers has the objective of investing and providing investment management services for the purpose of generating returns from capital appreciation, investment income, or both; and (ii) Seven Rivers measures the value of its underlying investments at fair value through profit and loss and uses fair value to assess the performance of the investments.

The company's assessment that Seven Rivers is an investment entity requires an ongoing assessment of Seven Rivers' strategic objectives, business activities, and method of measuring and evaluating its performance. Accordingly, Seven Rivers' investment entity status may change in future reporting periods based on the facts and circumstances at that time.

Valuation of Private Portfolio Investments

The valuations of Private Portfolio Investments are assessed at the end of each reporting period and requires the company to exercise significant judgment when determining the fair value in the absence of quoted market values, the nature of these investments, and change from the acquisition transaction price, such as the significant variances from budgeted earnings; changes in market conditions; changes to the regulatory environment; movements in interest rates, foreign exchange rates and other market variables; and the passage of time.

Estimates and judgments for the valuation of the company's Private Portfolio Investments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Valuation methodologies include discounted cash flow analyses, earnings multiples, industry accepted discounted cash flow and option pricing models, expected recovery models, net asset value and transaction price. There was added uncertainty related to the economic disruption caused by the ongoing geopolitical conflicts, inflation, and fluctuating interest rates in the company's development of unobservable inputs.

Significant judgments and assumptions were applied such as the timing of future cash flows, exit multiples of invested capital, target exit dates, growth in management fee revenue, probability weighting on future fundraising initiatives, long term profit margins, discount rates, growth rates, market multiples, net asset values, and other inputs. Additional volatility in the fair values of Private Portfolio Investments may arise in future periods if actual results differ materially from the company's estimates.

Income Taxes

The company is subject to income taxes in Canada, the United States, Mauritius and South Africa, and the company's determination of its tax liability or receivable is subject to review by those applicable tax authorities. The company exercised judgment in assessing that unremitted earnings related to its subsidiaries' holdings of Portfolio Investments are not expected to result in taxable amounts as the company has determined it is not probable that those unremitted earnings will be repatriated in the foreseeable future. Where the company's interpretations differ from those of tax authorities or the timing of realization is not as expected, the provision for income taxes may increase or decrease in future periods to reflect actual experience. The company engages external specialist tax personnel who assist the company with its assessment of the income tax consequences of planned transactions and the undertaking of appropriate tax planning.

Realization of deferred income tax assets is dependent upon the generation of taxable income in those jurisdictions where the relevant tax losses and temporary differences exist. Tax legislation of each jurisdiction in which the company operates is interpreted to determine the provision for (recovery of) income taxes and expected timing of the reversal of deferred income tax assets and liabilities. The company exercised judgment that certain carryforwards of unused losses disclosed in note 11 (Income Taxes) to the consolidated financial statements for the year ended December 31, 2024 should not be recognized as an asset as it was considered not probable that those losses could be utilized by the company.

Certain of the company's activities are conducted in the UK. These activities may be subject to corporation tax liability, compliance or reporting obligations in the UK. UK tax legislation was interpreted and the company exercised judgement in concluding that it does not have a UK corporation tax liability or reporting obligations in the UK.

Future Accounting Changes

The following new standards and amendments have been issued by the IASB and were not yet effective for the fiscal year beginning January 1, 2024. The company does not expect to adopt any of them in advance of their respective effective dates.

Amendments to IAS 21 – Lack of Exchangeability

On August 15, 2023, the IASB issued Lack of Exchangeability (*Amendments to IAS 21*) to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025. The company is assessing the impact of this amendment on its consolidated financial statements.

Presentation and Disclosures in Financial Statement (IFRS 18)

On April 9, 2024, the IASB issued a new standard – IFRS 18 *Presentation and Disclosures in Financial Statements* in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. The new standard will be effective for annual reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and so comparative information needs to be prepared under IFRS 18. The company is assessing the impact of the new standard on its interim and annual consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

On May 30, 2024, the IASB issued amendments to the classification and measurement requirements of financial instruments under IFRS 9 and IFRS 7. These amendments clarify the classification of financial assets, including those with environmental, social, and governance (ESG) features, and provide guidance on the derecognition of financial liabilities settled through electronic payment systems. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The company is currently assessing the impact of these amendments on its consolidated financial statements.

Risk Management

Overview

The following risks, among others, should be considered in evaluating the outlook for the company. Additional risks not currently known to the company or that are currently deemed immaterial may become important factors that affect the company's future financial conditions and results of operations. The company, its consolidated subsidiaries, and the Manager monitor these risks on an on-going basis and take actions as needed to mitigate their impact. For additional details about the risks relating to the company, please see Risk Factors in HFP's most recent annual information form, which is available on SEDAR+ at www.sedarplus.ca.

Risks

Geopolitical Risks, Inflation, and Interest Rate Fluctuations

Ongoing geopolitical conflicts and climate impacts around the world have continued to disrupt global supply chains, particularly the energy and food markets. This has led governments to implement monetary and fiscal policies to combat these disruptions and the accompanying high inflation levels. These measures have resulted in a decrease in inflation, causing central banks in major economies to decrease interest rates. Fluctuating interest rates have the potential to impact discount rates used in the Company's valuations of Private Portfolio Investments and could also impact foreign exchange risk as currencies appreciate or depreciate depending on local monetary policy responses. In addition, the recent election of a new President in the United States has resulted in a level of uncertainty in the African region. Any of these developments could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

Tariffs

The announced imposition of tariffs by the United States, retaliatory measures between governments, and the possibility of a prolonged trade war may cause disruption in global trade that affects prices, stock exchanges, exchange rates, and the availability, consumption, and production levels of tariffed goods or services, some or all of which may adversely affect the company's business. A trade war could cause severe disruption to the Canadian and United States economies, impacting markets, gross domestic product growth, foreign exchange rates, inflation, and employment rates. Such disruption could trigger a broader economic slowdown affecting the market value of the company's securities, the company's investment strategy and Portfolio Investments.

Financial Market Fluctuations

The company invests directly and indirectly in private businesses and indirectly in publicly traded businesses. With respect to publicly traded businesses, fluctuations in the market prices of such securities may negatively affect the value of such investments. In addition, general instability in the public debt market and other securities markets may impede the ability of businesses to refinance their debt through selling new securities, thereby limiting the company's investment options with regard to a particular Portfolio Investment.

Financial market and economic conditions may have a negative effect on the valuations of, and the ability of the company to exit or partially divest from, investment positions.

For example, fluctuating interest rates have the potential to impact discount rates used in the company's valuations of Private Portfolio Investments and could also impact foreign exchange risk as currencies appreciate or depreciate depending on local monetary policy responses. A deterioration in business and economic conditions, which may erode consumer and investor confidence levels, and/or increase volatility of financial markets, could also have a material adverse effect on the company's business, financial condition, results of operations, and cash flows. Depending on market conditions, the company may incur substantial realized and unrealized losses in future periods, all of which may materially adversely affect its results of operations and the value of any investment in the company.

Pace of Completing Investments

The company's business is to identify, with the assistance of the Portfolio Advisor, suitable investment opportunities, pursuing such opportunities and consummating such investment opportunities. If the company is unable to source and manage its investments effectively, it would adversely impact the company's financial position and earnings. There can be no assurance as to the pace of finding and implementing investment opportunities.

Conversely, there may only be a limited number of suitable investment opportunities at any given time. This may cause the company, while it deploys cash proceeds not yet invested, to hold significant levels of cash and cash equivalents. A lengthy period prior to which capital is deployed may adversely affect the company's overall performance.

Minority Investments

The company may make minority equity investments in which the company does not participate in the management or otherwise influence the business or affairs of such businesses. The company will monitor the performance of each investment and maintain an ongoing dialogue with each business's management team. However, day-to-day operations will primarily be the responsibility of each businesses' management team and the company may not have the right to influence such operations.

Reliance on Key Personnel and Risks Associated with the Investment Advisory Agreement

The management and governance of the company depends on the services of certain key personnel, including key personnel of the Portfolio Advisor, the Manager, as sub-advisor of the Portfolio Advisor, and certain executive officers of the company. The loss of the services of any key personnel, particularly Tope Lawani and Babatunde Soyoye, could have a material adverse effect on the company and materially adversely affect the company's financial condition and results of operations.

The company relies on the Portfolio Advisor and any of its sub-advisors or consultants, from time to time, including the Manager, with respect to the sourcing and advising, as applicable, with respect to their investments. Consequently, the company's ability to achieve its investment objectives depends in large part on the Portfolio Advisor and the Manager, in its role as sub-advisor, and their respective ability to identify and advise the company on attractive investment opportunities. This means that the company's investments are dependent upon the business contacts of the Portfolio Advisor and the Manager, in its role as sub-advisor, and their respective ability to (i) successfully hire, train, supervise and manage their personnel and (ii) to maintain their operating systems. If the company were to lose the services provided by the Portfolio Advisor, the Manager, in its role as sub-advisor, or their key personnel or if the Portfolio Advisor or the Manager, in its role as sub-advisor, fail to satisfactorily perform the Portfolio Advisor's obligations under the Investment Advisory Agreement, the company's investments and growth prospects may decline.

The company may be unable to duplicate the quality and depth of management from the Portfolio Advisor or the Manager, in its role as sub-advisor, if the company were to source and manage its own investments or if it were to hire another investment advisor. Prospective investors should not purchase any securities of the company unless they are prepared to rely on the Directors, the Sub Directors, each of their respective executive officers and the Portfolio Advisor and any of its sub-advisors (including the Manager). The Investment Advisory Agreement may be terminated in certain circumstances and is only renewable on certain conditions. Accordingly, there can be no assurance that the company will continue to have the benefit of the services of the Portfolio Advisor and the Manager, in its role as sub-advisor, including their respective executive officers, investment professionals and other personnel, that the Portfolio Advisor will continue to be the company's investment advisor, that the Manager will continue to be the Portfolio Advisor's sub-advisor, or that the Portfolio Advisor will continue to provide investment administration services to the company. If the Portfolio Advisor or Manager, in its role as sub-advisor, should cease for whatever reason to be the investment advisor of the company or sub-advisor of the Portfolio Advisor, the cost of obtaining substitute services may be greater than the fees the company will pay the Portfolio Advisor under the Investment Advisory Agreement. Such increased fees may adversely affect the company's ability to meet its objectives and execute its strategy, which could materially and adversely affect the company's cash flows, net earnings and financial condition.

Operating and Financial Risks of Portfolio Investments

Businesses in which the company invests could deteriorate as a result of, among other factors, an adverse development in their business operations, a change in the competitive environment or an economic downturn. As a result, businesses that the company expects to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress. In some cases, the success of the company's investment strategy will depend, in part, on the ability of the company to restructure and effect improvements in the operations of a business in which it has invested. The activity of identifying and implementing restructuring programs and operating improvements at businesses entails a high degree of uncertainty. There can be no assurance that the company will be able to successfully identify and implement such restructuring programs and improvements.

Valuation Methodologies Involve Subjective Judgments

For the purposes of IFRS-compliant financial reporting, the company's financial assets and liabilities will be valued in accordance with IFRS Accounting Standards. Accordingly, the company is required to follow a specific framework for measuring the fair value of its assets and liabilities and, in its audited consolidated financial statements, to provide certain disclosures regarding the use of fair value measurements.

The fair value measurement accounting guidance establishes a hierarchical disclosure framework that ranks the observability of market inputs used in measuring financial instruments at fair value. The observability of inputs depends on a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily quoted prices, or for which fair value can be measured from quoted prices in active markets, generally will have a high degree of market price observability and less judgment applied in determining fair value.

A portion of the company's Portfolio Investments are in the form of securities that are not publicly traded and thus have no readily ascertainable market prices. The fair value of securities and other investments that are not publicly traded may not be readily determinable. The company will value these securities quarterly at fair value as determined in good faith by the company and in accordance with the valuation policies and procedures under IFRS Accounting Standards. The company may utilize the services of an independent valuation firm to aid it in determining the fair value of these securities. The types of factors that may be considered in fair value pricing of the company's investments include the nature and realizable value of any collateral, the portfolio business' ability to make payments and its earnings, the markets in which the Portfolio Investment does business, comparison to publicly traded companies, discounted cash flow and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, such valuations may fluctuate over short periods of time and may be based on estimates. Thus, the company's determinations of fair value may differ materially from the prices that would have been obtained if a ready market for these securities existed. The value of the company's total assets could be materially adversely affected if the company's determinations regarding the fair value of its investments were materially higher than the values that it ultimately realizes upon the disposition of such securities.

The value of the company's investment portfolio may also be affected by changes in accounting standards, policies or practices. From time to time, the company will be required to adopt new or revised accounting standards or guidance. It is possible that future accounting standards that the company is required to adopt could change the valuation of the company's assets and liabilities.

Due to a wide variety of market factors and the nature of certain securities to be held by the company, there is no guarantee that the fair value determined by the company or any third-party valuation agents will represent the value that will be realized by the company on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. Moreover, the valuations to be performed by the company or any third-party valuation agents are inherently different from the valuation of the company's securities that would be performed if the company were forced to liquidate all or a significant portion of its securities, which liquidation valuation could be materially lower.

In addition, the values of the company's investments are subject to significant volatility, including due to a number of factors beyond the company's control. These include actual or anticipated fluctuations in the quarterly and annual results of these companies or companies in their industries, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, changes in industry conditions or government regulations, changes in management or capital structure and significant acquisitions or dispositions. In addition, because the company often holds substantial positions in its investees, the disposition of these securities often is delayed for, or takes place over, long periods of time, which can further expose the company to volatility risk. Even if the company holds an investment that may be difficult to liquidate in a single transaction, the company may not discount the market price of the security sufficiently for purposes of its valuations. If the company realizes value on an investment that is significantly lower than the value at which it was recorded in its balance sheet, the company would recognize investment losses.

Lawsuits

The company manages day-to-day regulatory and legal risk primarily by implementing appropriate policies, procedures and controls. Internal and external legal counsel also work closely with the company to identify and mitigate areas of potential regulatory and legal risk. However, the company may, from time to time, become party to a variety of legal claims and regulatory proceedings in Canada, Africa (including Mauritius) or elsewhere. The existence of such claims against the company or its affiliates, directors or officers could have various adverse effects, including the incurrence of significant legal expenses defending such claims, even those claims without merit. Any lawsuit or regulatory action brought against the company that results in a finding of substantial legal liability could materially adversely affect the company from a financial operational and liquidity perspective and could result in significant reputational damage. The company depends to a large extent on its business relationships and reputation to attract and pursue investment opportunities. Allegations of improper conduct coupled with negative publicity and press speculation may harm the company's reputation. The pervasiveness of social media and the Internet could also lead to faster and wider dissemination of any adverse publicity or inaccurate information about the company and thereby magnify the reputational risks associated with negative publicity.

Cybersecurity and Technology

The company is highly dependent on information and technology systems to support its business. These systems may be vulnerable to cyber-attacks, usage errors, power outages and catastrophic events such as fires and natural disasters. The increased use of mobile devices, as well as enabling employees to securely access the company's network remotely, may also heighten these risks. In addition, the increased prevalence of artificial intelligence tools may also increase the risk of cyberattacks or data breaches such as coordinated attacks to the company's technology infrastructure.

Cyber-attacks such as infiltration by unauthorized actors, cyber-terrorism and security breaches could result in the failure of these systems resulting in the loss of data and business interruptions, financial losses and possible violations of applicable privacy and other laws. This may result in regulatory investigations and heightened regulatory scrutiny. There can be no assurance that measures taken by the company to ensure the integrity of its systems and to safeguard against system failures or security breaches will provide adequate protection against evolving security risks. A compromise in these systems could go undetected for a significant period of time.

Any prolonged failure of the company's systems could result in a business disruption, financial loss; a loss of business opportunities; misappropriation or unauthorized release of confidential information; violations of laws, litigation, regulatory penalties or remediation and restoration costs; as well as increased costs to maintain the company's systems. This could have a material adverse effect on the financial condition and results of operations and result in reputational damage.

The company has established business continuity plans and risk management processes to address these cybersecurity risks. However, there are inherent limitations, including the possibility that certain risks have not been identified or are appropriately mitigated. The company cannot control the cybersecurity plans and systems put in place by third party providers or any third party whose operations impact the company. Although the company has insurance, it may not wholly reimburse the company for all losses.

Reliance on Third Parties

The company relies on services provided by third parties such as accounting systems and cloud-based services. This reliance results in third-party risks that may expose the company to service disruptions that may lead to regulatory actions, financial loss, litigation or reputational damage. There can be no assurances that the third parties on whom the company relies will be able to anticipate, detect or implement effective preventative measures against increasingly sophisticated cyber threats. A cyber incident or any disruption to these services could have a material adverse effect on the company's ability to operate. The company's business continuity and disaster recovery programs may not be sufficient to mitigate the risk and impact of these disruptions.

The company has developed robust third-party risk management policies and governance processes designed to ensure that appropriate due diligence is conducted at the time of vendor contracting and provide oversight for onboarding new vendors and existing third-party relationships. These policies and processes are designed to ensure that ongoing third-party monitoring is in place to ensure fulfillment of contracted services, compliance with regulatory expectations and the development of effective responses to events caused by third-party failures.

Use of Leverage

The company may rely on the use of leverage when making its investments. As such, the ability to achieve attractive rates of return on such investments will significantly depend on the company's continued ability to access sources of debt financing on attractive terms. An increase in either market interest rates or in the risk spreads demanded by lenders would make it more expensive for the company to finance its investments and, in turn, would reduce net returns therein. Increases in interest rates could also make it more difficult for the company to locate and consummate investments because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher price due to a lower overall cost of capital. Availability of capital from debt capital markets is subject to significant volatility and the company may not be able to access those markets on attractive terms, or at all, when completing an investment. Any of the foregoing circumstances could have a material adverse effect on the financial condition and results of operations of the company.

Foreign Currency Fluctuation

All of the company's Portfolio Investments have been and will be made in Africa and in African businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, Africa or in Permitted Investments, and the financial position and results for these investments are expected to be principally denominated in currencies other than the United States dollar (other than Permitted Investments). The company's functional and reporting currency is the United States dollar. Changes in the fair value of such Portfolio Investments will be translated at average rates of exchange in effect during the applicable reporting period. Assets and liabilities will be translated at the exchange rates in effect at the balance sheet date. As a result, the company's consolidated financial position is subject to foreign currency fluctuation risk, which could materially adversely impact its operating results and cash flows. In addition, a significant depreciation in the value of the currency utilized in one or more countries where the company has a significant presence may have a material adverse effect on the results of the company's operations and financial position. Although the company may enter into currency hedging arrangements in respect of its foreign currency cash flows, there can be no assurance that the company will do so or, if they do, that the full amount of the foreign currency exposure will be hedged at any time.

Investments May Be Made in Foreign Private Businesses Where Information Is Unreliable or Unavailable

In pursuing the company's investment strategy, the company may seek to make one or more investments in privately-held businesses (ex., the privately held Portfolio Investments) as disclosed in note 5 (Portfolio Investments) to the consolidated financial statements for the year ended December 31, 2024. As minimal public information exists about private businesses, the company could be required to make investment decisions on whether to pursue a potential investment in a private business on the basis of limited information, which may result in an investment in a business that is not as profitable as the company initially suspected, if at all.

Investments in private African businesses pose certain incremental risks as compared to investments in public businesses, including that they:

- have reduced access to the capital markets, resulting in diminished capital resources and ability to withstand financial distress;
- may have limited financial resources and may be unable to meet their obligations under any debt securities that the company may hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the company realizing any guarantees that it may have obtained in connection with its investment;

- may have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on a Portfolio Investment and, as a result, the company; and
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position.

Significant Ownership by Fairfax and Principal Holdco May Adversely Affect the Market Price of the Subordinate Voting Shares

As of March 28, 2025, Fairfax and its affiliates hold a 53.3% and 34.5% voting and equity interest, respectively, in the company through ownership of 30,000,000 issued and outstanding multiple voting shares and 7,304,067 subordinate voting shares. Fairfax and its affiliates also own 3,000,000 warrants exercisable for one subordinate voting share each.

As of March 28, 2025, Principal Holdco and its affiliates hold a 45.9% and 46.3% voting and equity interest, respectively, in the company through ownership of 25,452,865 issued and outstanding multiple voting shares and 24,632,413 subordinate voting shares.

For so long as Fairfax and Principal Holdco, respectively, either directly or through one or more subsidiaries and affiliates, maintain a significant voting interest in the company, Fairfax, and Principal Holdco, as applicable, will have the ability to exercise substantial influence with respect to the company's affairs and significantly affect the outcome of shareholder votes, and may have the ability to prevent certain fundamental transactions.

Accordingly, the subordinate voting shares may be less liquid and trade at a relative discount compared to such subordinate voting shares in circumstances where Fairfax and Principal Holdco did not have the ability to significantly influence or determine matters affecting the company. Additionally, Fairfax's and Principal Holdco's respective significant voting interests in the company may discourage transactions involving a change of control of the company, including transactions in which an investor, as a holder of subordinate voting shares, might otherwise receive a premium for its subordinate voting shares over the then-current market price.

Emerging Markets

The company's investment objective is to achieve long term capital appreciation, while preserving capital, by investing in Portfolio Investments. Foreign investment risk is particularly high given that the company invests in securities of issuers based in or doing business in emerging market countries.

The economies of emerging market countries have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of emerging market countries may also be predominantly based on only a few industries or dependent on revenues from particular commodities. In addition, custodial services and other investment-related costs may be more expensive in emerging markets than in many developed markets, which could reduce the company's income from securities or debt instruments of emerging market country issuers.

Certain African countries still have some form of exchange control regulation that can lead to additional costs, delays and/or restrictions/requirements on the repatriation of profits for the company. There is a heightened possibility of imposition of withholding taxes on interest or dividend income generated from emerging market securities. In this regard, certain African countries seek to impose tax on the sale of shares of companies that are resident in their jurisdiction. Furthermore, there are legislative developments in certain jurisdictions aimed to allow for tax in the event of an indirect disposal or change of control. It is also possible that certain African revenue authorities will apply a withholding tax in breach of the relevant tax treaty and the company may be unable to reclaim this undue tax in the form of a tax credit. Governments of emerging market countries may engage in confiscatory taxation or expropriation of income and/or assets to raise revenues or to pursue a domestic political agenda. In the past, emerging market countries have nationalized assets, companies and even entire sectors, including the assets of foreign investors, with inadequate or no compensation to the prior owners. Certain governments in African countries may also restrict or control the ability of foreign investors to invest in securities by varying degrees. These restrictions and controls may limit or preclude foreign investment, require governmental approval, special licenses, impose certain costs and expenses, and/or limit the amount of foreign investment, or limit such investment to certain classes of securities that may be less advantageous than the classes available for purchase by domestic investors. There can be no assurance that the company will not suffer a loss of any or all of its investments or, interest or dividends thereon, due to adverse fiscal or other policy changes in emerging market countries.

Governments of many emerging market countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In some cases, the government owns or controls many companies, including some of the largest in the country. Crime, corruption and fraud in certain African countries, as well as ties between government, agencies or officials and the private sector, have resulted, and could in the future result, in preferential treatment for local competitors, inefficient resource allocation, arbitrary decisions and other practices or policies. Accordingly, government actions could have a significant effect on economic conditions in an emerging country and on market conditions, prices and yields of securities in the company's portfolio.

Recent changes to and cancellations of certain United States global aid programs may have an impact on the overall African economy as certain African countries that receive aid from these programs may see some disruption. While the company does not expect any direct impacts as a result of changes to and cancellations of these global aid programs, there may be an indirect impact on valuations, fundraising, and the company's ability to execute on its strategies as a result of the potential impact on the overall African economy.

Bankruptcy law and creditor reorganization processes in the African countries in which the company may invest may differ substantially from those in Canada and the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain emerging market countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain. In addition, it may be impossible to seek legal redress against an issuer that is a sovereign state.

Also, because publicly traded debt instruments of emerging market issuers represent a relatively recent innovation in the world debt markets, there is little historical data or related market experience concerning the attributes of such instruments under all economic, market and political conditions.

Other heightened risks associated with emerging markets investments include without limitation: (i) risks due to less social, political and economic stability, including the risk of war, terrorism, nationalization, limitations on the removal of funds or other assets, or diplomatic developments that affect investments in these countries; (ii) the smaller size of the market for such securities and a lower volume of trading, resulting in a lack of liquidity and in price volatility; (iii) certain national policies and other factors which may restrict the company's investment opportunities, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests and requirements that government approval be obtained prior to investment by foreign persons; (iv) certain national policies that may restrict the company's repatriation of investment income, capital or the proceeds of sales of securities, including temporary restrictions on foreign capital remittances and shortages of foreign currency; (v) the lack of uniform accounting and auditing standards and/or standards that may be significantly different from the standards required in Canada; (vi) less publicly available financial and other information regarding issuers; (vii) potential difficulties in enforcing contractual obligations; (viii) higher rates of inflation, higher interest rates and other economic concerns; and (ix) less development and/or obsolescence in banking systems and practices, postal systems, communications and information technology and transportation networks. The company may invest to a substantial extent in emerging market securities that are denominated in currencies other than the United States dollar, subjecting the company to a greater degree of foreign currency risk. Also, investing in emerging market countries may entail purchases of securities of issuers that are insolvent, bankrupt or otherwise of questionable ability to satisfy their payment obligations as they become due, subjecting the company to a greater amount of credit risk and/or high yield risk. Additionally, the demand for securities of the company may be more volatile due to general market volatility in demand for investments in emerging markets.

As reflected in the above discussion, investments in emerging market securities involve a greater degree of risk than, and special risks in addition to the risks associated with, investments in domestic securities or in securities of foreign developed countries.

South African Black Economic Empowerment

As a company that has invested, and may seek to complete further investment, in South Africa, the entities in which the Company may invest could be required to comply with the South African government's policy and legal framework relating to black economic empowerment in respect of any South African investments. Black economic empowerment is governed generally by the Broad-Based Black Economic Empowerment Act of 2003 and the Codes of Good Practice, promulgated under that Act. Following South Africa's national elections which resulted in a government of national unity, the government's black economic empowerment policies may be refined to ensure greater equity and inclusivity, with the aim of rooting out corruption. However, there are currently no formal proposed amendments to the governing legislation. The relevant South African entities may be required to comply with local procurement, employment equity, ownership and other regulations which are designated to address social and economic transformation issues, redress social and economic inequalities and ensure socio-economic stability from time to time. Where applicable, compliance with the said legislation and policies, including the need to meet minimum equity ownership targets depending on the sector of the proposed investment, may result in the dilution of the Company's indirect interest in its South African investments whilst non-compliance with the said legislation and policies may result in financial penalties, the loss of key customer contacts with state owned entities and parastatals or the suspension or revocation of any underlying licenses that the relevant entity requires in order to conduct its business which, in either case, could have an adverse effect on the Company's business, financial condition and results of operations.

South Africa's Grey-listing

The Financial Action Task Force ("FATF"), of which South Africa is a member, has placed South Africa on its 'grey list' effective from 24 February 2023. This means that South Africa is subject to increased monitoring by the FATF and is required to actively work on addressing identified deficiencies in its national legislation and regulations to counter money laundering, terrorist financing and proliferation financing. Further, this means that South Africa is considered as a money laundering, terrorist financing and proliferation financing high-risk country, subjecting South Africa and South African entities to enhanced scrutiny from their international counterparties and to an increased administrative burden in the context of international transactions. South Africa continues to implement measures to achieve its political commitment to strengthen the effectiveness of its anti/counter money laundering, terrorist financing and proliferation financing regime and has already developed a plan of action to be taken off the grey list as quickly as possible. At this stage, the FATF confirmed that South Africa has largely or fully addressed 20 of the 22 action items in its action plan, leaving two outstanding items to be addressed for the last scheduled reporting cycle, which will be concluded in June 2025.

Economic Risk

The economies of certain African countries have grown rapidly during the past several years and there is no assurance that this growth rate will be maintained. Certain countries in Africa may experience substantial (and, in some cases, extremely high) rates of inflation or economic recessions causing a negative effect on such economies. Certain countries in Africa may also impose restrictions on the exchange or export of currency, institute adverse currency exchange rates or experience a lack of available currency hedging instruments. Any of these events could have a material adverse effect on their respective economies.

Climate Change, Natural Disaster, and Weather Risks

The ongoing changes to the physical climate and the occurrence of natural disasters, including fires, droughts, severe weather, insect infestations, explosions and pandemic diseases, could adversely affect returns from Portfolio Investments and, in turn, the company, as certain Portfolio Investments are operating in industries exposed to climate change risk. The revenue of these portfolio companies may be adversely affected during a period of severe weather conditions in Africa. Because weather and other climate events are by their nature unpredictable, historical results of operations of certain Portfolio Investments may not be indicative of its future results of operations. Climate change may also increase the frequency and severity of severe weather conditions that are difficult to predict. As a result of the occurrence of one or more major weather catastrophes in any given period, the expected returns from Portfolio Investments impacted by such risks may fall short of the company's expectations.

Taxation Risks

The company structures its business according to prevailing taxation law and practice in Canada, Mauritius, South Africa, and the United States. Any change in tax policy, tax legislation (including in relation to taxation rates), the interpretation of tax policy or legislation or practice could adversely affect the company's return earned on investments and on the capital available to be invested. Further, taxes and other constraints that would apply to the company and its consolidated subsidiaries in such jurisdictions may not apply to other parties, and such parties may therefore have a significantly lower effective cost of capital and a corresponding competitive advantage in pursuing investments. A number of other factors may increase the effective tax rates, which would have a negative impact on net earnings. These include, but are not limited to, changes in the valuation of our deferred tax assets and liabilities, and any reassessment of taxes by a taxation authority. The company engages external specialist tax personnel who assist the company with its assessment of the income tax consequences of planned transactions and the undertaking of appropriate tax planning. Tax legislation of each jurisdiction in which the company operates is interpreted to determine income taxes and expected timing of the reversal of deferred income tax assets and liabilities.

Tax Laws in Mauritius and South Africa

The South African National Treasury continues to weigh its decision to reduce the corporate tax rate, limit the use of trade tax losses and the availability of incentives with the need to stimulate growth in the economy. It is possible that SA Sub and its investments in South Africa could become subject to material changes in tax law, or it may become subject to a higher effective rate of taxation, where deductions/incentives are further limited or removed, which could have a materially adverse effect on its business, financial position and results of operations in South Africa. This process is ongoing, certain changes have already been implemented and others continue to be considered, by way of example, rules have been introduced, which are effective from 1 January 2024, applicable to fiscal years beginning on or after that date, in line with OECD proposals (most commonly known as Pillar II).

With regard to the recommendations that have been adopted, the corporate income tax rate has been lowered to 27 per cent for companies with years of assessment ending on or after March 31, 2023. The reduction of the corporate income tax rate has been implemented alongside a broadening of the corporate income tax base by limiting interest deductions and assessed losses, and reducing the availability of tax incentives.

Section 23M of the Income Tax Act has been amended to broaden the application of the interest limitation rules. The revised section 23M has come into effect for taxpayers with years of assessments ending on or after March 31, 2023. Similarly, the offset of the balance of assessed losses carried forward to the greater of R1 million or 80% of taxable income has come into effect for taxpayers with years of assessments ending on or after March 31, 2023.

Changes in Law

The Republic of Mauritius or South African legal framework under which Mauritius Sub and SA Sub, respectively, invest in Africa may undergo changes in the future, which could impose additional costs or burdens on the company's operations. Future changes to Mauritian or South African law, or the relevant tax treaties, or the interpretations given to them by regulatory or tax authorities, could impose additional costs or obligations on Mauritius Sub's and SA Sub's activities in Mauritius or South Africa. Significant adverse tax consequences could result if Mauritius Sub or SA Sub do not qualify for benefits under the relevant tax treaties. There can be no assurance that Mauritius Sub or SA Sub will continue to qualify for or receive the benefits of the relevant tax treaties or that the terms of the relevant tax treaties will not be modified. It is possible that provisions of the relevant tax treaties will be overridden by local legislation in a way that materially adversely affects the company, Mauritius Sub and SA Sub. Further, there can be no assurance that changes in the law or government policies of Mauritius or South Africa that may limit or eliminate a non-Mauritian or non-South African investor's ability to make investments into other countries in Africa via Mauritius or South Africa will not occur.

Canada

On June 19, 2024, the Global Minimum Tax Act ("GMTA"), which introduces a 15% global minimum tax in Canada, was substantively enacted for accounting purposes. The company has performed an assessment and concluded that, based on the company's current group structure and consolidated revenue, it is not expected to be subject to the global minimum tax rules for the year ended December 31, 2024. On May 28, 2024, Bill C-59, which contained tax measures limiting the deductibility of interest and financing expenses for Canadian tax purposes, was substantively enacted. The company has performed an assessment and concluded that the application of these rules will not have a material impact on the deductibility of interest and financing expenses by the company for the year ended December 31, 2024. No assurance can be given that the applicable tax laws or the interpretation thereof will not change or that new taxes will not be implemented which would adversely affect the company.

United Kingdom

Certain members of the company's Board and senior management team are based in the United Kingdom ("UK"), from where they conduct some of their duties for the company. The company has undertaken a detailed review in respect of any UK corporate tax exposure created from such activities and concluded that company does not consider that it should be treated as UK corporate tax resident on the basis that its central management and control is exercised from outside of the UK. Similarly, the company does not consider it should have a taxable Permanent Establishment in the UK as a result of its activities not amounting to a trade conducted in the UK. In addition, the company does not have an interest in any tax-transparent vehicle which carries out a trade in the UK. As such, the company does not have any UK corporation tax obligations. However, the company will continue to monitor the risk in the future if the level or type of UK activity changes.

MLI

It is possible that changes in applicable tax treaties in connection with BEPS could result in a loss of benefits or taxation that is not currently anticipated. Under a mandate given by G20 nations to address global tax avoidance, in 2015, the OECD developed 15 action plans aimed at tackling BEPS strategies. Action Plan 15 of the BEPS project envisaged a multilateral instrument ("MLI") for modifying the global DTA network in a timely and synchronized manner. South Africa, Mauritius and Canada (along with 97 other jurisdictions as of February 28, 2022) are signatories to the MLI, and deposited their instruments of ratification with the OECD in 2019 or later. The MLI entered into force for Mauritius on February 1, 2020. South Africa deposited its instrument of ratification with the OECD in 2022. The MLI entered into force for South Africa on January 1, 2023.

Trading Price of Subordinate Voting Shares Relative to Book Value per Share

The company is neither a mutual fund nor an investment fund, and due to the nature of its business and investment strategy, and the composition of its investment portfolio, the market price of the subordinate voting shares, at any time, may vary significantly from its book value per share. This risk is separate and distinct from the risk that the market price of the subordinate voting shares may decrease.

Other

Quarterly Data (unaudited)

US$ thousands, except per share amounts

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
2024					
Income (loss)	749	(11,392)	8,357	(17,938)	(20,224)
Expenses	4,544	4,344	4,071	27,625	40,584
Provision for (recovery of) income taxes	886	795	250	(3,949)	(2,018)
Net earnings (loss)	(4,681)	(16,531)	4,036	(41,614)	(58,790)
Net earnings (loss) per share (basic and diluted)	$ (0.04)	$ (0.15)	$ 0.04	$ (0.38)	$ (0.54)
2023					
Income (loss)	11,447	5,092	3,147	(65,609)	(45,923)
Expenses	4,995	4,261	4,467	5,294	19,017
Provision for (recovery of) income taxes	(586)	(3,157)	494	9,996	6,747
Net earnings (loss)	7,038	3,988	(1,814)	(80,899)	(71,687)
Net earnings (loss) per basic	$ 0.07	$ 0.04	$ (0.02)	$ (0.75)	$ (0.66)
Net earnings (loss) per diluted share	$ 0.06	$ 0.04	$ (0.02)	$ (0.75)	$ (0.67)

Income (loss) is primarily comprised of net gains (losses) on investments, net foreign exchange gains (losses), interest and dividends. Net loss in the fourth quarter of 2024 was primarily due to net losses on investments and net foreign exchange losses, the timing of which are not predictable, general and administration expenses, and a loss on loan forgiveness and other expenses, partially offset by interest and dividend income.

The losses on investments were primarily from unrealized losses related to TopCo LP Class A Limited Partnership Interest. These losses were driven by a combination of reduced expectations of the value to be realized from various investments and expected delays in the timing of certain exits. Also contributing to the loss on investments in the fourth quarter was unrealized losses related to TopCo LP Class B Limited Partnership Interest, primarily due to an increase in the discount rate driven by rising interest rate as well as lower forecasted management fees.

Individual quarterly results have been (and may in the future be) affected by increased expenses impacted by the change in fair value of the company's Portfolio Investments which may result in higher performance fees, if applicable, and investment and advisory fees.

Stock Prices and Share Information

At March 28, 2025 the company had 52,726,262 subordinate voting shares and 55,452,865 multiple voting shares outstanding (an aggregate of 108,179,127 common shares effectively outstanding). Each subordinate voting share carries one vote per share at all meetings of shareholders except for separate meetings of holders of another class of shares. The company's subordinate voting shares trade on the TSX under the symbol HFPC.U. Each multiple voting share carries fifty votes per share at all meetings of shareholders except for separate meetings of holders of another class of shares. Fairfax and Principal Holdco, through their respective subsidiaries and affiliates, own all the issued and outstanding multiple voting shares, which are not publicly traded.

Compliance with Corporate Governance Rules

HFP is a Canadian reporting issuer with securities listed on the TSX and trading in U.S. dollars under the symbol HFPC.U. It has in place corporate governance practices that comply with all applicable rules and substantially comply with all applicable guidelines and policies of the Canadian Securities Administrators and the practices set out therein.

The company's Board of Directors has adopted a set of Corporate Governance Guidelines (which include a written mandate of the Board), established an Audit Committee and Governance, Compensation and Nominating Committee, approved written charters for all of its committees, approved a Code of Business Conduct and Ethics applicable to all directors, officers and employees of the company and established, in conjunction with the Audit Committee, a Whistleblower Policy. The company continues to monitor developments in the area of corporate governance as well as its own procedures.

Glossary of Non-GAAP and Other Financial Measures

Management analyzes and assesses the financial position of the consolidated company in various ways. Certain of the measures included in the MD&A do not have a prescribed meaning under IFRS Accounting Standards and may not be comparable to similar measures presented by other companies.

Supplementary Financial Measures

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. Those amounts are presented in the consolidated balance sheets and note 8 (Common Shareholders' Equity under the heading Common Stock) respectively within the consolidated financial statements for the year ended December 31, 2024.

Non-GAAP Financial Measures

Adjusted book value per share – This measure adjusts common shareholders' equity in the book value per share calculation to remove the fair value of TopCo LP Class A and B Limited Partnership Interests and any undeployed cash received in respect of TopCo LP distributions at the end of the current reporting period as presented in note 5 (Portfolio Investments) within the consolidated financial statements for the year ended December 31, 2024. This measure is also closely monitored as it is used to calculate the performance fee, if any, to TopCo LP for the benefit of the Manager.

Cash used in operating activities excluding net disposals (purchases) of investments, receipt of Excess Management Fees, and receipt of carried interest – provides a measure of the cash generated by (used in) the company's head office operations, primarily comprised of cash inflows (outflows) from interest and dividend income, interest expense, investment and advisory fees, current income taxes, and general and administration expenses, and excludes the impact of purchases and sales of investments, receipt of Excess Management Fees, and receipt of carried interest.

Compound annual growth (decline) rate – The company uses the compound annual growth (decline) rate to measure performance of certain of the above-noted metrics over a specified period of time. Compound annual growth (decline) rate is calculated using the formula: (ending value / beginning value) ^ (1 / number of years) – 1.

Unrealized carried interest – provides a measure of the amount of carried interest that would be allocatable to TopCo LP if all the portfolio investments in the respective Helios Funds were to be exited at their fair values at the reporting date.

Management's Responsibility for the Consolidated Financial Statements

The preparation and presentation of the accompanying consolidated financial statements, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and all financial information are the responsibility of management and have been approved by the Board of Directors (the "Board").

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Financial statements, by nature, are not precise since they include certain amounts based upon estimates and judgments. When alternative methods exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management maintains appropriate systems of internal controls. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records properly maintained to provide reliable information for the preparation of the consolidated financial statements.

We, as HFP's Co-Chief Executive Officers and Chief Financial Officer, have certified HFP's annual disclosure documents filed with the Canadian Securities Administrators in accordance with Canadian securities legislation.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements and MD&A. The Board carries out this responsibility principally through its Audit Committee which is independent from management.

As more fully described in the accompanying MD&A, based on management's assessment of the company's Internal Control over Financial Reporting ("ICFR") using the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework (2013), it was concluded that effective processes and controls over the completeness and accuracy of inputs and the reasonableness of assumptions used in the level 3 valuation process was not maintained. This was determined to be a material weakness and could result in misstatements of the company's financial statement accounts and disclosures that could result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

The Audit Committee is appointed by the Board and reviews the consolidated financial statements and MD&A; considers the report of the independent auditor; assesses the adequacy of the internal controls of the company; examines the fees and expenses for audit services; and recommends to the Board the independent auditor for appointment by the shareholders. The independent auditor has full access to the Audit Committee and meet with it to discuss their audit work, HFP's internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board for consideration when approving the consolidated financial statements and MD&A for issuance to the shareholders.

March 28, 2025

Tope Lawani
Co-Chief Executive Officer

Babatunde Soyoye
Co-Chief Executive Officer

Belinda Blades
Chief Financial Officer

Independent auditor's report

To the Shareholders of Helios Fairfax Partners Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Helios Fairfax Partners Corporation and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2024 and 2023;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Valuation of Certain Portfolio Investments

Refer to note 3 – Material Accounting Policies, note 4 – Critical Accounting Estimates and Judgments, note 5 – Portfolio Investments, and note 6 – Fair Value Measurement to the consolidated financial statements. (All numbers are in thousands).

The Company held $394,949 of financial instruments categorized as Portfolio Investments measured at fair value as at December 31, 2024. This included limited partnership investments in TopCo LP Class A Limited Partnership Interest (TopCo A) and TopCo LP Class B Limited Partnership Interest (TopCo B) and a common share investment in Helios Sports and Entertainment Group Ltd. (HSEG). The valuation of these financial instruments required management to exercise significant judgment when determining the fair value in the absence of quoted market values.

TopCo A and TopCo B are entitled to carried interest proceeds and excess management fees, respectively, from current and future Helios Funds and Helios Strategies. TopCo A was valued by management using a discounted cash flow model. Significant unobservable inputs included discount rates, target exit dates and exit multiples of invested capital. TopCo B was valued by management using a discounted cash flow model. Significant unobservable inputs included the discount rate, growth in management fee revenue, long term pre-tax profit margin and long term growth rate. HSEG was valued by management using a risk adjusted offer price model. The significant unobservable input included the deal risk discount rate.

We considered this a key audit matter due to (i) the significance of TopCo A, TopCo B and HSEG and (ii) the significant judgment required by management in determining the fair value estimates of these Portfolio Investments including the significant unobservable inputs related to a) TopCo A, including the discount rate, target exit dates and exit multiples of invested capital; b) TopCo B, including the discount rate, growth in management fee revenue, long term pre-tax profit margin and long term growth rate; and c) the deal risk discount rate for HSEG. This has resulted in a high degree of auditor subjectivity, judgment and effort in performing procedures relating to the valuation of these Portfolio Investments. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.

How our audit addressed the key audit matter

Our approach to addressing the matter included the following procedures, among others:

- Tested how management determined the fair values of certain Portfolio Investments, which included the following:
  - For TopCo A:
    - With the assistance of professionals with specialized skill and knowledge in the field of valuation, assessed the appropriateness of the discounted cash flow model, and the reasonableness of a discount rate used in the model.
    - Evaluated the reasonableness of certain target exit dates and certain exit multiples of invested capital, by considering, as applicable:
      - current and past performance of funds managed by Helios Holdings Limited or any of its affiliates and certain underlying investments held by these funds;
      - past holding periods for these funds and certain underlying investments held by these funds; and
      - relevant external market and industry data, including peer data.

      For a sample of the underlying investments, professionals with specialized skill and knowledge in the field of valuation also assisted us in our assessment of the exit multiples of invested capital.
    - Tested certain underlying data used in the discounted cash flow model.
    - Tested the mathematical accuracy of the discounted cash flow model.
  - For TopCo B:
    - With the assistance of professionals with specialized skill and knowledge in the field of valuation, assessed the appropriateness of the discounted cash flow model and the reasonableness of the discount rate, long term pre-tax profit margin and long term growth rate used in the model.
    - Evaluated the reasonableness of growth in management fee revenue, by considering, as applicable:

Key audit matter	How our audit addressed the key audit matter
	• current and past performance of the underlying funds and strategies managed by Helios Holdings Limited or any of its affiliates and the overall historical growth in management fee revenue; and • relevant external market and industry data, including peer data. • Tested certain underlying data used in the discounted cash flow model. • Tested the mathematical accuracy of the discounted cash flow model. • For HSEG: • With the assistance of professionals with specialized skill and knowledge in the field of valuation, assessed the appropriateness of the risk adjusted offer price model and the reasonableness of the deal risk discount rate used in the model. • Tested certain underlying data used in the risk adjusted offer price model. • Tested the mathematical accuracy of the risk adjusted offer price model. • Evaluated the disclosures made in the consolidated financial statements, including the sensitivity analysis related to significant unobservable inputs used in the discounted cash flow models and the risk adjusted offer price model.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Catriona Read.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 28, 2025

Consolidated Financial Statements

Consolidated Balance Sheets
as at December 31, 2024 and December 31, 2023
(US$ thousands)

	Notes	December 31, 2024	December 31, 2023
Assets			
Cash and cash equivalents	6, 19	**38,320**	95,913
Portfolio Investments	5, 6, 13	**394,949**	386,002
Total cash and investments		**433,269**	481,915
Interest receivable		**762**	412
Income taxes refundable	11	**437**	2,874
Other receivables from related parties	13	**126**	991
Other assets	15	**1,347**	1,167
Property and equipment	14	**1,176**	974
Total assets		**437,117**	488,333
Liabilities			
Accounts payable and accrued liabilities		**6,594**	1,601
Payable to related parties	13	**846**	1,096
Lease liability	14	**471**	548
Deferred income taxes	11	**13,265**	10,492
Total liabilities		**21,176**	13,737
Equity			
Common shareholders' equity	8	**415,941**	474,596
		437,117	488,333

See accompanying notes.

Signed on behalf of the Board

Director

Director

Consolidated Statements of Loss and Comprehensive Loss
for the years ended December 31, 2024 and 2023
(US$ thousands except per share amounts)

	Notes	2024	2023
Income			
Interest and dividends	6	**9,245**	12,036
Net losses on investments	6	**(29,164)**	(53,143)
Net foreign exchange gains (losses)	6	**(305)**	(4,816)
		(20,224)	(45,923)
Expenses			
Investment and advisory fees	13	**4,055**	3,492
Transaction costs		**1,725**	–
General and administration expenses	13, 16	**10,585**	12,153
Loss on loan forgiveness and other expenses	6, 13	**21,979**	–
Interest expense	7	**1,799**	3,372
Loss on uncollectible accounts receivable	15	**441**	–
		40,584	19,017
Loss before income taxes		**(60,808)**	(64,940)
Provision for (recovery of) income taxes	11	**(2,018)**	6,747
Net loss and comprehensive loss		**(58,790)**	(71,687)
Net loss per share	10	**$ (0.54)**	$ (0.66)
Shares outstanding (weighted average)	10	**108,152,501**	108,258,852

See accompanying notes.

Consolidated Statements of Changes in Equity

for the years ended December 31, 2024 and 2023
(US$ thousands)

	Subordinate voting shares	Multiple voting shares	Share-based payments, net	Warrants	Contributed surplus	Retained earnings (deficit)	Common share-holders' equity
Balance as of January 1, 2024	**252,535**	**260,354**	**8,342**	**5,557**	**385,609**	**(437,801)**	**474,596**
Net loss	**–**	**–**	**–**	**–**	**–**	**(58,790)**	**(58,790)**
Issuances (note 8)	**355**	**–**	**(355)**	**–**	**–**	**–**	**—**
Purchases for cancellation (note 8)	**(789)**	**–**	**–**	**–**	**–**	**530**	**(259)**
Amortization of share-based payments (note 8)	**–**	**–**	**394**	**–**	**–**	**–**	**394**
Balance as of December 31, 2024	**252,101**	**260,354**	**8,381**	**5,557**	**385,609**	**(496,061)**	**415,941**
Balance as of January 1, 2023	432,963	439,904	8,375	5,557	24,515	(367,007)	544,307
Net loss	–	–	–	–	–	(71,687)	(71,687)
Issuances (note 8)	473	–	–	–	–	–	473
Reduction of stated capital (note 8)	(179,550)	(179,550)	–	–	359,100	–	–
Purchases for cancellation (note 8)	(1,351)	–	–	–	–	893	(458)
Amortization of share-based payments (note 8)	–	–	(33)	–	–	–	(33)
Tax benefit on equity transactions (note 11)	–	–	–	–	1,994	–	1,994
Balance as of December 31, 2023	252,535	260,354	8,342	5,557	385,609	(437,801)	474,596

See accompanying notes.

Consolidated Statements of Cash Flows
for the years ended December 31, 2024 and 2023
(US$ thousands)

	Notes	2024	2023
Operating activities			
Net loss		**(58,790)**	(71,687)
Items not affecting cash and cash equivalents:			
Net bond and loan discount		**–**	54
Capitalized interest on loans and bonds	5	**(3,304)**	(4,713)
Loss on loan forgiveness and other expenses	12	**21,979**	–
Loss on uncollectible accounts receivable	15	**441**	–
Deferred income taxes	11	**2,773**	2,434
Share-based compensation expense	9	**394**	439
Depreciation of property and equipment	14	**142**	16
Net losses on investments	6	**29,164**	53,143
Net foreign exchange losses	6	**305**	4,816
Purchases of investments	5, 19	**(55,445)**	(50,184)
Disposals of investments	5, 19	**16,272**	62,748
Receipt of Excess Management Fees	5, 19	**991**	409
Receipt of carried interest	5, 19	**–**	363
Changes in operating assets and liabilities:			
GP and management company loans	13	**(16,870)**	–
Interest receivable		**(350)**	(2)
Accounts payable and accrued liabilities		**4,993**	1,385
Other receivables from related parties		**(126)**	41
Income taxes refundable		**2,437**	(1,179)
Payable to related parties		**(250)**	293
Other		**(660)**	2,106
Cash provided (used) by operating activities		**(55,904)**	482
Investing activities			
Property and equipment	14	**(344)**	(427)
Cash used in investing activities		**(344)**	(427)
Financing activities			
Repayment of borrowings	7	**–**	(28,400)
Principal elements of lease payments		**(38)**	–
Subordinate voting shares – purchases for cancellation	8	**(259)**	(458)
Cash used in financing activities		**(297)**	(28,858)
Decrease in cash and cash equivalents		**(56,545)**	(28,803)
Cash and cash equivalents – beginning of year		**95,913**	125,241
Foreign currency translation		**(1,048)**	(525)
Cash and cash equivalents – end of year	19	**38,320**	95,913

See accompanying notes.

Index to Notes to Consolidated Financial Statements

1. Business Operations

Helios Fairfax Partners Corporation ("the company" or "HFP") 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 in Africa and African businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, Africa ("Portfolio Investments").

Fairfax Financial Holdings Limited ("Fairfax") and HFP Investments Holdings SARL ("Principal Holdco") are the company's ultimate controlling parties. Refer to note 13 for details on voting rights and equity interest in the company.

HFA Topco, L.P. ("TopCo LP" or the "Portfolio Advisor") is the portfolio advisor of the company and, through its sub-advisor, Helios Investment Partners LLP ("Helios" or the "Manager"), provides investment management services, investment advisory services and investment administration services to the company. The company makes its investments either directly or through one of its wholly-owned subsidiaries, which include a South Africa-based subsidiary HFP South Africa Investments Proprietary Limited ("SA Sub") and a Mauritius-based subsidiary HFP Investments Limited ("Mauritius Sub").

The company is federally incorporated and is domiciled in Ontario, Canada. The principal office of the company is located at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 1301, Toronto, ON, M5J 2J2.

2. Basis of Presentation

The company's consolidated financial statements for the year ended December 31, 2024 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). At December 31, 2024, the company has determined that it continues to meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements ("IFRS 10") as its strategic objective of investing in Portfolio Investments and providing investment management services to investors for the purpose of generating returns in the form of long-term capital appreciation, investment income, or both, remains unchanged. As a result, HFP's investments in subsidiaries are measured at fair value through profit (loss) ("FVTPL") rather than through consolidation (other than those subsidiaries that provide services to the company).

The company has determined that SA Sub and Mauritius Sub are not investment entities. Their main purpose and activities are providing investment related services to the company and should therefore continue to be consolidated. All intercompany balances, profits and transactions with consolidated subsidiaries are fully eliminated.

The company accounts for its investment in its subsidiaries other than SA Sub and Mauritius Sub at FVTPL rather than by consolidation. These subsidiaries include Helios Seven Rivers Fund Ltd., Helios Sports and Entertainment Group Ltd., Helios Sports and Entertainment Group Holdings Ltd., Taj Holdings, and The Malachite Group.

The company accounts for its investments in associates at FVTPL rather than under the equity method of accounting. These associates include Zaria Group Limited, PFL Africa (PYT) Limited, Trone Holdings, Joseph Investment Holdings, and TopCo LP.

These consolidated financial statements were approved for issue by the company's Board of Directors on March 26, 2025.

3. Material Accounting Policies

The material accounting policies applied to the preparation of these consolidated financial statements and the methods of computation have been consistently applied to all periods presented unless otherwise stated and are as set out below.

Determination of investment entity status

An entity that meets the IFRS 10 Consolidated Financial Statements ("IFRS 10") definition of an investment entity is required to measure its investments in subsidiaries (other than those subsidiaries that provide services related to the investment entity's investment activities) at FVTPL rather than consolidate them.

An investment entity is an entity that obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. An investment entity may provide investment-related services, either directly or through a subsidiary, to third parties as well as to its investors, even if those activities are substantial to the entity, subject to the entity continuing to meet the definition of an investment entity. The company continues to meet the definition of an investment entity, as its strategic objective of investing in Portfolio Investments and providing investment management services to investors for the purpose of generating returns in the form of long-term capital appreciation, remains unchanged. The company has determined that SA Sub and Mauritius Sub continue to provide investment related services to the company and should continue to be consolidated. The company's determination of its investment entity status was a critical accounting judgment and is discussed further in note 4.

Foreign currency translation

The consolidated financial statements are presented in U.S. dollars which is the functional currency of the company and its consolidated subsidiaries as it is the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at period end exchange rates. Non-monetary assets and liabilities denominated in foreign currencies are translated at historical rates. Income and expenses are translated at the average rate of exchange for the period. Net foreign exchange gains (losses), including those resulting from the settlement of such transactions are recognized in the consolidated statements of loss and comprehensive loss.

Total cash and investments

Recognition and initial measurement – The company recognizes purchases and sales of investments on the trade date, which is the date on which the company commits to purchase or sell the asset. Transactions pending settlement are reflected on the consolidated balance sheet in other receivables from related parties, other assets, accounts payable and accrued liabilities, and payable to related parties. The company measures cash and investments at fair value upon initial recognition.

Classification – Portfolio Investments (comprised of limited partnership interests, loans, bonds, and common stocks) are classified at FVTPL. The company manages these investments on a fair value basis, using fair value information to assess investment performance and to make investment decisions.

Subsequent measurement – Subsequent to initial recognition, investments classified at FVTPL are measured at fair value with changes in fair value reported in the consolidated statements of loss and comprehensive loss as income, comprised of interest and dividends, and net gains (losses) on investments, as described below:

Interest and dividends

Interest represents interest income on cash and cash equivalents, loans, GP and management company loans, and bonds and is comprised of capitalized interest, where applicable, and accrued interest based on the debt instruments' respective terms. Interest receivable is shown separately on the consolidated balance sheets based on the debt instruments' stated rates of interest.

Dividends represent dividends received on common and preferred stock holdings and are recognized when the company's right to receive payment is established.

Net gains (losses) on investments

Where a financial instrument continues to be held by the company at the end of a reporting period, changes in the fair value of that instrument during the reporting period, excluding those changes reported as interest and dividends, are presented in net gains (losses) on investments. Gains and losses resulting from changes in the fair value of financial instruments are reflected in the net gain (loss) on investment in the consolidated statements of earnings (loss) and comprehensive earnings (loss) in the period they occur.

Derecognition – An investment is derecognized when substantially all the rights to receive cash flows from the investment have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Transaction costs – Costs incurred relating to the acquisition of investments that are classified at FVTPL are expensed as incurred in the consolidated statements of loss and comprehensive loss.

Fair value

Fair value is the price that would either be received to sell an asset or be paid to transfer a liability in an orderly transaction (i.e., an exit price) between market participants at the measurement date. In an active market, fair value is best evidenced by an independent quoted market price. In the absence of an active market, fair value is determined by valuation techniques that make maximum use of inputs observed from markets. The company's financial assets and their determination of fair value is as follows:

a. **Cash and cash equivalents** – Cash and cash equivalents consist of cash on hand, demand deposits with banks and other short term highly liquid investments with maturities of three months or less when purchased, and exclude cash that is restricted. The carrying value of cash and cash equivalents approximates fair value.

b. **Portfolio Investments**

   i. *Common shares* – The fair values of the company's investments in publicly traded common shares are determined using the bid prices of those investments (without adjustments or discounts) and the company's investments in privately held common shares are determined using industry accepted valuation techniques and models, or net asset values. Market observable inputs are used where possible, with unobservable inputs used where necessary.

   ii. *Limited partnership interests* – The fair values of the company's investments in limited partnership interests are determined using industry accepted valuation techniques and models or net asset values, adjusted where applicable. Market observable inputs are used where possible, with unobservable inputs used where necessary. Distributions are recognized as a reduction in the fair value of the investment when the company's right to receive payment is established.

   iii. *Loans and bonds* – Loans and bonds are lending arrangements related to African businesses. The fair values are determined using industry accepted valuation techniques and models. Market observable inputs are used where possible, with unobservable inputs used where necessary. The carrying value of loans and bonds excludes the debt instrument's accrued interest receivable at the stated rate of interest.

Fair value hierarchy

Fair values for substantially all of the company's investments are measured using market or income approaches. The fair values of investments are based on bid prices for financial assets and ask prices for financial liabilities. The company categorizes its fair value measurements using a three-level hierarchy in accordance with IFRS Accounting Standards ("fair value hierarchy") as described below:

Level 1 – Inputs represent unadjusted quoted prices for identical instruments exchanged in active markets.

Level 2 – Inputs include directly or indirectly observable inputs (other than Level 1 inputs) such as quoted prices for similar financial instruments exchanged in active markets, quoted prices for identical or similar financial instruments exchanged in inactive markets and other market observable inputs.

Level 3 – Inputs include unobservable inputs used in the measurement of financial instruments. Management is required to use its own assumptions regarding unobservable inputs as there is little, if any, market activity in these instruments or related observable inputs that can be corroborated at the measurement date. The fair values of the company's privately held investments ("Private Portfolio Investments") are based on discounted cash flow analyses, market multiples, expected recovery and industry accepted discounted cash flow and option pricing models which utilize inputs that are not market observable such as discount rates, target exit timings and multiples of invested capital, growth in management fee revenue, probability weighting on future fundraising initiatives, long term pre-tax profit margins, long term growth rates, expected recovery rates, historical share price volatilities, share prices, credit spreads, market multiples, and net asset values.

Transfers between fair value hierarchy categories are considered effective from the beginning of the reporting period in which the transfer is identified.

GP and management company loans

The GP and management company loans are loan facilities extended to the general partners and management companies of new Helios Strategies to support the initial startup costs of these strategies. The GP and management company loans are recognized initially at fair value and are subsequently measured at amortized cost. The company assesses on a forward-looking basis the expected credit losses associated with these loans. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. For the GP and management company loans with a credit risk that has significantly increased since initial recognition, the company records a loss allowance based on the lifetime expected credit losses. Significant financial difficulties of the counterparty and default in payments are considered indicators that the credit risk associated with a loan balance may have changed since initial recognition.

Related party transactions

Related party transactions include those between the company and shareholders with control or significant influence, the company's subsidiaries and associates, and entities under common control. The company also considers key management personnel and the Board of Directors to be related parties.

To the extent that the exchange amount of a transaction with a related party in their capacity as a shareholder does not represent the fair value on initial recognition, the difference between fair value and the exchange amount, representing the unrealized gain (loss) on initial recognition, is recorded in common shareholders' equity.

Performance fees

Performance fees are estimated and accrued at the end of each reporting period within the calculation period and expensed as incurred. An estimate is also made for the number of shares to be issued, if any, on settlement for the purposes of the calculation of diluted earnings per share based on the volume-weighted average trading price of the company's subordinate voting shares for the 10 trading days prior to and including the last day of the reporting period. The amount of the performance fee payable and the subordinate voting shares to be issued which are determined at the end of each calculation period, if any, may differ when performance fee is settled in accordance with the terms.

Income taxes

The provision for income taxes for the period comprises current and deferred income taxes. Income taxes are recognized in the consolidated statements of loss and comprehensive loss, except to the extent that they relate to items recognized directly in equity. In those cases, the related taxes are also recognized directly in equity.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Current tax refers to the expected tax payable or receivable on taxable income or loss for the year, including any adjustments for prior years' tax payable or receivable. It represents the best estimate of the amount expected to be paid or received, taking into account any uncertainties related to income taxes. Additionally, current tax encompasses any taxes arising from dividends.

Deferred income tax is calculated under the liability method whereby deferred income tax assets and liabilities are recognized for temporary differences between the financial statements carrying amounts of assets and liabilities and their respective income tax bases at current substantively enacted tax rates. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Carry forwards of unused losses or unused tax credits are tax effected and recognized as deferred tax assets when it is probable that future taxable profits will be available against which these losses or tax credits can be utilized.

A deferred income tax liability has not been recognized on unremitted earnings from the company's subsidiaries' holdings of Portfolio Investments where the company has determined it is not probable that those unremitted earnings will be repatriated in the foreseeable future.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and there is a legally enforceable right of offset.

Borrowings

Borrowings are initially recognized at fair value, net of incremental and directly attributable transaction costs, and subsequently measured at amortized cost. Interest expense on borrowings is recognized in the consolidated statements of loss and comprehensive loss using the effective interest method. Borrowings are derecognized when extinguished, with any gain or loss on extinguishment recognized in interest expense in the consolidated statements of loss and comprehensive loss. Debt issuance costs are amortized over the term of the related debt agreement into interest expense using the effective interest rate method.

Equity

Common stock issued by the company is classified as equity when there is no contractual obligation to transfer cash or other financial assets to the holder of the shares. Common stock issued in a private placement is valued based on the fair value of consideration received provided it can be reliably measured and readily determined. Incremental costs directly attributable to the issue or purchase for cancellation of equity instruments are recognized in equity, net of tax.

Dividends and other distributions to holders of the company's equity instruments are recognized directly in equity.

Warrants

Warrants issued by the company are classified as equity when there is no contractual obligation to transfer cash or other financial assets to the holder of the warrants, or if the warrants will or may be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments. Warrants are measured at fair value at inception and are not subsequently remeasured.

Share-based compensation

The company applies the fair value method of accounting for share-based compensation. The company has made certain share-based awards to its directors, employees and members, partners, consultants or employees of the Manager with vesting periods of up to five years from the date of grant, including a special incentive plan (the "Special Incentive Plan" or "SIP") and a long-term incentive plan (the "Long-Term Incentive Plan" or "LTIP").

Pursuant to the Special Incentive Plan, options to purchase subordinate voting shares of the company were granted to the SIP Recipients. Options issued under the Special Incentive Plan vest immediately on grant date. The fair values at grant date of options are estimated using an industry accepted option pricing model.

The Long-Term Incentive Plan allows the company's Board of Directors or the Governance, Compensation and Nominating Committee to grant long-term incentives to certain recipients, including directors, officers and employees of the company and its affiliates, certain consultants and service providers, and employees and members of the Manager or an affiliate thereof that provides services to the Portfolio Advisor or any related entity of the Portfolio Advisor for the benefit of the company. Awards granted under the LTIP may consist of options, restricted shares, stock appreciation rights, restricted share units, deferred share units or performance share units.

Compensation costs relating to the share-based and option awards are recognized as salaries and employee benefit expenses and are included in general and administration expenses in the consolidated statements of loss and comprehensive loss based on the expected vesting period of the share-based compensation.

Net earnings (loss) per share

Basic net earnings (loss) per share is calculated by dividing the net earnings (loss) by the weighted average number of subordinate and multiple voting shares issued and outstanding during the period.

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of subordinate and multiple voting shares outstanding during the period for the dilutive effect, if any, of the potentially issuable subordinate voting shares relating to share option awards and warrants, and the contingently issuable subordinate voting shares relating to the performance fee payable to TopCo LP for the benefit of the Manager that would have been outstanding during the period had all potential subordinate voting shares been issued at the beginning of the period.

Leases

Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use, with the exception of leases of low-value assets and leases with a term of 12 months or less, which are recognized on a straight-line basis as an expense. Each lease payment is allocated between the repayment of the lease liability and finance cost. The finance cost is charged to the consolidated statements of loss and comprehensive loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the lease liability. The lease liability at the initial date of the lease represents the net present value of the lease payments, less any lease incentive receivable, including any exercise price of a purchase option if it is reasonably certain of being exercised, discounted by using the interest rate implicit in the lease or, if this cannot be readily determined, the incremental borrowing rate of the company at the date of the lease. The interest calculated on the lease liability is expensed as interest expense. The right-of-use asset is equal to the lease liability plus any prepayments, less any lease incentive received, initial restoration costs and any direct costs incurred. The right-of-use asset is depreciated on a straight-line basis over the term of the lease. Right-of-use assets are included within Property and equipment in the consolidated balance sheets. Liabilities arising from a lease are included within Lease liability in the consolidated balance sheets.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and any net accumulated impairment losses. Cost includes expenditures that are directly attributable to the asset acquisition or are directly attributable to making the asset available for its intended use.

Depreciation is calculated on a straight-line basis, after taking into account residual values, over the following expected useful lives of the assets:

Construction in progress	Not depreciated
Leasehold improvements	Shorter of the estimated useful life and the lease term
Machinery and equipment	3 to 10 years
Furniture and fixtures	5 to 10 years

When parts of an item of property and equipment have different useful lives, those components are accounted for as separate items of property and equipment.

New accounting pronouncements adopted in 2024

On January 1, 2024, the company adopted the following amendments which did not have a significant impact on the company's consolidated financial statements: *Classification of Liabilities as Current or Non-current (Amendments to IAS 1), Non-current Liabilities with Covenants (Amendments to IAS 1), Lease Liability in a Sale and Leaseback (Amendments to IFRS 16), and Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).*

New accounting pronouncements issued but not yet effective

The following new standards and amendments have been issued by the IASB and were not yet effective for the fiscal year beginning January 1, 2024. The company does not expect to adopt any of them in advance of their respective effective dates.

Amendments to IAS 21 – Lack of Exchangeability

On August 15, 2023, the IASB issued Lack of Exchangeability (*Amendments to IAS 21*) to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025. The company is assessing the impact of this amendment on its consolidated financial statements.

Presentation and Disclosures in Financial Statement (IFRS 18)

On April 9, 2024, the IASB issued a new standard – IFRS 18 *Presentation and Disclosures in Financial Statements* in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. The new standard will be effective for annual reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and so comparative information needs to be prepared under IFRS 18. The company is assessing the impact of the new standard on its interim and annual consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

On May 30, 2024, the IASB issued amendments to the classification and measurement requirements of financial instruments under IFRS 9 and IFRS 7. These amendments clarify the classification of financial assets, including those with environmental, social, and governance (ESG) features, and provide guidance on the derecognition of financial liabilities settled through electronic payment systems. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The company is currently assessing the impact of these amendments on its consolidated financial statements.

4. Critical Accounting Estimates and Judgments

In the preparation of the company's consolidated financial statements, management has made a number of critical accounting estimates and judgments that affect the reported amounts of assets, liabilities, income and expenses recorded during the period at the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effects on the company's development of critical accounting estimates are further described below.

Determination of investment entity status

The company exercised judgment and concluded that it continues to meet the definition of an investment entity. The company's conclusion was supported by the following key factors: (i) the company's strategic objective of investing and providing investment management services to investors for the purpose of generating returns in the form of long-term capital appreciation remains unchanged; and (ii) the company's most indicative measure of performance continues to be the fair value of its underlying investments.

The company's investment in TopCo LP Class A and Class B Limited Partnership units entitles it to carried interest proceeds and Excess Management Fees (defined later in note 5) respectively from current and future funds managed by Helios Holdings Limited ("HHL", together with one or more of its affiliates, as the context requires, the "Helios Holdings Group") or any of its affiliates (the "Helios Funds" or "Helios Strategies"), which are solely driven by the asset management activities of Helios Holdings Group, for which the company does not have any performance obligations. As at December 31, 2024, TopCo LP was formed to allow the company to receive cash flows from its entitlement to carried interest proceeds and Excess Management Fees from the underlying Helios Funds or Helios Strategies as well as returns from contributions to Management Team Commitments (defined later in note 5) in the underlying Helios Funds or Helios Strategies. While the company does not have exit strategies for its TopCo LP Class A and Class B Limited Partnership Interests, the underlying Helios Funds have exit strategies in place for each of their underlying portfolio investments.

As at December 31, 2024, the company has made certain investments and absorbed certain expenses of the Helios Holdings Group to support its broader investment strategy, including investments that contribute to the growth and scalability of TopCo LP. These investments are made with the objective of enhancing the value of the company's overall investment portfolio. While these investments may have varying characteristics, the company continues to evaluate substantially all of its investments on a fair value basis and measure performance through capital appreciation or investment income. Additionally, these investments are made with a clear path to exit, which reinforces their alignment with the characteristics of an investment entity. The company determined that these investments remain consistent with its overall investment purpose and do not alter its fundamental objective of generating returns for investors.

The company's assessment of its investment entity status requires an ongoing assessment of the company's strategic objectives, business activities, and its method of measuring and evaluating its performance. Accordingly, the company's investment entity status may change in future reporting periods based on the facts and circumstances at that time.

The company exercised judgment and concluded that its subsidiary, Helios Seven Rivers Fund Ltd. ("Seven Rivers"), meets the definition of an investment entity and should, therefore, be recognized as a portfolio investment recorded at fair value through profit and loss. The company's conclusion is supported by the following key factors: (i) Seven Rivers has the objective of investing and providing investment management services for the purpose of generating returns from capital appreciation, investment income, or both; and (ii) Seven Rivers measures the value of its underlying investments at fair value through profit and loss and uses fair value to assess the performance of the investments.

The company's assessment that Seven Rivers is an investment entity requires an ongoing assessment of Seven Rivers' strategic objectives, business activities, and method of measuring and evaluating its performance. Accordingly, Seven Rivers' investment entity status may change in future reporting periods based on the facts and circumstances at that time.

Valuation of Private Portfolio Investments

The valuations of Private Portfolio Investments are assessed at the end of each reporting period and requires the company to exercise significant judgment when determining the fair value in the absence of quoted market values, the nature of these investments, and change from the acquisition transaction price, such as the significant variances from budgeted earnings; changes in market conditions; changes to the regulatory environment; movements in interest rates, foreign exchange rates and other market variables; and the passage of time.

Estimates and judgments for the valuation of the company's Private Portfolio Investments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Valuation methodologies include discounted cash flow analyses, earnings multiples, industry accepted discounted cash flow and option pricing models, expected recovery models, net asset value and transaction price. There was added uncertainty related to the economic disruption caused by geopolitical conflicts and inflation and fluctuating interest rates in the company's development of unobservable inputs. Significant judgments and assumptions were applied such as the timing of future cash flows, exit multiples of invested capital, target exit dates, growth in management fee revenue, probability weighting on future fundraising initiatives, long term profit margins, discount rates, growth rates, market multiples, net asset values, and other inputs. Additional volatility in the fair values of Private Portfolio Investments may arise in future periods if actual results differ materially from the company's estimates.

Income taxes

The company is subject to income taxes in Canada, the United States, Mauritius and South Africa, and the company's determination of its tax liability or receivable is subject to review by those applicable tax authorities. The company exercised judgment in assessing that unremitted earnings related to its subsidiaries' holdings of Portfolio Investments are not expected to result in taxable amounts as the company has determined it is not probable that those unremitted earnings will be repatriated in the foreseeable future. Where the company's interpretations differ from those of tax authorities or the timing of realization is not as expected, the provision for income taxes may increase or decrease in future periods to reflect actual experience. The company engages external specialist tax personnel who assist the company with its assessment of the income tax consequences of planned transactions and the undertaking of appropriate tax planning.

Realization of deferred income tax assets is dependent upon the generation of taxable income in those jurisdictions where the relevant tax losses and temporary differences exist. Tax legislation of each jurisdiction in which the company operates is interpreted to determine the provision for (recovery of) income taxes and expected timing of the reversal of deferred income tax assets and liabilities. The company exercised judgment that certain carryforwards of unused losses disclosed in note 11 should not be recognized as an asset as it was considered not probable that those losses could be utilized by the company.

Certain of the company's activities are conducted in the UK. These activities may be subject to corporation tax liability, compliance or reporting obligations in the UK. UK tax legislation was interpreted and the company exercised judgement in concluding that it does not have a UK corporation tax liability or reporting obligations in the UK.

5. Portfolio Investments

Summary of the Company's Portfolio Investments

The table below provides a summary of the company's Portfolio Investments:

	Fair Value as at December 31, 2024	Fair Value as at December 31, 2023
Private Portfolio Investments		
Limited partnership interests		
TopCo LP Class A Limited Partnership Interest	20,560	55,815
TopCo LP Class B Limited Partnership Interest	75,835	99,942
TopCo LP Limited Partnership Interest	96,395	155,757
Helios Fund IV Limited Partnership Interest	64,436	51,996
Taj Holdings Limited Partnership Interest	16,133	–
Other Limited Partnership Interest	80,569	51,996
Total Limited Partnership Interest	176,964	207,753
Common shares		
Trone Common Shares	20,569	18,652
NBA Africa Common Shares	39,726	39,182
HSEG Common Shares	56,300	31,625
Seven Rivers Common Shares	36,231	34,827
Indirect Equity Interest in Nova Pioneer	16,496	17,000
Indirect Equity Interest in AGH	26	2,400
Philafrica Common Shares	–	4,400
Total Common Shares	169,348	148,086
Loans		
HSEG Loan Facility	12,474	–
Digital Ventures $40M Facility	35,459	21,508
Digital Ventures $1M Facility	704	518
Philafrica Facility	–	8,137
Total Loans	48,637	30,163
Total Portfolio Investments	394,949	386,002

Private Portfolio Investments

The company's Private Portfolio Investments are as follows:

Limited Partnership Investments

TopCo LP

At December 31, 2024 and December 31, 2023, HFP held all of the issued and outstanding Class A and Class B Limited Partnership Interests of TopCo LP, a limited partnership established under the laws of Guernsey and controlled by its general partner, HFA GP (Guernsey) Limited, an affiliate of Helios Holdings Limited ("HHL"). HFA GP (Guernsey) Limited is jointly owned by the co-CEOs of the company.

HFP is entitled to receive carried interest proceeds received by TopCo LP, through its ownership of TopCo LP Class A Limited Partnership Interest, when relevant amounts become available for distribution. The company may be subject to clawback obligations with respect to its TopCo LP Class A Limited Partnership Interest to the extent it has received carried interest proceeds and a clawback is required. At December 31, 2024 and December 31, 2023, the company was not subject to any clawback obligations with respect to its TopCo LP Class A Limited Partnership Interest.

TopCo LP also entered into contractual arrangements with certain Helios Holdings Group entities, pursuant to which the Helios Holdings Group entities entitled to receive management fees assigned on an irrevocable equitable basis their respective rights to receive all management fees to TopCo LP. TopCo LP agreed to pay all expenses incurred, to the extent of management fee revenue available, in order to receive the management fees ("Excess Management Fees"). HFP's ownership of TopCo LP Class B Limited Partnership Interest entitles HFP to receive Excess Management Fees after a six-month holding period by TopCo LP.

TopCo LP is a limited partner of HIP Equity IV, L.P. ("HIP Equity IV"). HFP is committed to contribute $7,500 to TopCo LP in respect of Management Team Commitments for Helios Fund IV. HFP is also committed to contribute its pro rata share, being 50% of Management Team Commitments that are required to be made in respect of the Helios CLEAR Fund. In addition, HFP is committed to contribute its pro rata share, being 50% of the lesser of $15,000 or 2% of the aggregate commitments that are required to be made in respect of any fund or investment vehicle in which HFP earns carried interest. Contributions in excess of this limit require consultation in good faith with the company and with Fairfax. This commitment is funded from capital contributed via HFP's TopCo LP Class A Limited Partnership Interest. HFP's Management Team Commitment is not subject to management fees and carried interest.

At December 31, 2024, HFP's net capital contribution to TopCo LP in respect of Management Team Commitments represents an indirect equity interest of 2% in Helios Fund IV (December 31, 2023 – 2%).

At December 31, 2024, the company had funded aggregate capital calls of $5,327 (December 31, 2023 – $5,017) from TopCo LP for its share of HIP Equity IV Management Team Commitment in Helios Fund IV. At December 31, 2024, the company's remaining capital commitment to TopCo LP with respect to the Helios Fund IV Management Team Commitment was $2,173 (December 31, 2023 – $2,483).

At December 31, 2024, the fair value of the company's investment in TopCo LP Limited Partnership Interests was $96,395 (December 31, 2023 – $155,757), comprised of the fair value of its TopCo LP Class A Limited Partnership Interest of $20,560 (December 31, 2023 – $55,815), which includes the fair value of TopCo LP's interest in the Management Team Commitment for Helios Fund IV, and the fair value of its TopCo LP Class B Limited Partnership Interest of $75,835 (December 31, 2023 – $99,942).

The decrease in fair value of TopCo LP Class A Limited Partnership Interest from the December 31, 2023 fair value of $55,815 was driven by a combination of reduced expectations of the value to be realized from various investments (in particular, a public financial services company, a private company specializing in the transportation, storage, and processing of liquefied natural gas (LNG), and a public upstream oil and gas company within Helios Fund III's portfolio) and expected delays in the timing of certain exits (relating to Helios Fund III investments in the oil and gas, financial services and electronic payment sectors, resulting in the expected carried interest from Fund III to decrease to nil).

The decrease in fair value of TopCo LP Class A Limited Partnership Interest from the September 30, 2024 fair value of $44,809 was driven by a combination of reduced expectations of the value to be realized from various investments (in particular, a public financial services company and a private company specializing in the transportation, storage, and processing of liquefied natural gas (LNG) within Helios Fund III's portfolio) and expected delays in the timing of certain exits (relating to Helios Fund III investments in the oil and gas, financial services and electronic payment sectors, resulting in the expected carried interest from Fund III to decrease to nil).

The valuation of TopCo LP Class A Limited Partnership Interest is particularly sensitive to the expected value and timing of exits when the overall fund returns are close to the 8% preferred investor return, as is the case for Helios Fund II and Helios Fund III.

The decrease in fair value of TopCo LP Class B Limited Partnership Interest from the December 31, 2023 fair value of $99,942 was primarily driven by a reduction in the forecasted management fee revenue from a strategy focused on energy infrastructure in Africa, as well as an increase in the discount rate driven by rising interest rates. The lower forecasted management fees resulted from a strategic shift in focus due to unfavorable market conditions driven by macro factors and geopolitical events. The overall decline in the forecasted management fee revenue was partially offset by increased forecasted management fee revenue due to the successful first close of fundraising for one of the new Helios Strategies which increased the probability weighting associated with this strategy. Additionally, the company, as the TopCo Class B Limited Partner, made the business decision to have the TopCo LP Class B Limited Partnership Interest absorb certain Helios expenses of $5,109, exceeding the management fees received by the TopCo Limited Partnership, which is included in loss on loan forgiveness and other expenses in the consolidated statements of loss and comprehensive loss.

The decrease in fair value of TopCo LP Class B Limited Partnership Interest from the September 30, 2024 fair value of $87,295 was due primarily to an increase in the discount rate driven by rising interest rates. Additionally, the company, as the TopCo Class B Limited Partner, made the business decision to have the TopCo LP Class B Limited Partnership Interest absorb certain Helios expenses of $5,109, exceeding the management fees received by the TopCo Limited Partnership, which is included in loss on loan forgiveness and other expenses in the consolidated statements of loss and comprehensive loss.

Helios Fund IV

In 2021, the company committed to investing $50,000 in Helios Fund IV, a limited partnership based in the Cayman Islands, structured to receive and deploy capital from limited partners with the objective of earning returns from investments directly or indirectly in Africa. As agreed with the Helios Fund IV GP, the company was admitted to Helios Fund IV as a "Listed Fund" under the terms of Helios Fund IV's limited partnership agreement, as amended and restated (the "Helios Fund IV LPA"), meaning that the company will not incur any management fees nor any carried interest payable to Helios Fund IV GP with respect to its investment in Helios Fund IV, which would otherwise be incurred in accordance with the Helios Fund IV LPA.

At December 31, 2024, the company had funded aggregate capital calls of $35,511, representing 14.1% (December 31, 2023 – $33,447 and 14.1%) of the limited partnership interest in Helios Fund IV based on committed capital.

At December 31, 2024, the company's remaining capital commitment to Helios Fund IV was $14,489 (December 31, 2023 – $16,553), which may be called at any time by Helios Fund IV GP in accordance with the Helios Fund IV LPA.

At December 31, 2024, the company estimated the fair value of its investment in Helios Fund IV Limited Partnership Interest to be $64,436 (December 31, 2023 – $51,996).

The increase in fair value of the company's investment in Helios Fund IV Limited Partnership Interest from the December 31, 2023 fair value of $51,996 was largely due to the acquisition of a Banking-as-a-Service (BaaS) provider, and the significant appreciation in the fair value of the underlying investments, particularly in the reinsurance, data center, and electronic payments sectors, supported by revenue growth, improved profitability in the underlying businesses, and higher trading multiples driven by market conditions.

The increase in fair value of the company's investment in Helios Fund IV Limited Partnership Interest from the September 30, 2024 fair value of $62,067 was largely due to the increase in fair value of the underlying investments, primarily in the electronic payments, data center, and reinsurance sectors, supported by revenue growth, improved profitability in the underlying businesses, and higher trading multiples driven by market conditions.

Taj Holdings

Taj Joint Holdings LP ("Taj Holdings") is a limited partnership based in Guernsey, established for the purpose of investing in Taj Investment Holdings Ltd. ("Taj Investment"), a Guernsey-based holding company with an equity interest in M2P Solutions Private Ltd. ("M2P Solutions").

In 2024, the company committed and fully funded $16,133 for a 100.0% limited partnership interest in Taj Holdings. Taj Holdings, in turn, invested the full amount in Taj Investment for a 24.0% equity interest. Helios Fund IV holds the remaining 76.0% equity interest in Taj Investment. HFP's investment in Taj Holdings is not subject to management fees and carried interest. At December 31, 2024, the company remains the sole limited partner of Taj Holdings.

Common Shares

NBA Africa

HFP US Investments, Inc. ("U.S. Holdco") is a wholly-owned holding company, formed for the sole purpose of investing in NBA Africa, LLC ("NBA Africa"), an entity formed by the National Basketball Association ("NBA").

In 2021, the company, through its U.S. Holdco, invested $30,000 in exchange for an equity interest in NBA Africa.

In 2024, the company legally transferred its 100% interest in U.S. Holdco, which is the beneficial and registered owner of the equity interest in NBA Africa, to HSEG at the fair value of $39,163, in exchange for 39,163,251 ordinary shares in HSEG. Subsequently, HSEG legally transferred the interest in U.S. Holdco, including the equity interest in NBA Africa, to HSEH in exchange for 39,163,251 ordinary shares in HSEH. The transfer of U.S. Holdco, and the equity interest in NBA Africa, did not meet the derecognition criteria, as the company retains control over the asset through its equity interest in HSEG and HSEH, and thus, NBA Africa continues to be reflected on the company's consolidated balance sheet.

Trone Holdings

At December 31, 2024 and December 31, 2023, the company had invested $15,528 for a 22.0% equity interest in Trone Investment Holdings (UK) (“Trone Holdings”), a holding company based in London, United Kingdom, created for the purpose of holding an equity interest in a Moroccan medical technology distribution group (“Trone”). Helios Fund IV holds the remaining 78.0% equity interest in Trone Holdings. Trone Holdings, together with the founding partner and management of Trone, holds the entire equity interest in SPV Rayon Holdings (“SPV Rayon”), a Moroccan holding company which owns 100.0% of Trone’s operating businesses.

Helios Seven Rivers Fund

Helios Seven Rivers Fund Ltd. (“Seven Rivers”) was incorporated in the Cayman Islands to focus primarily on investing in publicly traded financial instruments, including equities and credit, listed either on local African exchanges or non-African exchanges or traded OTC. In all cases the securities are issued by entities that are domiciled in Africa or are expected to generate a significant share of the revenues or profits from African sources.

In 2023, the company seeded this new strategy by contributing its investment in Other Common Shares of $15,841 and cash of $14,159, for a total investment of $30,000, in exchange for a 93.7% equity interest in Seven Rivers. As of December 31, 2024, the company’s equity interest in Seven Rivers decreased to 90.9% driven by subscriptions.

Helios Sports and Entertainment Group

Helios Sports and Entertainment Group Ltd. (“HSEG”) was incorporated under the laws of Guernsey as a wholly owned subsidiary of the company. HSEG holds investments in the African sports and entertainment ecosystem, through its wholly owned subsidiary Helios Sports and Entertainment Holdings Ltd. (“HSEH”). HSEH was incorporated under the laws of Guernsey and is a subsidiary of the company.

In 2023, the company invested cash of $11,000 in exchange for 11,000,000 shares in HSEG and transferred the Event Horizon Loan to HSEG at its fair value of $21,050 in exchange for 21,050,194 shares of HSEG.

In 2023, HSEG through its wholly owned subsidiary HSEH acquired a 25% equity interest in Zaria Group Limited (“Zaria”) and made a maximum financial commitment of $12,000 to Zaria. A portion of the financial commitment was fulfilled in the form of a $4,000 loan to Zaria (the “Zaria Loan”). The loan bears interest at 3-month SOFR plus 5% and matures on June 8, 2033. In the third quarter of 2024, HSEG increased this loan by an additional $2,750, bringing the total loan balance to $6,750. The Zaria Loan includes provisions for an interest adjustment and cash sweep based on Zaria’s cash flows post-2028. Zaria was incorporated under the laws of Guernsey and is an associate of the company.

In 2023, HSEG through its wholly owned subsidiary HSEH, subscribed to 14,452 preference shares in The Malachite Group (“TMG”), representing a 57.92% undiluted equity interest in TMG. The preference shares accrue a fixed 12% dividend. These shares include a conversion feature for potential equity interest conversion based on achieving a cumulative return target by November 2030. TMG was incorporated in the United Kingdom and is a subsidiary of the company.

In 2024, the company invested an additional $12,950 in HSEG in exchange for 12,949,806 shares. The company also legally transferred its 100% interest in U.S. Holdco, which is the beneficial and registered owner of the equity interest in NBA Africa, to HSEG at a fair value of $39,163. HSEG, in turn, legally transferred the interest in U.S. Holdco, including the equity interest in NBA Africa, to HSEH.

In 2024, HSEG, through its wholly owned subsidiary HSEH, made an investment of $15,000 in PFL Africa (PYT) Limited (“PFL Africa”), a new regional league of the Professional Fighters League (PFL) (see discussion under header “HSEG Loan Facility” later in this note). Following the investment, the company holds a 21.7% undiluted equity interest in PFL Africa. PFL Africa was incorporated in the United Kingdom and is an associate of the company.

In 2024, HSEH provided a deed of guarantee of $5,000 on behalf of TMG. Additionally, HSEH was granted an option to subscribe for shares in TMG in connection with the guarantee.

At December 31, 2024, the company invested $45,000 and has a 100% equity interest in HSEG, excluding the transfer of the equity interest in NBA Africa. At December 31, 2024, the fair value of the company’s investment in HSEG was $56,300 (December 31, 2023 – $31,625).

The increase in the fair value of the company's equity investment in HSEG from the December 31, 2023 fair value of $31,625 was driven primarily by the additional $12,950 capital contribution, and a fair value increase of $11,725, reflecting the expansion of HSEG's portfolio and the enhanced strategic positioning of its underlying investments. The investment in PFL Africa diversified HSEG's exposure within the sports and entertainment sector. Furthermore, the operational developments and performance improvements in TMG and Zaria also contributed positively to the overall increase in value. As of December 31, 2024, the valuation technique transitioned from a discounted cash flow analysis and transaction price methodology to a risk adjusted offer price, recognizing the combined value of HSEG's strategic investments.

The increase in the fair value of the company's equity investment in HSEG from the September 30, 2024 fair value of $47,357 was driven primarily by improved financial performance across HSEG's key investments. The acquisition of PFL Africa, and ongoing developments in TMG and Zaria contributed to the overall increase in valuation.

Indirect equity interest in Nova Pioneer

Nova Pioneer Education Group ("Nova Pioneer") is a Pan-African independent school network offering preschool through secondary education and is wholly-owned by Ascendant Learning Limited ("Ascendant"), its Mauritius-based parent entity.

At December 31, 2024 and December 31, 2023, the company had invested an aggregate of $38,811 for a 56.3% equity interest in Ascendant ("Indirect equity interest in Nova Pioneer").

Subsequent to December 31, 2024

Subsequent to December 31, 2024, revised expectations for the company's future performance and changes in market conditions impacting sector valuation trends have emerged. These factors could have a negative effect on the valuation of Nova Pioneer.

Indirect equity interest in AGH

At August 28, 2023, prior to the completion of the Tranche 1 Sale and Purchase, the company had invested $98,876 in Joseph Investment Holdings ("Joseph Holdings") (comprised of $88,744 for 74.6% interest in common shares and 73.7% interest in Class A shares of Joseph Holdings, providing a 74.6% voting interest; and $10,132 as a shareholder loan). Through its investment in Joseph Holdings, HFP was the largest beneficial shareholder of AFGRI Holdings Proprietary Limited ("AFGRI Holdings"), a private holding company based in South Africa that owns 100.0% of AFGRI Group Holdings Proprietary Limited ("AGH"), an investment holding company with interests in a number of agricultural and food-related companies.

In 2023, the company entered into a Sale and Purchase Agreement whereby it agreed to sell a portion of its investment in Joseph Holdings (comprised of 158,429,106 Ordinary Shares, 26,363,011 Class A Shares of Joseph Holdings, and the shareholder loan) for an aggregate consideration of $14,000 (the "Tranche 1 Sale and Purchase"). The Tranche 1 Sale and Purchase was completed and the company received sale proceeds of $14,000 in full in 2023. Following the Tranche 1 Sale and Purchase, HFP retained a 16.3% indirect equity interest in AGH.

Pursuant to the terms of the Sale and Purchase Agreement and subject to the completion of the Tranche 1 Sale and Purchase, the company will sell its remaining investment in Joseph Holdings (comprised of its remaining interest in common shares and Class A shares of Joseph Holdings) for an aggregate consideration of $2,400 (the "Tranche 2 Sale and Purchase").

The Sale and Purchase Agreement contains an Anti-Embarrassment Clause, which outlines a provision for additional payments to the company in the event of a significant post-transaction value increase within the 24-month period commencing on August 29, 2023, triggered by specific types of share or asset disposals. The Sale and Purchase Agreement also contains a Claw Back Clause which represents a liability of up to $8,200 to the company, the payment of which is conditional upon material agreement terminations within the 24-month period commencing on August 29, 2023. Additionally, the Sale and Purchase Agreement includes an Indemnity Clause establishing a liability related to certain ongoing claims, allowing the acquirer to potentially claim amounts under specified conditions within the 24-month period from July 28, 2023, which could result in a maximum liability of $16,400 to the company. The company has not attributed any value to these assets and liabilities, as management has assessed the probability of receipt or payment as a result of these clauses being triggered is remote and therefore the fair value of the asset and liabilities are nominal as at December 31, 2024.

In 2024, the company entered into an amendment agreement (the “First Addendum”) to modify the Sale and Purchase Agreement dated July 28, 2023. The First Addendum amends the terms relating to the Tranche 2 Sale and Purchase. Specifically, the Tranche 2 Sale and Purchase has been split into Tranche 2 Sale Shares and Tranche 3 Sale Shares. The Tranche 2 Sale Shares consist of 15,913,616 Class A shares for $2,374, with an updated long-stop date of November 30, 2024, which was later extended to December 13, 2024. The Tranche 3 Sale Shares consist of 82,630,549 Ordinary Shares for $26, subject to conditions precedent, with an updated long-stop date of April 30, 2025.

In December 2024, all of the conditions for the sale of the Tranche 2 Shares have been fulfilled or waived. The sale of the Tranche 2 Shares was completed and the proceeds of $2,374 were received.

Subsequent to December 31, 2024

Subsequent to December 31, 2024, all the closing conditions for the Tranche 3 Sale and Purchase have been fulfilled or waived. The sale of the Tranche 3 Shares was completed and the proceeds of $26 were received.

Philafrica Foods Proprietary Ltd.

In 2023, the company entered into a Sale and Purchase Agreement. Pursuant to the terms of the Sale and Purchase Agreement, the company expected to sell its equity interest in Philafrica for an aggregate consideration of not less than $4,400 and receive full repayment of the principal and accrued interest of the Philafrica Facility on or before August 29, 2024 or such later date as may be agreed upon by the company (the “Liquidity Transactions”). Additionally, the Sale and Purchase Agreement stipulated that if the Liquidity Transactions are not completed on or before August 29, 2024 or such later date as may be notified by the company in writing to the purchaser, the purchaser will acquire the company’s equity interest in Philafrica for an aggregate consideration of not less than $4,400 and all rights and obligations under the Philafrica Facility including the principal and accrued interest (see discussion under the header “Indirect equity interest in AGH”).

In March 2024, the company, through its SA Sub, entered into a Sale of Shares and Claims Agreement with AGH and Philafrica, whereby the company committed to selling its equity interest in Philafrica to AGH for an aggregate consideration of $4,400, subject to the fulfillment or waiver of certain closing conditions.

In August 2024, the closing conditions were met, and the transaction was completed. The company sold its equity interest in Philafrica and received purchase consideration in the form of a loan with a principal balance of $4,400. The loan bears interest at a rate of CME Term SOFR plus 4%, payable on or before August 31, 2024 (see discussion under the header “AGH Loan”).

Loans

Digital Ventures Facilities

In 2022, the company entered into a loan facility agreement for $40,000 with Helios Digital Ventures LP (“HDV”), a limited partnership domiciled in Guernsey (the “Digital Ventures $40M Facility”). HDV is a venture capital fund with a focus on investing in digital infrastructure across Africa. Concurrently, the company entered into a loan facility for $1,000 with Obashe Trust (“Obashe”), a trust domiciled in the United States (the “Digital Ventures $1M Facility”). Obashe is the sole limited partner of HDV. Both facilities allow for multiple drawdowns.

The Digital Ventures $40M Facility bore interest at a rate of 8% per annum, accrued and capitalized quarterly, was unsecured and matured on May 30, 2023. Effective June 1, 2023, the Digital Ventures $40M Facility was amended to extend the maturity date to June 1, 2024. Effective May 31, 2024, the Digital Ventures $40M Facility was further amended to extend the maturity date to May 31, 2025. All other terms of the facility remain unchanged.

The Digital Ventures $1M Facility bears interest at a rate of 6% per annum, accrued and capitalized quarterly, is unsecured and matures on June 7, 2037.

At December 31, 2024, the company had funded aggregate drawdowns of $32,016 and $640 (2023 – $20,181 and $487), on the Digital Ventures $40M Facility and the Digital Ventures $1M Facility, respectively.

At December 31, 2024, the company’s remaining capital commitments to the Digital Ventures $40M Facility and the Digital Ventures $1M Facility were $7,984 and $360, respectively (December 31, 2023 – $19,819 and $513), which may be called at any time in accordance with the respective loan facility agreements.

Subsequent to December 31, 2024

Subsequent to December 31, 2024, the company funded drawdowns of $2,424 on the Digital Ventures $40M Facility and $61 on the Digital Ventures $1M Facility.

HSEG Loan Facility

In 2024, the company entered into a loan facility agreement for $12,000 with HSEG (the "HSEG Loan Facility"). The HSEG Loan Facility bears interest at a rate of the 6-month SOFR reference rate plus an adjustment of 0.10% and a margin of 4.275% per annum, accrued and capitalized semi-annually, is unsecured, and matures on the earlier of June 30, 2025, or the completion of a bona fide transaction for raising capital by HSEG where securities are issued and sold to a third party. The loan is to be fully repaid by the maturity date. Pursuant to the loan agreement, drawdowns of $12,000 were funded in 2024 and the proceeds were solely used to fund HSEG's investment in PFL Africa.

Philafrica Facility

At December 31, 2023, the company had advanced $5,622 (98.0 million South African rand), net of a 2.0% transaction fee, to Philafrica under a secured lending arrangement (the "Philafrica Facility"). The Philafrica Facility bears interest at a rate of South African prime plus 2.0% per annum, which is accrued and capitalized monthly. The repayment of the Philafrica Facility was subordinated against other third-party debt and is currently not repayable under its existing terms. The Philafrica Facility is secured by a general guarantee from AGH and AGH's pledge of equity interests in Philafrica. In March 2023, the company and Philafrica entered into an agreement whereby the Philafrica Facility was amended to increase the margin to 4% and the allowance of a prepayment of the Philafrica Facility through the issuance of ordinary shares by Philafrica to the company.

In 2023, the company entered into a Sale and Purchase Agreement. Pursuant to the terms of the Sale and Purchase Agreement, the company expected to sell its equity interest in Philafrica for an aggregate consideration of not less than $4,400 and receive full repayment of the principal and accrued interest of the Philafrica Facility on or before August 29, 2024 or such later date as may be agreed upon by the company (the "Liquidity Transactions"). Additionally, the Sale and Purchase Agreement stipulated that if the Liquidity Transactions are not completed on or before August 29, 2024 or such later date as may be notified by the company in writing to the purchaser, the purchaser will acquire the company's equity interest in Philafrica for an aggregate consideration of not less than $4,400 and all rights and obligations under the Philafrica Facility including the principal and accrued interest (see discussion under the header "Indirect equity interest in AGH"). In August 2024, the company entered into an agreement extending the long stop date of the transaction to November 29, 2024.

In October 2024, the company entered into a debt purchase agreement to sell all the rights and claims against and debts owing under the Philafrica Facility. The consideration for the Philafrica Facility is the total outstanding balance, including principal and accrued interest, at the time that the consideration is settled.

In December 2024, all of the conditions for the sale of the Philafrica Facility have been fulfilled or waived. The sale of the Philafrica Facility was completed and the proceeds of $9,587 were received.

AGH Loan

In March 2024, the company, through its SA Sub, entered into a Sale of Shares and Claims Agreement with AGH and Philafrica, whereby the company committed to selling its equity interest in Philafrica to AGH for an aggregate consideration of $4,400, subject to the fulfillment or waiver of certain closing conditions.

In August 2024, the closing conditions were met, and the transaction was completed. The company sold its equity interest in Philafrica and received purchase consideration in the form of a loan with a principal balance of $4,400. The loan bears interest at a rate of CME Term SOFR plus 4%, payable on or before August 31, 2024 (the "AGH Loan"). In August 2024, the company entered into an agreement extending the long stop date of the transaction to November 29, 2024.

In October 2024, the company entered into a debt purchase agreement to sell all the rights and claims against and debts owing under the AGH Loan. The consideration for the AGH Loan is the total outstanding balance, including principal and accrued interest, at the time that the consideration is settled.

In December 2024, all of the conditions for the sale of the AGH Loan have been fulfilled or waived. The sale of the AGH Loan was completed and the proceeds of $4,530 were received.

Investment Income

An analysis of investment income for the years ended December 31 is summarized in the table that follows:

	2024	2023
Interest:		
Cash and cash equivalents	**4,275**	5,679
Loans	**4,970**	5,506
Bonds	**–**	643
	9,245	11,828
Dividends:		
Common stocks	**–**	208

Net gains (losses) on investments and net foreign exchange gains (losses)

	2024 Net gains (losses)	2023 Net gains (losses)
Net gains (losses) on investments:		
Limited partnership investments	**(44,187)**	(60,872)
Common shares	**14,467**	(2,132)
Loans	**556**	597
Derivatives and guarantees	**–**	9,264
	(29,164)	(53,143)
Net gains (losses) on investments:		
Net realized gains (losses) on investments	**(27,356)**	(13,792)
Reversal of previously recorded unrealized gains (losses) on investments	**26,719**	24,313
Change in unrealized gains (losses) on investments held at period end	**(28,527)**	(63,664)
	(29,164)	(53,143)
Net foreign exchange gains (losses) on:		
Cash and cash equivalents	**(1,268)**	(434)
Common shares	**619**	(2,822)
Loans	**124**	(1,480)
Other	**220**	(80)
	(305)	(4,816)

6. Fair Value Measurement

Fair Value Hierarchy

Classification

The company's use of quoted market prices (Level 1), valuation models using observable market information as inputs (Level 2) and valuation models without observable market information as inputs (Level 3) in the valuation of securities by type of issuer was as follows:

	December 31, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	**38,320**	**–**	**–**	**38,320**	95,913	–	–	95,913
Portfolio Investments:								
Limited partnership investments	**–**	**–**	**176,964**	**176,964**	–	–	207,753	207,753
Common shares	**–**	**36,231**	**133,117**	**169,348**	–	34,827	113,259	148,086
Loans	**–**	**–**	**48,637**	**48,637**	–	–	30,163	30,163
Total Portfolio Investments	**–**	**36,231**	**358,718**	**394,949**	–	34,827	351,175	386,002
Total cash and investments	**38,320**	**36,231**	**358,718**	**433,269**	95,913	34,827	351,175	481,915
	8.8%	**8.4%**	**82.8%**	**100.0%**	19.9%	7.2%	72.9%	100.0%

Fair Value Measurements

Process for Level 3 Fair Value Determination

The fair values of HFP's Private Portfolio Investments cannot be derived from an active market and accordingly, are determined using industry accepted valuation techniques and models determined quarterly. Market observable inputs are used where possible, with unobservable inputs used where necessary.

Estimates and judgments for Private Portfolio Investments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company utilizes valuation personnel from Helios to assist with the valuation of its investment portfolio. Detailed valuations are performed for those financial instruments that are priced internally, while external pricing received from independent pricing service providers are evaluated by the company for reasonableness. The company's Chief Financial Officer oversees the valuation function and regularly reviews valuation processes and results, including at each quarterly reporting period. Significant valuation matters, particularly those requiring extensive judgment, are communicated to the company's Valuation Committee. The Valuation Committee consists of members who are knowledgeable and experienced in the fair value techniques for the Portfolio Investments held by the company. The Valuation Committee provides administration and oversight of the company's valuation policies and procedures and is responsible for reviewing and approving the valuation results every quarter.

Transfers between fair value hierarchy levels are considered effective from the beginning of the reporting period in which the transfer is identified. During the year ended 2024, there were no transfers of financial instruments between Level 1 and Level 2 and there were no transfers of financial instruments into or out of Level 3 as a result of changes in the observability of valuation inputs. The changes in fair value of the company's Private Portfolio Investments (classified as Level 2 and 3) are disclosed in note 5.

Level 3 Reconciliation

The following table presents the reconciliations for investments held by the company included in Level 3 of the fair value hierarchy:

	For the year ended December 31, 2024					
	Fair value as at January 1	**Gain (loss) included in net income (loss)**	**Purchases/ Contributions**	**Sales/ Distributions/ Redemptions /Reductions[2]**	**Transfers into/(out of) Level 3**	**Fair value as at December 31**
Portfolio Investments						
Limited partnership investments	207,753	(44,187)	18,507	(5,109)	–	176,964
Common shares	113,259	13,682	12,950	(6,774)	–	133,117
Loans	30,163	680	31,692	(13,898)	–	48,637
Total Portfolio Investments	351,175	(29,825)	63,149	(25,781)	–	358,718

(1) Total net change in unrealized losses on investments is ($28,527). Within this change, the unrealized losses on investment for Level 3 investments still held as of December 31, 2024 is ($29,931).

(2) The company, as the TopCo Class B Limited Partner, made the business decision to have the TopCo LP Class B Limited Partnership Interest absorb certain Helios expenses of $5,109, exceeding the management fees received by the TopCo Limited Partnership, which is included in loss on loan forgiveness and other expenses in the consolidated statements of loss and comprehensive loss.

	For the year ended December 31, 2023					
	Fair value as at January 1	**Gain (loss) included in net income (loss)**	**Purchases/ Contributions**	**Sales/ Distributions/ Redemptions /Reductions**	**Transfers into/(out of) Level 3**	**Fair value as at December 31**
Portfolio Investments						
Limited partnership investments	259,183	(60,872)	9,927	(485)	–	207,753
Common shares	104,729	(9,002)	32,050	(14,518)	–	113,259
Loans	61,447	(1,947)	19,684	(49,021)	–	30,163
Total Portfolio Investments	425,359	(71,821)	61,661	(64,024)	–	351,175

(1) Total net change in unrealized losses on investments is ($39,351). Within this change, the unrealized losses on investment for Level 3 investments still held as of December 31, 2023 is ($68,491).

Level 3 Significant Unobservable Inputs

The following table outlines key information with respect to the valuation technique and significant unobservable inputs related to financial instruments categorized within Level 3 as at December 31, 2024:

Investments	Valuation technique	Significant unobservable inputs	Inputs at December 31, 2024	Inputs at December 31, 2023	Relationship of unobservable inputs to fair value
Limited partnership investments					
TopCo LP Class A Limited Partnership Interest	Discounted cash flow and net asset value of Management Team Commitment	Discount rates	29.8%	26.9% to 30.9%	Increases (decreases) in discount rates (decrease) increase fair value
		Target exit dates	2025 to 2030	2024 to 2028	Increases (decreases) in target exit dates (decrease) increase fair value
		Exit multiple of invested capital	1.9x to 3.1x	2.1x to 3.2x	Increases (decreases) in exit multiples increase (decrease) fair value
TopCo LP Class B Limited Partnership Interest	Discounted cash flow	Discount rate	17.1%	16.2%	Increases (decreases) in discount rates (decrease) increase fair value
		Growth in management fee revenue	20.2%	23.5%	Increases (decreases) in growth in management fee revenue increase (decrease) fair value
		Long term pre-tax profit margin	33.8%	34.6%	Increases (decreases) in long term pre-tax profit margin increase (decrease) fair value
		Long term growth rate	4.5%	4.5%	Increases (decreases) in long term growth rates increase (decrease) fair value
Common shares					
Trone	Market multiples	Multiples of EBITDA	9.7x	9.0x	Increases (decreases) in multiples of EBITDA increase (decrease) fair value
NBA Africa	Discounted cash flow	After-tax discount rate	17.6%	15.4%	Increases (decreases) in discount rates (decrease) increase fair value
		Growth in revenue	43.0%	46.7%	Increases (decreases) in growth in revenue increase (decrease) fair value
		Terminal revenue multiple	7.0x	7.0x	Increases (decreases) in terminal revenue multiple increase (decrease) fair value
Helios Sports and Entertainment Group(1)	Risk adjusted offer price	Deal risk discount rate	20.0%	N/A	Increases (decreases) in deal risk discount rates (decrease) increase fair value
Indirect equity interest in Nova Pioneer(2)	Revenue multiple and discounted cash flow	Revenue multiple	2.5x	N/A	Increases (decreases) in multiples of revenue increase (decrease) fair value
		Discount rate	17.5%	N/A	Increases (decreases) in discount rate (decrease) increase fair value
Loans					
Digital Ventures $40M Facility	Discounted cash flow	Discount rate	12.7%	13.7%	Increases (decreases) in discount rates (decrease) increase fair value
HSEG Loan Facility	Discounted cash flow	Discount rate	9.0%	N/A	Increases (decreases) in discount rates (decrease) increase fair value

(1) The investment was valued using discounted cash flow and transaction price at December 31, 2023. At December 31, 2024, the valuation technique was changed from discounted cash flow and transaction price to a risk adjusted offer price. This change was made because the new approach provides a more representative measure of the investment's fair value.

(2) The investment was valued using offer price at December 31, 2023. At December 31, 2024, the valuation technique was changed from an offer price to a weighted average of revenue multiple and discounted cash flow methods. This change was made because there is no longer an offer price and the new approach provides a more representative measure of the investment's fair value.

Level 3 Sensitivity Analysis

In the course of measuring fair value of financial instruments classified as Level 3, valuation techniques used incorporate assumptions that are based on unobservable inputs. Significant changes in any of the unobservable inputs would result in a significantly higher or lower fair value measurement. The following table illustrates the potential impact on net earnings (loss) of various combinations of changes in unobservable inputs in the company's internal valuation model for its financial instruments classified as Level 3 at December 31, 2024:

	December 31, 2024					
Investments	**Fair value of Investment**	**Valuation technique**	**Significant unobservable inputs(1)**	**Sensitivity Factor**	**Hypothetical $ change effect on fair value measurement**	**Hypothetical $ change effect on net earnings (loss)(1)**
Limited partnership investments:						
TopCo LP Class A Limited Partnership Interest	20,560	Discounted cash flow and net asset value of Management Team Commitment	Discount rates	Increase/(decrease) 200 bps	(817) / 898	(709) / 779
			Target exit dates	Increase/(decrease) 1 year	(4,543) / 6,289	(3,941) / 5,456
			Exit multiple of invested capital	Increase/(decrease) 5%	2,221 / (1,283)	1,927 / (1,113)
TopCo LP Class B Limited Partnership Interest	75,835	Discounted cash flow	Discount rate	Increase/(decrease) 200 bps	(14,002) / 19,610	(12,146) / 17,011
			Growth in management fee revenue	Implied CAGR of management fee revenue of 18.6% to 21.7%	21,551 / (21,551)	18,696 / (18,696)
			Long term pre-tax profit margin	Increase/(decrease) 1000 bps	13,745 / (13,745)	11,924 / (11,924)
			Long term growth rate	Increase/(decrease) 50 bps	1,926 / (1,778)	1,670 / (1,543)
Common shares						
Trone	20,569	Market multiples	Multiples of EBITDA	Increase/(decrease) 0.5x	1,624 / (1,624)	1,409 / (1,409)
NBA Africa	39,726	Discounted cash flow	After-tax discount rate	Increase/(decrease) 100 bps	(2,472) / 2,646	(2,144) / 2,295
			Growth in revenue	Increase/(decrease) 5%	2,422 / (2,360)	2,101 / (2,047)
			Terminal revenue multiple	Increase/(decrease) 0.5x	2,999 / (2,999)	2,601 / (2,601)
Helios Sports and Entertainment Group	56,300	Risk adjusted offer price	Deal risk discount rate	Increase 850 bps/(decrease) 2000 bps	(10,034) / 23,974	(8,704) / 20,797
Indirect equity interest in Nova Pioneer	16,496	Revenue multiple and discounted cash flow	Revenue multiple	Increase/(decrease) 0.5x	2,614 / (2,614)	2,267 / (2,267)
			Discount rate	Increase/(decrease) 100 bps	(988) / 1,145	(857) / 993
Loans						
Digital Ventures $40M Facility	35,459	Discounted cash flow	Discount rate	Increase/(decrease) 200 bps	(259) / 266	(225) / 230
HSEG Loan Facility	12,474	Discounted cash flow	Discount rate	Increase/(decrease) 200 bps	(113) / 116	(98) / 101

(1) For the purpose of this sensitivity analysis, the hypothetical $ change effect on net earnings (loss) includes an income tax impact that is calculated using the company's marginal tax rate. Actual income tax expense (recovery) may differ significantly when earnings (losses) are realized.

Investments	December 31, 2023 Fair value of Investment	Valuation technique	Significant unobservable inputs	Sensitivity Factor	Hypothetical $ change effect on fair value measurement	Hypothetical $ change effect on net earnings (loss)[(1)]
Limited partnership investments:						
TopCo LP Class A Limited Partnership Interest	55,815	Discounted cash flow and net asset value of Management Team Commitment	Discount rates	Increase/(decrease) 200 bps	(2,027) / 2,156	(1,759) / 1,871
			Target exit dates	Increase/(decrease) 1 year	(13,106) / 15,776	(11,369) / 13,685
			Exit multiple of invested capital	Increase/(decrease) 5%	5,085 / (5,085)	4,411 / (4,411)
TopCo LP Class B Limited Partnership Interest	99,942	Discounted cash flow	Discount rate	Increase/(decrease) 150 bps	(14,514) / 19,036	(12,591) / 16,514
			Growth in management fee revenue	Implied CAGR of management fee revenue of 21.8% to 24.9%	24,724 / (24,724)	21,448 / (21,448)
			Long term pre-tax profit margin	Increase/(decrease) 200 bps	3,554 / (3,554)	3,083 / (3,083)
			Long term growth rate	Increase/(decrease) 50 bps	2,752 / (2,526)	2,387 / (2,191)
Common shares						
Trone	18,652	Market multiples	Multiples of EBITDA	Increase/(decrease) 0.5x	1,518 / (1,518)	1,317 / (1,317)
NBA Africa	39,182	Discounted cash flow	After-tax discount rate	(Increase)/decrease 100 bps	(2,803) / 3,031	(2,432) / 2,629
			Terminal revenue multiple	Increase/(decrease) 0.5x	2,949 / (2,949)	2,559 / (2,559)
Helios Sports and Entertainment Group	31,625	Discounted cash flow and transaction price	Discount rate	(Increase)/decrease 100 bps	(327) / 359	(284) / 312

(1) For the purpose of this sensitivity analysis, the hypothetical $ change effect on net earnings (loss) includes an income tax impact that is calculated using the company's marginal tax rate. Actual income tax expense (recovery) may differ significantly when earnings (losses) are realized.

Discount rates were based on the company's assessment of risk premiums to the appropriate risk-free rate of the economic environment of the investment. For expected future cash flows which were probability-weighted, risk premiums commensurate with the risks inherent in the expected cash flows were applied.

Target exit date for an underlying portfolio investment is the timing of the fund's expected disposition of the investment.

Exit multiple of invested capital for an underlying portfolio investment is equal to the fund's expected total proceeds divided by the expected total cost from initial investment to exit.

Growth in management fee revenue represents the compound annual growth rate in management fee revenue over eight years from $20.7 million at December 31, 2024 to $89.0 million (December 31, 2023 – $24.8 million to $134.4 million), before taking into account probability weightings.

Long term pre-tax profit margins were estimated by Helios' management based on pre-tax management fee-related earnings margins. Pre-tax profit margins are forecasted to increase over an eight-year period driven primarily by growth in management fee revenue and operating leverage. Fee-related earnings on future fundraising initiatives were probability weighted, resulting in expected long term pre-tax profit margins that were comparable to publicly listed global private equity asset managers.

Long term growth rates were based on the expected long term sustainable growth rate of the economic environments and sectors in which the investment operates.

Multiples of EBITDA were based on the expected valuation contribution of a certain business unit to the investee as a whole and were assessed with reference to peer comparative multiples.

The following investments have been excluded from the sensitivity analysis above as the company determined that there were no significant unobservable inputs suited for a sensitivity analysis for the investment in certain limited partnership interests and common shares, or in the case of the investments in loans, the impact of the sensitivity analysis is not significant.

Investments	Valuation technique at December 31, 2024	Valuation technique at December 31, 2023	Fair value of investment at December 31, 2024
Limited partnership investments:			
Helios Fund IV Limited Partnership Interest	Net asset value	Net asset value	64,436
Taj Holdings Limited Partnership Interest	Transaction price	N/A	16,133
Common shares:			
Indirect equity interest in AGH	Transaction price	Transaction price	26
Seven Rivers	Net asset value	Net asset value	36,231
Loans:			
Digital Ventures $1M Facility	Discounted cash flow	Discounted cash flow	704

7. Borrowings

Revolving Credit Facility

On March 3, 2022, the company closed a $70,000 secured revolving credit facility (the "RMB Facility") with FirstRand Bank Limited (acting through its Rand Merchant Bank division) ("FirstRand"), bearing interest based on SOFR plus 6.88%, payable quarterly. In addition, the company will pay a standby fee of 2.41% of the unused portion of the credit facility, payable quarterly. Per the RMB Facility Agreement, funds borrowed under the RMB Facility shall be used towards making investments and paying investment-related fees and expenses.

In 2024, the company incurred standby fees of $1,723 (2023 – $1,704). These fees were included in interest expense in 2024 and in general and administrative expenses in 2023 within the consolidated statements of loss and comprehensive loss.

The RMB Facility matures on March 3, 2027. The RMB Facility is collateralized by the company's rights, title and interests in the securities held in Mauritius Sub and SA Sub, Mauritius Sub's bank accounts and receivables, and the company's Portfolio Investments, bank accounts, receivables, and other assets.

On November 1, 2024, the RMB Facility Agreement between the company and FirstRand was amended. Under the revised terms of the RMB Facility, the company is required to maintain an Asset Cover Ratio, being the ratio of total cash plus the fair value of all investments (excluding the fair value of the TopCo LP Class A and Class B Limited Partnership Interests and with any single investment capped at 25% of total investments), to total debt. Additionally, the company is required to maintain an Asset Cover Ratio (Seven Rivers), being the ratio of the fair value of the company's investment in Seven Rivers to total debt. The amendment also includes a decrease in the facility limit from $70,000 to $65,000 in 2025, and to $60,000 in 2026, though this decrease can be waived by the lender.

At December 31, 2024, the RMB Facility was undrawn, and the company was in compliance with the covenants of the RMB Facility. As the company had no debt at December 31, 2024, based on the fair values of the company's cash and investments, the company could have borrowed up to $70,000 and continued to be in compliance with the covenants of the RMB Facility.

Interest Expense

In 2024, the company recorded interest expense of $1,799, which was comprised of standby fees on the RMB Facility and interest on the company's lease liability. Interest expense of $3,372 recorded in 2023 related to interest on the HFP 3.0% Debentures which were repaid in full in 2023.

8. Common Shareholders' Equity

Authorized Capital

The company's authorized share capital consists of: (i) an unlimited number of multiple voting shares that may only be issued to Fairfax, Principal Holdco, and certain of their respective subsidiaries and affiliates and are not publicly traded; (ii) an unlimited number of subordinate voting shares, which are publicly traded; and (iii) an unlimited number of preference shares, issuable in series. Except as provided in any special rights or restrictions attaching to any series of preference shares issued from time to time, the preference shares will not be entitled to vote at any meeting of the shareholders of the company.

Issued Capital

Issued capital at December 31, 2024 included 55,452,865 (December 31, 2023 – 55,452,865) multiple voting shares and 52,726,262 (December 31, 2023 – 52,716,952) subordinate voting shares. Each subordinate voting share carries one vote per share at all meetings of shareholders except for separate meetings of holders of another class of shares. Each multiple voting share carries fifty votes per share at all meetings of shareholders except for separate meetings of holders of another class of shares. At December 31, 2024 and December 31, 2023 there were no preference shares outstanding.

Principal Holdco and its subsidiaries and affiliates may not, without the prior written consent of Fairfax and the approval of the Board of Directors by simple majority approval, transfer any of their shares in the company prior to the earlier of December 8, 2025 or upon termination of the Investment Advisory Agreement. In the event Fairfax transfers shares, Principal Holdco and its affiliates may transfer an equal proportion of their shares without the prior written consent of Fairfax or the Board of Directors.

Fairfax, through its subsidiaries and affiliates, and Principal Holdco own all the issued and outstanding multiple voting shares, which are not publicly traded.

Common Stock

The number of shares outstanding was as follows:

	2024	**2023**
Subordinate voting shares – January 1	**52,716,952**	52,741,106
Issuance of shares (note 9)	**106,624**	142,338
Purchases for cancellation	**(97,314)**	(166,492)
Subordinate voting shares – December 31	**52,726,262**	52,716,952
Multiple voting shares – beginning and end of year	**55,452,865**	55,452,865
Common shares effectively outstanding – December 31	**108,179,127**	108,169,817

Purchase of Shares

During the period January 1, 2024 to June 22, 2024, the company was entitled, subject to compliance with applicable corporate and securities laws, to purchase for cancellation subordinate voting shares at prevailing market prices under the terms of its normal course issuer bid and in accordance with the rules and policies of the TSX. During 2024, under the terms of its normal course issuer bid, the company purchased for cancellation 97,314 subordinate voting shares (2023 – 166,492) for a net cost of $259 (2023 – $458) and $530 (2023 – $893) was recorded as a benefit in retained earnings.

The company's normal course issuer bid program expired on June 22, 2024.

Automatic Share Purchase Plan

During 2024, in connection with the normal course issuer bid, the company gave instructions under its automatic share purchase plan with a designated broker to allow for the purchase of subordinated voting shares at times when the company normally would not be active in the market. Such purchases are determined by the broker in its sole discretion based on parameters established by the company prior to commencement of the applicable trading black-out period. On June 22, 2024, the company's automatic share purchase plan expired.

Warrants

On March 31, 2021, Fairfax, through its affiliates, invested $100,000 in HFP 3.0% Debentures and HFP Warrants. The HFP 3.0% Debentures were repaid in full in 2023. At inception, the company determined that the fair value of the HFP Warrants issued was $5,557 which was recorded in warrants within common shareholders' equity.

Dividends

The company adopted a policy to provide for an annual dividend with respect to the subordinate voting shares and the multiple voting shares of an amount sufficient to produce a non-cumulative and non-accruing 2.0% dividend yield per share (the "Dividend Policy"), calculated based on the average closing market price of the subordinate voting shares on each trading day of the last fiscal quarter for the prior fiscal year. The declaration of any dividends is conditional upon assets exceeding the aggregate of liabilities and stated capital of multiple voting shares and subordinate voting shares after such declaration and will be determined by the Board of Directors in its sole discretion. The company did not pay any dividends on its outstanding multiple and subordinate voting shares during 2024 and 2023.

Reduction of Stated Capital

On May 11, 2023, the company's shareholders approved at the company's annual general meeting a reduction of the stated capital of the company's multiple voting shares by $179,550 and subordinate voting shares by $179,550, effective May 31, 2023. The reduction of stated capital reduced common stock by $359,100, increased contributed surplus by $359,100 and did not result in any change to total equity.

9. Share-Based Incentive Plans

Special Incentive Plan

Under the Special Incentive Plan ("SIP"), on December 8, 2020, 2,505,637 options to purchase subordinate voting shares of the company were granted to certain employees, officers, members, partners or consultants of the Manager (the "SIP Recipients").

Options issued under the SIP vested immediately on grant date and have an exercise price of $3.99 per share and maturity date of December 8, 2030. Since December 8, 2020, certain options issued under the SIP have been reallocated to additional SIP participants. These reallocated options vested immediately on grant date and mature on March 3, 2031 and September 19, 2032. The options may also be exercised by way of a cashless exercise, at the participant's option, where the company will issue shares equivalent to the amount by which the aggregate fair market value of the shares at time of exercise exceed the exercise price, less any applicable withholding taxes.

The number of options outstanding under the SIP were as follows:

	2024	**Weighted average exercise price**	**2023**	**Weighted average exercise price**
Options outstanding, beginning of year	**1,726,038**	**$3.89**	2,049,241	$3.90
Options forfeited	**(205,423)**	**$3.99**	(323,203)	$4.00
Options outstanding and exercisable, end of year	**1,520,615**	**$3.87**	1,726,038	$3.89

The company estimated the fair value of the options granted under the SIP using a Black-Scholes option pricing model that incorporated the following range of assumptions:

Underlying share price	$2.86 – $4.09
Exercise price	$2.63 – $4.45
Expected volatility	45.8%
Risk-free interest rate	1.3% – 5.0%
Expected life	10 years
Black-Scholes factor	1.9 – 2.7

Expected volatility was determined based on daily historical volatility of HFPC.U since initial public offering on February 17, 2017. The weighted average remaining contractual life of the share options outstanding at December 31, 2024 was 6.28 years.

Long-Term Incentive Plan

On April 20, 2022, the company's Long-Term Incentive Plan was approved at the annual and special meeting of shareholders. The LTIP allows the company's Board of Directors or the Governance, Compensation and Nominating Committee to grant long-term incentives to (i) directors, officers and employees of the company and its affiliates; (ii) certain consultants and service providers, including consultants and other persons that provide services to the company and its affiliates or any partnership or other entity in which the company or any of its affiliates has made an investment; and (iii) employees and members of the Manager or an affiliate thereof that provides services to the Portfolio Advisor or any related entity of the Portfolio Advisor for the benefit of the company. Awards granted under the LTIP may consist of options, restricted shares, stock appreciation rights, restricted share units, deferred share units or performance share units. Each award will be subject to the terms and conditions set forth in the LTIP and to those other terms and conditions specified by the company's Governance, Compensation and Nominating Committee.

On May 13, 2022, 484,265 restricted share units with a cost per unit of $3.33 were granted to certain directors and officers of the company. On August 9, 2024, 38,314 restricted share units with a cost per unit of $2.61 were granted to a new director of the company. On November 11, 2024, 174,912 restricted share units with a cost per unit of $2.83 were granted to a new officer of the company. The cost per unit was determined based solely on the 5-day volume-weighted average price on the date of grant. The restricted share units vest according to a time-based vesting schedule over a period of three to five years. The time-based vesting schedule varies by participant.

At December 31, 2024, under the terms of the LTIP, 106,624 restricted share units (December 31, 2023 – 142,338) had vested and 106,624 subordinate voting shares (December 31, 2023 – 142,338) were issued out of treasury stock at a cost of $355 (December 31, 2023 – $473), which was included in general and administrative expenses as a salaries and employee benefit expense.

In 2024, the company recorded share-based compensation expense of $394 (2023 – $440) related to the share-based incentive plans within the consolidated statements of loss and comprehensive loss.

10. Net Loss per Share

Net loss per common share is calculated in the following table based on the weighted average common shares outstanding:

	2024	2023
Net loss – basic and diluted	**(58,790)**	(71,687)
Weighted average shares outstanding – basic and diluted	**108,152,501**	108,258,852
Net loss per share – basic and diluted	**$ (0.54)**	$ (0.66)

At December 31, 2024 and December 31, 2023, there were no contingently issuable subordinate voting shares related to the performance fee payable to TopCo LP. Under the Investment Advisory Agreement, the performance fee for the second calculation period, if applicable, will be payable after December 31, 2026. TopCo LP's general partner may elect, no later than fifteen days from the end of the calculation period (the "election date"), to receive the performance fee, wholly or partly, in cash or in subordinate voting shares of the company. The number of subordinate voting shares to be issued will be calculated based on the volume-weighted average trading price of the company's subordinate voting shares for the 10 trading days prior to and including the election date.

At December 31, 2024, there were no potential subordinate voting shares issuable (December 31, 2023 - 250,000) relating to the Special Incentive Plan (refer to note 9). In 2023, 26,361 potential subordinate voting shares issuable relating to the Special Incentive Plan were dilutive and were excluded from the calculation of diluted weighted average common shares outstanding because their effect would have been anti-dilutive.

At December 31, 2024, there were 425,427 (2023 – 318,825) potential subordinate voting shares issuable relating to the Long-Term Incentive Plan, which were excluded from the calculation of diluted weighted average common shares outstanding because their effect would have been anti-dilutive.

There were no potential subordinate voting shares issuable relating to the HFP Warrants (refer to note 7) because the HFP Warrants were out of the money.

11. Income Taxes

The company's provision for (recovery of) income taxes for the years ended December 31 are summarized in the following table:

	2024	2023
Current income tax:		
Current year expense	**1,049**	2,918
Adjustment to prior years' income taxes	**(5,840)**	(599)
	(4,791)	2,319
Deferred income tax:		
Origination and reversal of temporary differences	**2,779**	3,917
Adjustments to prior years' deferred income taxes	**(6)**	511
	2,773	4,428
Provision for (recovery of) income taxes	**(2,018)**	6,747

The components of the company's provision for (recovery of) income taxes for the years ended December 31 are summarized in the following table:

	2024	2023
Current income tax:		
Canada	**(38)**	(3,474)
Outside of Canada	**(4,753)**	5,793
	(4,791)	2,319
Deferred income tax:		
Canada	**2,628**	4,368
Outside of Canada	**145**	60
	2,773	4,428
Provision for (recovery of) income taxes	**(2,018)**	6,747

A portion of the company's loss before income taxes is earned or incurred outside of Canada. The statutory income tax rates for jurisdictions outside of Canada generally differ from the Canadian statutory income tax rate (and may be significantly higher or lower).

A reconciliation of the provision for (recovery of) income taxes calculated at the Canadian statutory income tax rate to the provision for (recovery of) income taxes at the effective tax rate in the consolidated financial statements for the years ended December 31 is summarized in the following table:

	2024	2023
Canadian statutory income tax rate	**26.5%**	26.5%
Recovery of income taxes at the Canadian statutory income tax rate	**(16,113)**	(17,209)
Non-taxable losses on investments	**13,150**	16,726
Tax rate differential on income incurred outside of Canada	**4,466**	6,647
Recovery relating to prior years	**(224)**	(88)
Unused tax losses	**(2,344)**	4,367
Change in unrecorded tax benefit of losses and temporary differences	**180**	5,737
Realized gains and foreign exchange effect	**3,339**	(14,749)
UK tax liability	**(5,622)**	5,622
Other, including permanent differences	**1,150**	(306)
Provision for (recovery of) income taxes	**(2,018)**	6,747

Non-taxable losses on investments of $13,150 in 2024 principally reflected the non-taxable portion of unrealized losses on investments in TopCo LP of $7,864, non-taxable portion of unrealized gains on Helios Fund IV of ($726), the non-taxable portion of unrealized losses on other investments of $815, and non-deductible accounting write-off of investments of $5,197. Non-taxable losses on investments of $16,726 in 2023 principally reflected the non-taxable portion of net unrealized losses on investments in TopCo LP and Helios Fund IV of $10,472, and the non-taxable portion of the unrealized losses on other investments of $6,254.

Tax rate differential on income outside of Canada of $4,466 in 2024 (2023 – $6,647) principally reflected the current and deferred tax impact of foreign accrual property income and losses, foreign accrual capital losses, and net investment income and losses taxed at different rates in jurisdictions outside of Canada.

Recovery relating to prior years of $224 in 2024 principally reflected adjustments for taxable income allocations from TopCo LP and Helios Fund IV, adjustments for foreign accrual property income and losses, non-deductible professional fees, and settlement of refunds related to prior year reassessments. Recovery relating to prior years of $88 in 2023 principally reflected adjustments for taxable income allocations from TopCo LP and Helios Fund IV Limited Partnership, tax recovery from the application of unused tax loss, and taxes paid in jurisdictions outside of Canada.

Unused tax losses of ($2,344) in 2024 principally reflected the company's net capital loss carryforward arising from an intercompany transaction and tax write-off of investments. Unused tax losses of $4,367 in 2023 principally reflected the company's net capital loss carryforward from the settlement of HFP 3.0% Debentures for less than its principal amount.

The change in unrecorded tax benefit of losses and temporary differences of $180 in 2024 principally reflected the change in deferred tax assets in foreign accrual capital losses of ($1,588), investment and other temporary timing differences of $4,191 that were not recorded by the company as the related pre-tax losses did not meet the recognition criteria under IFRS Accounting Standards, and deferred tax assets in South Africa on investments of ($2,423).

The change in unrecorded tax benefit of losses and temporary differences of $5,737 in 2023 principally reflected the change in deferred tax assets in foreign accrual capital losses of ($223), investment and other temporary timing differences of $10,179 that were not recorded by the company as the related pre-tax losses did not meet the recognition criteria under IFRS Accounting Standards, and deferred tax assets in South Africa on investments of ($4,219).

Realized gains and foreign exchange effect of $3,339 in 2024 (2023 – ($14,749)) principally reflected the impact of fluctuations in the value of the Canadian dollar relative to the U.S. dollar as the company computes its corporate tax liability in Canadian dollars pursuant to the requirements of Canadian tax authorities, whereas the functional currency of the company and its subsidiaries is U.S. dollar.

UK tax liability of ($5,622) in 2024 (2023 - $5,622) reflects the reversal of the UK tax liability recognized in 2023.

Other, including permanent differences of $1,150 in 2024 (2023 – ($306)) principally reflected non-deductible expenses.

Changes in net income taxes refundable for the years ended December 31 were as follows:

	2024	**2023**
Balance – January 1	**(2,874)**	(1,695)
Amounts recorded in the consolidated statements of loss and comprehensive loss	**(5,587)**	2,319
Payments made during the year	**8,024**	(3,498)
Balance – December 31	**(437)**	(2,874)

Changes in net deferred income tax liability for the years ended December 31 were as follows:

	2024				
	Investments	**Borrowings**	**Tax loss carry-forwards**	**Other**	**Total**
Balance – January 1	**(11,027)**		**689**	**(154)**	**(10,492)**
Amounts recorded in the consolidated statements of loss and comprehensive loss	**(5,057)**		**2,141**	**143**	**(2,773)**
Balance – December 31	**(16,084)**	**–**	**2,830**	**(11)**	**(13,265)**

	2023				
	Investments	Borrowings	Tax loss carry-forwards	Other	Total
Balance – January 1	(6,333)	(6,796)	5,584	(484)	(8,029)
Amounts recorded in the consolidated statements of loss and comprehensive loss	(4,694)	4,802	(4,895)	330	(4,457)
Amounts recorded in equity	–	1,994	–	–	1,994
Balance – December 31	(11,027)	–	689	(154)	(10,492)

The temporary differences included in the deferred income tax liability at December 31, 2024 related to investments, tax loss carryforwards, and other temporary timing differences. The temporary differences on investments are primarily due to net investment differences in Canada, and South Africa. The temporary differences on tax loss carryforwards are related to the company's net capital losses. The other temporary timing differences primarily relate to fixed assets.

Management reviews the recoverability of potential deferred tax assets on an ongoing basis and adjusts, as necessary, to reflect their anticipated realization. At December 31, 2024, deferred income tax assets not recorded by the company of $40,402 (December 31, 2023 – $40,221) were principally comprised of: (i) losses on South African investments of $nil (December 31, 2023 – $2,423); (ii) net capital losses and foreign accrual capital losses of $1,644 (December 31, 2023 – $1,890); and (iii) other investment differences of $38,758 (December 31, 2023 – $35,908). In addition, the company has unused non-capital losses of $1,442 (2023 - $2,590) and unused net capital losses of $15,264 related to its operations in South Africa for which no deferred tax asset is recognized. These losses are not expected to expire.

At December 31, 2024 and 2023, net unrealized losses related to the company's investments resulted in no deferred income tax consideration for withholding and other taxes that could be payable on unremitted earnings of investments.

12. Financial Risk Management

Overview

The primary goals of the company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the company's objectives and risk tolerance, while maintaining an appropriate balance between risk and reward and protecting the company's consolidated balance sheet from events that have the potential to materially impair its financial strength. The company's activities expose it to certain financial risks during or at the end of the reporting period. There were no significant changes in the types of the company's risk exposures or the company's framework used to monitor, evaluate and manage the company's risk exposures at December 31, 2024 compared to those identified at December 31, 2023, except as described below.

Geopolitical Risks, Inflation, Fluctuating Interest Rates, Tariffs, and Other Risks

Geopolitical conflicts ongoing around the world have disrupted global supply chains, particularly the energy and food markets, resulting in volatile energy and commodity prices. The global impacts of these conflicts have resulted in increasing inflation, causing central banks in major economies to raise interest rates. While rising rates have the potential to affect discount rates used in the company's valuation of Private Portfolio Investments, recent rate reductions have also influenced fair value movements in certain investments. Such fluctuations in interest rates may also impact foreign exchange risk as currencies appreciate or depreciate depending on local monetary policy responses.

The recent tariff actions by the United States, retaliatory measures by other governments, and the possibility of a prolonged trade war may cause additional disruption in global trade, which could further impact inflation, interest rates, and currency volatility as discussed above based on government policy responses. Additionally, changes to and cancellations of certain US global aid programs may have an impact on the overall African economy. The company also faces risks related to liquidity constraints and the availability of capital, operational and reputational risks, and risks related to technological change and cybersecurity threats, as well as catastrophic events such as pandemics and terrorism. Such further developments could have a material adverse effect on the company's business, financial condition, results of operations, and cash flows.

Market Risk

Market risk (comprised of foreign currency risk, interest rate risk and market price fluctuations) is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market price. The company is exposed to market risk principally in its investing activities and to the extent that those activities expose the company to foreign currency risk, interest rate risk, and market price fluctuations. The valuation of the company's investment portfolio is dependent upon the underlying performance of the companies within the portfolio, but may also be affected, along with other financial statement items, by fluctuations in foreign currency exchange rates, interest rates, and market prices.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument or another asset or liability will fluctuate due to changes in exchange rates and as a result, could produce an adverse effect on net loss and common shareholders' equity when measured in U.S. dollars, the company's functional and reporting currency.

The company has significant cash and cash equivalents in Canadian dollars and South African rand. In addition, the company has cash and cash equivalents in Mauritian rupees and pound sterling, for which the impact of currency fluctuations would be insignificant. At December 31, 2024, the company's direct exposure to South African rand decreased significantly compared to its exposure at December 31, 2023 due to the disposal of Indirect equity investment in AGH, Philafrica Common Shares, and the Philafrica Facility.

The company is also indirectly exposed to the pound sterling, Egyptian pound, Moroccan dirham, Nigerian naira, Kenyan shilling, and South African rand through its investment in Seven Rivers, which has investments in those currencies. At December 31, 2024, the company's exposure to pound sterling, Egyptian pound, and South African rand decreased and exposure to Moroccan dirham, Kenyan shilling, and Nigerian naira increased compared to its exposure at December 31, 2023 due to changes in the investments held by Seven Rivers.

The company's investment in Seven Rivers may be significantly affected by foreign currency movements resulting from Seven Rivers' pound sterling, Egyptian pound, Moroccan dirham, Nigerian naira, Kenyan shilling, and South African rand-denominated investments.

At December 31, 2024 and December 31, 2023, the company's net foreign currency exposure was as follows:

	December 31, 2024	**December 31, 2023**
South African rand[(1)]	**15,781**	26,786
Pound sterling[(1)]	**2,215**	6,140
Egyptian pound[(1)]	**4,952**	5,235
Canadian dollar	**6,075**	2,515
Mauritian rupee	**115**	67
Kenyan shilling[(1)]	**4,158**	–
Moroccan dirham[(1)]	**2,044**	846
Nigerian naira[(1)]	**10,650**	4,030

(1) The company is exposed to South African rand, pound sterling, Egyptian pound, Kenyan shilling, Moroccan dirham, and Nigerian naira through its investment in Seven Rivers, which owns investments denominated in these currencies. The impact of fluctuations in South African rand, pound sterling, Egyptian pound, Kenyan shilling, Moroccan dirham, and Nigerian naira for Seven Rivers' investments has been included in this table.

At December 31, 2024 and December 31, 2023, had the U.S. dollar strengthened or weakened by 5% or 10% relative to the currencies to which it has significant exposure with all other variables held constant, the net increase or decrease in loss would have been as follows:

	December 31, 2024		December 31, 2023	
	Sensitivity factor	**Hypothetical $ change effect on net loss**[(1)]	**Sensitivity factor**	**Hypothetical $ change effect on net loss**[(1)]
South African rand[(2)]	Increase / (decrease) 5.0%	580 / (580)	Increase / (decrease) 5.0%	984 / (984)
	Increase / (decrease) 10.0%	1,160 / (1,160)	Increase / (decrease) 10.0%	1,969 / (1,969)
Pound sterling[(2)]	Increase / (decrease) 5.0%	82 / (82)	Increase / (decrease) 5.0%	226 / (226)
	Increase / (decrease) 10.0%	163 / (163)	Increase / (decrease) 10.0%	451 / (451)
Canadian dollar	Increase / (decrease) 5.0%	223/ (223)	Increase / (decrease) 5.0%	93 / (93)
	Increase / (decrease) 10.0%	447 / (447)	Increase / (decrease) 10.0%	185 / (185)
Egyptian pound[(2)]	Increase / (decrease) 5.0%	182 / (182)	Increase / (decrease) 5.0%	193 / (193)
	Increase / (decrease) 10.0%	364/ (364)	Increase / (decrease) 10.0%	385 / (385)
Kenyan shilling[(2)]	Increase / (decrease) 5.0%	153 / (153)	Increase / (decrease) 5.0%	–
	Increase / (decrease) 10.0%	306 / (306)	Increase / (decrease) 10.0%	–
Moroccan dirham[(2)]	Increase / (decrease) 5.0%	75 / (75)	Increase / (decrease) 5.0%	31 / (31)
	Increase / (decrease) 10.0%	150 / (150)	Increase / (decrease) 10.0%	62 / (62)
Nigerian naira[(2)]	Increase / (decrease) 5.0%	392 / (392)	Increase / (decrease) 5.0%	148 / (148)
	Increase / (decrease) 10.0%	783 / (783)	Increase / (decrease) 10.0%	296 / (296)

(1) For the purpose of this sensitivity analysis, the hypothetical $ change effect on net loss includes an income tax impact that is calculated using the company's marginal tax rate. Actual income tax expense (recovery) may differ significantly when earnings (losses) are realized.

(2) The company is exposed to South African rand, pound sterling, Egyptian pound, Kenyan shilling, Moroccan dirham, and Nigerian naira through its investment in Seven Rivers, which owns investments denominated in these currencies. The impact of fluctuations in South African rand, pound sterling, Moroccan dirham, Nigerian naira and Egyptian pound for Seven Rivers' investments has been included in this table

The company has not hedged its foreign currency risk. Certain shortcomings are inherent with this method of analysis, including the assumption that the hypothetical appreciation or depreciation of the South African rand, pound sterling, Canadian dollar, Kenyan shilling, Moroccan dirham, Nigerian naira, or Egyptian pound against the U.S. dollar occurred with all other variables held constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Typically, as interest rates rise, the fair values of debt instrument investments decline and, conversely, as interest rates decline, the fair values of debt instrument investments rise. In each case, the longer the maturity of the financial instrument, the greater the consequence of a change in interest rates.

At December 31, 2024, the company held debt instrument investments with a fair value of $48,637 (December 31, 2023 – $30,163). These investments are exposed to interest rate risk due to changes in market interest rates. At December 31, 2024, the hypothetical impact of a 1% increase or decrease in the interest rate for the company's direct and indirect variable-rate debt instrument investments, with all other variables held constant, would have resulted in a corresponding net increase or decrease in the company's net loss of $491 (December 31, 2023 – $nil).

Market Price Fluctuations

Market price fluctuation is the risk that the fair value of future cash flows of an equity investment or limited partnership investment will fluctuate due to changes in market prices (other than those arising from foreign currency risk and interest rate risk).

The company holds significant equity and limited partnership investments and is exposed to market price risk. The market value and the liquidity of these investments are volatile and may vary dramatically either up or down in short periods, and their ultimate value will therefore only be known over a period of time or on disposition.

At December 31, 2024, the hypothetical impact of a 10.0% increase or decrease in the fair value of Seven Rivers' investments classified as Level 2 in the fair value hierarchy, with all other variables held constant, would have resulted in a corresponding net increase or decrease in the company's investment in Seven Rivers of $2,612 (December 31, 2023 – $2,516). Refer to note 6 for the hypothetical impact on net earnings (loss) of various combinations of changes in significant unobservable inputs in the company's internal valuation models for the company's investments classified as Level 3 in the fair value hierarchy.

Credit Risk

Credit risk is the risk of loss resulting from the failure of a counterparty to honour its financial obligations to the company and arises predominantly with respect to cash and cash equivalents, receivables, and investments in debt instruments.

Cash and Cash Equivalents

The company monitors risks associated with cash and cash equivalents by regularly reviewing the financial strength and creditworthiness of these financial institutions. From these reviews, the company may transfer balances from financial institutions where it perceives heightened credit risk to others considered to be more stable.

At December 31, 2024, the company's cash and cash equivalents of $38,320 (December 31, 2023 – $95,913) were comprised of $24,428 (December 31, 2023 – $40,167) at the holding company (principally in major Canadian financial institutions) and $13,892 (December 31, 2023 – $55,746) at the company's wholly-owned subsidiaries (principally in major South African and Mauritian financial institutions). In addition, through its investments in Seven Rivers and HSEG, the company has exposure to cash and cash equivalents of $2,245 (principally in major Cayman Island and Guernsey financial institutions).

Other Receivables from Related Parties

The company monitors risks associated with other receivables from related parties by regularly reviewing the financial strength and creditworthiness of these related parties.

As of December 31, 2024, other receivables from related parties were $126 (December 31, 2023 – $991). At December 31, 2023, other receivables from related parties was comprised of a distribution receivable from TopCo LP Class B Limited Partnership Interest in connection with Excess Management Fees earned (refer to note 13).

Debt Instruments

The company's risk management strategy for debt instruments with third-party issuers is to limit the amount of credit exposure with respect to any one corporate issuer. The company endeavours to limit credit exposure by monitoring debt instrument portfolio limits on individual corporate issuers and limits based on credit quality. The company monitors risks associated with debt instruments with related parties by regularly reviewing the execution of their respective business strategies and their financial strength and creditworthiness.

The company assesses the creditworthiness of each new counterparty prior to entering into contracts. Management monitors credit risk from debt instruments in its Portfolio Investments in debt instruments through reviewing financial performance of its counterparties, collateral arrangements, diversification, and other credit risk mitigation techniques. Where appropriate, credit risk has been factored into the determination of fair value.

At December 31, 2024, the company had debt instruments with a fair value of $48,637 (December 31, 2023 – $30,163) that were subject to credit risk, representing 11.2% (December 31, 2023 – 6.3%) of the total cash and investments. In addition, through the investment in HSEG (refer to note 5), the company is exposed to credit risk due to HSEG's investment in the Zaria Loan, which matures on June 8, 2033.

The company's exposure to credit risk from its investments in debt instruments increased to $48,637 at December 31, 2024, compared to $30,163 at December 31, 2023. This increase is primarily due to the new HSEG Loan Facility as well as additional drawdowns on the Digital Ventures $40M Facility and Digital Ventures $1M Facility (refer to note 5).

Loans and bonds are summarized by their earliest contractual maturity date in the table that follows. Actual maturities may differ from maturities shown below due to the existence of call and put features.

	December 31, 2024		December 31, 2023	
	Cost(1)	Fair value	Cost(1)	Fair value
Loans:				
Due in 1 year or less(2)	**47,713**	**47,933**	30,471	29,645
Due after 5 years	**704**	**704**	518	518
	48,417	**48,637**	30,989	30,163
Bonds:				
Due in 1 year or less(2)	**–**	**–**	20,073	–
	–	**–**	20,073	–

(1) Cost is comprised of fair value on initial recognition and capitalized interest.
(2) At December 31, 2023, includes instruments for which the contractual maturity has passed but have not yet been repaid.

At December 31, 2024, loans and bonds with fair values of $nil (December 31, 2023 – $8,137 and $nil) contained call features. At December 31, 2024 and 2023, there were no debt instruments containing put features.

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The company manages liquidity risk by maintaining sufficient liquid assets and access to a loan facility to enable settlement of financial commitments on their respective due dates. All accounts payable and accrued liabilities are generally due within three months, and income taxes payable must be remitted to the respective tax jurisdictions as they are due.

Cash, readily realizable investments and the RMB facility (refer to note 7) at December 31, 2024 provide liquidity to meet the company's remaining known significant commitments over the next twelve months. There are uncertainties related to the timing and amount of fundraising for the new Helios Strategies, and related to cash flows from exiting investments, which may impact liquidity. The development stage of certain Helios Strategies and the illiquid nature of the company's investments do not currently generate sufficient operating cash flows to fund short term obligations. This may require the Company to obtain liquidity by drawing on the RMB facility of which $70,000 is available to be drawn based on current financial covenants.

The following tables present the company's commitments, and contractual obligations by their contractual maturity date at December 31, 2024 and 2023:

	December 31, 2024				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Digital Ventures $40M Facility	**7,984**	**7,984**	**–**	**–**	**–**
Digital Ventures $1M Facility	**360**	**360**	**–**	**–**	**–**
Helios Fund IV Commitment	**14,489**	**14,489**	**–**	**–**	**–**
Zaria Loan Commitment	**5,250**	**5,250**	**–**	**–**	**–**
HSEH Guarantee(1)	**5,000**	**5,000**	**–**	**–**	**–**
TopCo LP Management Team Commitment	**2,173**	**2,173**	**–**	**–**	**–**
Due to related parties	**846**	**846**	**–**	**–**	**–**
Accounts payable and accrued liabilities	**6,594**	**6,594**	**–**	**–**	**–**
Lease commitments	**1,610**	**160**	**385**	**358**	**707**
	44,306	**42,856**	**385**	**358**	**707**

(1) HSEH provided a guarantee of $5,000 on behalf of TMG, securing the payment of a portion of the purchase consideration for an acquisition made by TMG (refer to note 13).
(2) The company made a business decision to allow TopCo LP Class B Limited Partnership Interest to absorb initial startup costs for the new Helios Strategies in excess of management fees for the year ending December 31, 2025, as needed.

	December 31, 2023				
	Total	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Digital Ventures $40M Facility	19,819	19,819	–	–	–
Digital Ventures $1M Facility	513	513	–	–	–
Helios Fund IV Commitment	16,553	16,553	–	–	–
Zaria Loan Commitment	8,000	8,000	–	–	–
TMG Obligation	6,000	6,000	–	–	–
TopCo LP Management Team Commitment	2,483	2,483	–	–	–
Due to related parties	1,096	1,096	–	–	–
Accounts payable and accrued liabilities	1,601	1,601	–	–	–
Lease commitments	2,074	178	407	445	1,044
	58,139	56,243	407	445	1,044

Subsequent to December 31, 2024

Subsequent to December 31, 2024, the company committed to paying the initial startup costs of Seven Rivers in the amount of $2,314.

The company may be subject to clawback obligations with respect to its TopCo LP Class A Limited Partnership Interest to the extent it has received carried interest proceeds and a clawback is required (refer to note 5). The company may be subject to capital call obligations with respect to its TopCo LP Class A and Class B Limited Partnership Interests to cover its pro rata share of expenses incurred by TopCo LP and TopCo LP's share of commitments to the general partners of the Helios Funds, the risk of which is partially mitigated by the six-month holding period of Excess Management Fees Proceeds by TopCo LP. The company may be subject to clawback and indemnity obligations with respect to the sale of a portion of its indirect equity interest in AGH, should certain clauses in the Sale and Purchase Agreement be triggered (refer to note 5).

Concentration Risk

The company's investments are primarily concentrated in Africa and in African businesses or businesses with customers, suppliers or business primarily conducted in, or dependent on, Africa. The market value of the company's investments, the income generated by the company and the company's performance will be particularly sensitive to changes in the economic condition, interest rates, and regulatory environment of African countries in which the company has investments. Adverse changes to the economic condition, interest rates or regulatory environment in those African countries may have a material adverse effect on the company's business, cash flows, financial condition and net earnings.

The composition of the company's total cash and cash equivalents and Portfolio Investments by industry sector and the regions where the primary underlying risk of the issuer's businesses resides is presented in the following table. The fair values of the Portfolio Investments were allocated based on the issuer's revenue from each region.

	December 31, 2024					December 31, 2023				
	North Africa(1)	Sub-Saharan Africa(2)	Pan-Africa(3)	Other	Total	North Africa(1)	Sub-Saharan Africa(2)	Pan-Africa(3)	Other	Total
Cash and cash equivalents	**–**	**13,892**	**–**	**24,428**	**38,320**	–	55,746	–	40,167	95,913
Limited partnership investments:										
Asset management(5)	**–**	**–**	**96,395**	**–**	**96,395**	–	–	155,757	–	155,757
Financial services(4)	**16,133**	**–**	**17,591**	**6,444**	**40,168**	–	–	16,691	–	16,691
Insurance(4)	**–**	**–**	**15,078**	**–**	**15,078**	–	–	12,947	–	12,947
Retail and distribution(4)	**15,142**	**10,181**	**–**	**–**	**25,323**	13,831	8,527	–	–	22,358
Common shares:										
Food and agriculture	**–**	**14**	**–**	**12**	**26**	–	5,720	–	1,080	6,800
Financial services	**–**	**–**	**2,257**	**–**	**2,257**	–	–	10,765	–	10,765
Infrastructure	**–**	**–**	**6,150**	**–**	**6,150**	–	–	10,640	–	10,640
Sports and entertainment	**–**	**56,300**	**39,726**	**–**	**96,026**	–	30,671	39,182	–	69,853
Retail and distribution	**20,569**	**–**	**17,695**	**–**	**38,264**	18,652	–	4,213	–	22,865
Education	**–**	**16,496**	**–**	**–**	**16,496**	–	17,000	–	–	17,000
Other	**–**	**–**	**–**	**10,129**	**10,129**	–	–	–	10,163	10,163
Loans										
Food and agriculture	**–**	**–**	**–**	**–**	**–**	–	8,137	–	–	8,137
Financial services	**16,908**	**19,255**	**–**	**–**	**36,163**	10,300	11,726	–	–	22,026
Infrastructure	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Sports and entertainment	**–**	**12,474**	**–**	**–**	**12,474**	–	–	–	–	–
	68,752	**128,612**	**194,892**	**41,013**	**433,269**	42,783	137,527	250,195	51,410	481,915

(1) North Africa is geographically, the area of the continent of Africa that lies north of the Sahara Desert. It encompasses 8 of Africa's 54 countries.

(2) Sub-Saharan Africa is geographically, the area of the continent of Africa that lies south of the Sahara Desert. It encompasses 46 of Africa's 54 countries.

(3) Pan-Africa is geographically, the continent of Africa. Investments operating broadly across the continent of Africa are exposed to Pan-African regional risk.

(4) Helios Fund IV, Seven Rivers, and HSEG have been allocated to industry sectors based on underlying investment holdings.

(5) The returns of TopCo LP Class A and Class B Limited Partnership Interests are tied to the performance of Helios Holdings Group.

The company's loans and bonds are not rated, with no issuer concentration at December 31, 2024 and December 31, 2023.

Helios is the sub-advisor of TopCo LP, which is portfolio advisor of the company and provides investment management services, investment advisory services and investment administration services to HFP and its subsidiaries. As of December 31, 2024 ,the company is exposed to concentration risk as the investments in entities managed by Helios Holdings Group entities represent a significant portion of the company's Portfolio Investments. Additionally, there are significant unsecured receivables from affiliates and related entities of Helios.

In accordance with the company's bylaws, the company will not make a Portfolio Investment if, after giving effect to such investment, the total invested amount of such investment would exceed 20.0% of the company's total assets at the time of the investment, provided, however, that the company is permitted to complete up to two Portfolio Investments where, after giving effect to each such investment, the total invested amount of each such investment would be equal to or no more than 25.0% of the company's total assets (the "Investment Concentration Restriction").

The company intends to make multiple different investments as part of its prudent investment strategy. Portfolio Investments may be financed through equity or debt offerings as part of the company's objective to reduce its cost of capital and provide returns to shareholders.

Capital Management

The company's objectives when managing capital is to optimize returns for common shareholders, while seeking attractive risk-adjusted returns. Total capital, comprised of common shareholders' equity and borrowings, was $415,941 at December 31, 2024 (December 31, 2023 – $474,596). The decrease primarily reflected the net loss of $58,790.

13. Related Party Transactions

Payable to Related Parties

At December 31, 2024, the company's payable to related parties of $846 was comprised of a payable to TopCo LP for investment and advisory fees (December 31, 2023 – $1,096).

Investment Advisory Agreement

The company and its subsidiaries are parties to the Investment Advisory Agreement with TopCo LP. TopCo LP has entered into a sub-investment and advisory agreement with the Manager, pursuant to which the Manager was appointed as TopCo LP's sub-advisor for the purposes of the Investment Advisory Agreement. As compensation for the provision of these services, the company and its subsidiaries pay an investment and advisory fee, and if applicable, a performance fee.

The investment and advisory fees are calculated and payable quarterly as 0.5% of the value of undeployed capital and 1.5% of the company's common shareholders' equity less the value of undeployed capital and the fair value of TopCo LP. In 2024, investment and advisory fees recorded within the consolidated statements of loss and comprehensive loss were $4,055 (2023 – $3,492).

Performance Fee

The performance fee under the Investment Advisory Agreement is accrued quarterly and is calculated, on a cumulative basis, as 20% of any increase in book value per share, excluding investment in and any cash distributions made by TopCo LP ("Adjusted Book Value per Share"), above a 5% per annum increase less any performance fees settled in prior calculation periods. The amount of Adjusted Book Value per Share at any time which must be achieved before any performance fee would be payable is sometimes referred to as the "hurdle per share".

Under the Investment Advisory Agreement, the period from January 1, 2024 to December 31, 2026 (the "second calculation period") is the second consecutive three-year period for which a performance fee, if applicable, will be payable to TopCo LP. At December 31, 2024 and 2023 the company determined that a performance fee of $nil should be accrued to TopCo LP as the Adjusted Book Value per Share of $2.95 (December 31, 2023 – $2.92) (before factoring in the impact of the performance fee) was less than the hurdle per share at that date of $3.57.

The performance fee, if applicable, will be paid within 30 days after the company issues its annual audited consolidated financial statements for the year ended December 31, 2026. TopCo LP's general partner may elect, no later than fifteen days from the end of the calculation period (the "election date"), to receive the performance fee, wholly or partly, in cash or in subordinate voting shares of the company. The number of subordinate voting shares to be issued will be calculated based on the volume-weighted average trading price of the company's subordinate voting shares for the 10 trading days prior to and including the election date.

In 2024, a performance fee of $nil (2023 – $nil) was recorded within the consolidated statements of loss and comprehensive loss.

Other Receivables from Related Parties

Other receivables from related parties were $126 at December 31, 2024. At December 31, 2023, other receivables from related parties of $991 was comprised of a distribution receivable from TopCo LP Class B Limited Partnership Interest in connection with Excess Management Fees earned.

Fairfax's Voting Rights and Equity Interest

At December 31, 2024, Fairfax, through its subsidiaries, owned 30,000,000 multiple voting shares and 7,304,067 subordinate voting shares of HFP (December 31, 2023 – 30,000,000 and 7,304,067 respectively), as well as 3,000,000 HFP Warrants exercisable for one subordinate voting share each, none of which have been exercised.

At December 31, 2024, Fairfax's holdings of multiple and subordinate voting shares represented 53.3% of the voting rights and 34.5% of the equity interest in HFP (December 31, 2023 – 53.3% and 34.5%).

Principal Holdco's Voting Rights and Equity Interest

At December 31, 2024 and 2023, Principal Holdco, a Luxembourg holding company indirectly owned by the co-CEOs of the company, owned 25,452,865 multiple voting shares and 24,632,413 subordinate voting shares of HFP.

At December 31, 2024, in addition to his ownership through Principal Holdco, one of the co-CEOs also directly owned 4,500 subordinate voting shares (December 31, 2023 – 4,500) and indirectly owned 97,000 subordinate voting shares through a holding company (December 31, 2023 – 97,000).

At December 31, 2024, Principal Holdco's holdings of multiple and subordinate voting shares represented 45.9% of the voting rights and 46.3% of the equity interest in HFP (December 31, 2023 – 45.9% and 46.3%).

Key Management Personnel Compensation

Management Compensation

Compensation for the company's key management personnel for the years ended December 31 was recognized in general and administration expenses in the consolidated statements of loss and comprehensive loss as follows:

	2024	2023
Short-term employee benefits	**2,048**	1,914
Share-based payments	**148**	136
	2,196	2,050

Director Compensation

Compensation for the company's Board of Directors for the years ended December 31 was recognized in general and administration expenses in the consolidated statements of loss and comprehensive loss as follows:

	2024	2023
Retainers and fees	**464**	410
Share-based payments	**172**	211
	636	621

Special Incentive Plan

The company adopted the Special Incentive Plan, pursuant to which options to purchase subordinate voting shares of the company were granted to the SIP Recipients (refer to note 9). Certain of the SIP Recipients are key management personnel of the company or employees of the Manager.

Long Term Incentive Plan

The company adopted the Long Term Incentive Plan, pursuant to which restricted share units of the company were granted to the LTIP Recipients (refer to note 9). Certain of the LTIP Recipients are key management personnel and directors of the company.

GP and Management Company Loans

In 2024, the company entered into loan facility agreements with Helios Investors Genpar Clear Fund S.A.R.L. ("Helios CLEAR GP"), Helios Digital Ventures Genpar Ltd. ("HDV GP"), and HSEG ManCo Ltd. ("HSEG ManCo"). These entities serve as the general partners or management companies for Helios CLEAR Fund SCSp ("Helios CLEAR Fund"), HDV, and HSEG, respectively.

To support the initial startup costs of these strategies, the company extended loan facilities totaling $13,200 to the general partners or management companies of these entities pursuant to the loan facility agreements. These loans were unsecured and bore interest at rates based on the 6-month SOFR reference rate plus margins ranging from 5% to 6%, with repayment based on a five-year amortization period and full repayment due by the respective maturity dates.

Loan	Facility	Interest Rate	Maturity Date	Drawdowns Funded	Relationship with HFP
Helios CLEAR GP Loan	$6,500	6-month SOFR + 0.10% + 5% per annum	January 31, 2030	$6,500	Helios CLEAR GP is the general partner of Helios CLEAR Fund. It is a related party due to HFP's co-CEOs jointly owning 100% of Helios CLEAR GP and also holding key management positions within HFP. HFP's co-CEOs' ownership does not entitle them to any economic benefit. HFP has the contractual right to the management fees of CLEAR GP through its investment in TopCo LP Class B Limited Partnership Interest.
HDV GP Loan	$4,700	6-month SOFR + 0.10% + 6% per annum	May 17, 2029	$4,700	HDV GP is the general partner of HDV. It is a related party due to HFP's co-CEOs jointly owning 100% of HDV GP and also holding key management positions within HFP. HFP's co-CEOs' ownership does not entitle them to any economic benefit. HFP will have the contractual right to the management fees of HDV GP through its investment in TopCo LP Class B Limited Partnership Interest.
HSEG ManCo Loan	$2,000	6-month SOFR + 0.10% + 6% per annum	June 21, 2029	$2,000	HSEG ManCo is the investment manager of HSEG. It is a related party due to HFP's co-CEOs jointly owning 100% of HSEG ManCo and also holding key management positions within HFP. HFP's co-CEOs' ownership does not entitle them to any economic benefit. HFP will have the contractual right to the management fees of HSEG ManCo through its investment in TopCo LP Class B Limited Partnership Interest.

During the fourth quarter of 2024, as part of its ongoing strategic and financial considerations, the company made a business decision to forgive the loans extended to these general partners and management companies.

Accordingly, the full principal amounts, along with any accrued and capitalized interest, were derecognized in the fourth quarter of 2024. The loan forgiveness has been recorded as an expense in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2024.

Related Party Investment Transactions

Helios Fund IV

Helios Fund IV is related to HFP by virtue of common key management personnel. During the year ended December 31, 2024, the company funded a capital call of $2,064.

At December 31, 2024, the company had funded aggregate capital calls of $35,511, representing 14.1% (December 31, 2023 – $33,447 and 14.1%) of the limited partnership interest in Helios Fund IV based on committed capital. The exchange amounts of the transactions represented fair value (refer to notes 5 and 6). At December 31, 2024, the company's remaining capital commitment to Helios Fund IV was $14,489 (December 31, 2023 – $16,553), which may be called at any time by Helios Fund IV GP in accordance with the Helios Fund IV LPA.

Taj Holdings

In September 2024, the company invested $16,133 for a 100% equity interest in Taj Holdings. Through Taj Holdings, the company subscribed for 24.0% equity interest in Taj Investment. Taj Holdings is a related party of HFP as it is a subsidiary of HFP. Helios Fund IV owns the remaining 76.0% equity interest in Taj Investment. The exchange amount of the transaction represented fair value (refer to notes 5 and 6).

Trone Holdings

On December 14, 2021, the company invested $15,528 for a 22.0% equity interest in Trone Holdings. Trone Holdings is a related party of HFP by virtue of common key management personnel and is an associate of the company. Helios Fund IV, who controls SPV Rayon and the operating businesses of Trone, holds the remaining 78.0% equity interest in Trone Holdings. The exchange amount of the transaction represented fair value on initial recognition (refer to notes 5 and 6).

TopCo LP

TopCo LP is a related party of HFP by virtue of common key management personnel and is an associate of the company. During the year ended December 31, 2023, the company recognized a distribution receivable from its TopCo LP Class B Limited Partnership Interest of $122. There was no distribution receivable recognized during the year ended December 31, 2024.

The company, as the TopCo Class B Limited Partner, made the business decision to have the TopCo LP Class B Limited Partnership Interest absorb certain Helios expenses of $5,109, exceeding the management fees received by the TopCo Limited Partnership, which is included in loss on loan forgiveness and other expenses in the consolidated statements of loss and comprehensive loss.

Additionally, the company made a business decision to allow TopCo LP Class B Limited Partnership Interest to absorb initial startup costs for the new Helios Strategies in excess of management fees for the year ending December 31, 2025, as needed.

TopCo LP Management Team Commitment

HFP is committed to contribute $7,500 to TopCo LP in respect of Management Team Commitments for Helios Fund IV. During the year ended December 31, 2024, the company funded a capital call of $310 from TopCo LP for its share of HIP Equity IV Management Team Commitment in Helios Fund IV. At December 31, 2024, the company's remaining capital commitment to TopCo LP with respect to the Management Team Commitment was $2,173 (refer to note 5).

Digital Ventures Facilities

In 2022, the company entered the Digital Ventures $40M Facility with HDV. Concurrently, the company entered into the Digital Ventures $1M Facility with Obashe, which is the sole limited partner of HDV. HDV is related to HFP by virtue of common key management personnel. Obashe is also related to HFP.

During the year ended December 31, 2024, the company funded drawdowns of $11,835 and $153 on the Digital Ventures $40M Facility and Digital Ventures $1M Facility, respectively (refer to notes 5 and 6). At December 31, 2024, the company's remaining capital commitments to the Digital Ventures $40M Facility and the Digital Ventures $1M Facility were $7,984 and $360, which may be called at any time in accordance with the respective loan facility agreements.

Subsequent to December 31, 2024

Subsequent to December 31, 2024, the company funded drawdowns of $2,424 on the Digital Ventures $40M Facility and $61 on the Digital Ventures $1M Facility.

Helios Sports and Entertainment Group

At December 31, 2024, the company had invested $45,000 and has a 100% equity interest in HSEG. HSEG is a related party of HFP as HFP controls HSEG.

In 2023, the company, through HSEG and HSEH, subscribed for 25% equity interest in Zaria for no consideration and made a maximum financial commitment of $12,000 to Zaria. A portion of the financial commitment was fulfilled in the form of the Zaria Loan, which in 2024 was increased by $2,750 to bring the total loan balance to $6,750. The Zaria Loan bears interest at a rate of the 3-month SOFR reference rate plus a margin of 5% per annum, accrued and capitalized quarterly, is unsecured and matures on June 8, 2033 (refer to notes 5 and 6).

Zaria Holdings Limited owns the remaining 75% equity interest in Zaria and is a related party of HFP by virtue of common key management personnel. Zaria is a related party of HFP by virtue of being an associate of HFP.

In 2023, HSEG through its wholly owned subsidiary HSEH, also subscribed to preference shares in The Malachite Group ("TMG"). The preference shares accrue a fixed 12% dividend. These shares include a conversion feature for potential equity interest conversion based on achieving a cumulative return target by November 2030. TMG is a related party of HFP as TMG is a subsidiary of the company.

In 2024, the company invested an additional $12,950 in HSEG in exchange for 12,949,806 shares. The company also legally transferred its 100% interest in U.S. Holdco, which is the beneficial and registered owner of the equity interest in NBA Africa, to HSEG at a fair value of $39,163. HSEG, in turn, legally transferred the interest in U.S. Holdco, including the equity interest in NBA Africa, to HSEH.

In 2024, HSEG, through its wholly owned subsidiary HSEH, made an investment of $15,000 in PFL Africa. PFL Africa is a related party of HFP, as PFL Africa is an associate of the company.

During the year, TMG entered into an agreement to acquire a significant equity interest in a company within the entertainment industry. As part of the transaction, HSEH provided the seller a deed of guarantee of $5,000 on behalf of TMG, securing the payment of a portion of the purchase consideration for the acquisition. Additionally, HSEH was granted an option to subscribe for shares in TMG in connection with the guarantee.

The exchange amount of the transactions represented fair value (refer to notes 5 and 6).

Helios Seven Rivers Fund

In 2023, the company invested a total of $30,000 in Seven Rivers in exchange for a 93.7% equity interest. Seven Rivers is a related party of HFP as HFP controls Seven Rivers. The exchange amount of the transaction represented fair value (refer to notes 5 and 6).

As of December 31, 2024, the company's equity interest in Seven Rivers decreased to 90.9%, driven by third-party subscriptions.

Subsequent to December 31, 2024

Subsequent to December 31, 2024, the company committed to paying the initial startup costs of Seven Rivers in the amount of $2,314.

HSEG Loan Facility

In 2024, the company entered into a loan facility agreement for $12,000 with HSEG (the "HSEG Loan Facility"). The HSEG Loan Facility bears interest at a rate of the 6-month SOFR reference rate plus an adjustment of 0.10% and a margin of 4.275% per annum, accrued and capitalized semi-annually, is unsecured, and matures on the earlier of June 30, 2025, or the completion of a bona fide transaction for raising capital by HSEG where securities are issued and sold to a third party. The loan is to be fully repaid by the maturity date.

Pursuant to the loan agreement, drawdowns of $12,000 were funded in 2024 and the proceeds were solely used to fund HSEG's investment in PFL Africa.

The exchange amount of the transactions represented fair value (refer to notes 5 and 6).

AGH Loan

In 2024, the company, through its SA Sub, entered into a Sale of Shares and Claims Agreement with AGH and Philafrica, whereby the company committed to selling its 26,000 common shares or 26.0% equity interest in Philafrica to AGH for an aggregate consideration of $4,400, subject to the fulfillment or waiver of certain closing conditions. AGH is a related party of HFP as AGH is indirectly controlled by HFP.

In August 2024, the closing conditions were met, and the transaction was completed. The company sold its 26,000 common shares in Philafrica and received purchase consideration in the form of a loan with a principal balance of $4,400. The loan bears interest at a rate of CME Term SOFR plus 4%, payable on or before August 31, 2024 (the "AGH Loan"). The AGH Loan was fully settled on December 18, 2024 for a total payment of $4,530.

The exchange amount of the transactions represented fair value (refer to notes 5 and 6).

Philafrica Facility

In 2024, the company entered into a debt purchase agreement to sell all the rights and claims against and debts owing under the Philafrica Facility. The consideration for the Philafrica Facility is the total outstanding balance, including principal and accrued interest, at the time that the consideration is settled. The purchaser of the Philafrica Facility is a company controlled by common key management personnel of AGH. The Philafrica Facility was settled for a total of $9,587 on December 18, 2024.

The exchange amount of the transactions represented fair value (refer to notes 5 and 6).

Indirect equity interest in Nova Pioneer

Nova Pioneer Education Group is a Pan-African independent school network offering preschool through secondary education. Nova Pioneer is wholly owned by Ascendant Learning Limited, a Mauritius-based parent entity. Helios Fairfax Partners Corporation (HFP) holds an indirect equity interest in Nova Pioneer through its investment in Ascendant.

As of December 31, 2024, and December 31, 2023, HFP had invested a total of $38,811, representing a 56.3% equity interest in Ascendant. Nova Pioneer is a related party of HFP by virtue of HFP's indirect control over Nova Pioneer through its equity interest in Ascendant.

During the year ended December 31, 2024, there were no transactions or outstanding balances between HFP and Nova Pioneer.

Indirect equity interest in AGH

At December 31, 2023, the company had invested $98,876 in Joseph Holdings (comprised of $88,744 for 74.6% interest in common shares and 73.7% interest in Class A shares of Joseph Holdings, providing a 74.6% voting interest; and $10,132 as a shareholder loan). Through its investment in Joseph Holdings, HFP was the largest beneficial shareholder of AFGRI Holdings, a private holding company based in South Africa that owns 100.0% of AGH, an investment holding company with interests in a number of agricultural and food-related companies.

During 2023 and 2024, the company completed the Tranche 1 Sale and Purchase and the Tranche 2 Sale and Purchase. The exchange amount of the transactions represented fair value (refer to notes 5 and 6).

As of December 31, 2024, due to the outstanding Tranche 3 Shares, HFP had a 25.6% interest in Joseph Holdings and through this investment held a 16.1% indirect equity interest in AGH. Joseph Holdings is a related party of HFP as Joseph Holdings is an associate of HFP.

Subsequent to December 31, 2024

Subsequent to December 31, 2024, all the closing conditions for the Tranche 3 Sale and Purchase have been fulfilled or waived. The sale of the Tranche 3 Shares was completed and the proceeds of $26 were received.

Related Party Indemnity

In 2022, the company entered into an agreement with Fairfax in respect of which Fairfax agreed to indemnify the company for all claims and liabilities that may arise from the settlement, in 2021, of the Atlas Mara Zambia Term Deposit Guarantee of $13,495, inclusive of interest.

On December 4, 2023, through Mauritius Sub, the company and Fairfax entered into an Indemnity Agreement, pursuant to which Fairfax agreed to pay up to $8,200 for the Claw Back Clause and indemnify the company for Indemnified Losses incurred as per the Sale and Purchase Agreement dated July 28, 2023. The company has not attributed any value to these assets, as management has assessed the probability of receiving payment due to these clauses being triggered as remote.

14. Property and Equipment

Property and equipment

At December 31, 2024, the company's property and equipment consisted of the following:

	Right of use asset	Leasehold improvements	Machinery and equipment	Furniture and fixtures	Total
Cost	**563**	**625**	**57**	**89**	**1,334**
Accumulated depreciation	**(87)**	**(51)**	**(13)**	**(7)**	**(158)**
Net balance, December 31, 2024	**476**	**574**	**44**	**82**	**1,176**

At December 31, 2023, the company's property and equipment consisted of the following:

	Right of use asset	Construction in progress	Total
Cost	563	427	990
Accumulated depreciation	(16)	–	(16)
Net balance, December 31, 2023	547	427	974

The changes in net carrying amounts of property and equipment during 2024 and 2023 are as follows:

	Right of use asset	Construction in progress	Leasehold improvements	Machinery and equipment	Furniture and fixtures	Total
Net balance, December 31, 2022	–	–	–	–	–	–
Additions	563	427	–	–	–	990
Depreciation expense	(16)	–	–	–	–	(16)
Net balance, December 31, 2023	**547**	**427**	**–**	**–**	**–**	**974**
Additions	**–**	**–**	**198**	**57**	**89**	**344**
Transfers to (from) construction in progress	**–**	**(427)**	**427**	**–**	**–**	**–**
Depreciation expense	**(71)**	**–**	**(51)**	**(13)**	**(7)**	**(142)**
Net balance, December 31, 2024	**476**	**–**	**574**	**44**	**82**	**1,176**

Depreciation expense of $142 was recorded for the year ended December 31, 2024 (2023 – $16).

Leases

The company leases office space in Canada. The initial term of the lease is 10 years, beginning in 2023, and contains an option to extend beyond the initial lease period. The lease contract entered into by the company does not contain any significant restrictions or covenants.

The company's lease liability at December 31, 2024 was $471 (2023 – $548) and the annual minimum payment requirements for the liability were as follows:

For the year:	
2025	**88**
2026	**106**
2027	**106**
2028	**109**
2029	**91**
Thereafter	**398**
	898

During the year ended December 31, 2024, the company recognized $76 in interest expense relating to its lease liability, which was included in interest expense. The company had total cash disbursements of $112 related to its lease liability.

During the year ended December 31, 2024, the company incurred $20 in expenses (2023 – $263) relating to a short-term lease for its temporary office space.

15. Other Assets

Other assets at December 31, 2024 and December 31, 2023 were comprised as follows:

	December 31, 2024			December 31, 2023		
	Gross	Provision	Net	Gross	Provision	Net
Receivable from Atlas Mara	**761**	**761**	**–**	761	320	441
Sales tax refundable	**1,131**	**–**	**1,131**	293	–	293
Other	**216**	**–**	**216**	433	–	433
	2,108	**761**	**1,347**	1,487	320	1,167

Receivable from Atlas Mara

At December 31, 2023 the receivable from Atlas Mara related to the guarantee provided by the company during 2021 to TLG Capital on the TLG Facility in the amount of $8,474. The company does not expect any further repayments on the TLG Facility Guarantee. As such, the recoverable amount of the receivable from Atlas Mara was estimated to be $nil as at December 31, 2024.

16. General and Administration Expenses

General and administration expenses for the years ended December 31 were comprised as follows:

	2024	2023
Audit, legal, tax and professional fees	**4,960**	4,164
Administrative expenses	**1,611**	3,479
Management service fees	**–**	58
Depreciation of property and equipment	**142**	16
Salaries and employee benefit expenses	**3,872**	4,436
	10,585	12,153

17. Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns, that are different from those of segments operating in other economic environments.

The company has concluded that HFP is engaged in a single geographic and business segment, that of investing in Africa and Portfolio Investments.

18. Legal Proceedings

The company is a defendant in a current legal action and intends to vigorously defend itself against all legal claims arising from such action. Although the ultimate outcome of this matter cannot be ascertained at this time and the results of such legal proceedings cannot be predicted with certainty, it is the opinion of management, based on information currently available and the indemnity in place, that this is not a significant exposure, and the resolution of this matter will not have a material adverse effect on the consolidated financial position of the company.

19. Supplementary Cash Flow Information

Cash and cash equivalents were included within the consolidated balance sheets and statements of cash flows as follows:

	December 31, 2024	December 31, 2023
Cash and balances with banks	**38,320**	95,913

Details of certain cash flows included within the consolidated statements of cash flows for the years ended December 31 were as follows:

	2024	2023
Purchases of investments		
Limited partnership investments	**(18,507)**	(9,927)
Common shares	**(12,950)**	(25,159)
Loans	**(23,988)**	(15,098)
	(55,445)	(50,184)
Disposals of investments		
Loans	**13,898**	48,215
Common stocks	**2,374**	14,533
	16,272	62,748
Interest received (paid)		
Interest received	**4,506**	7,162
Interest paid on borrowings	**–**	(2,786)
	4,506	4,376
Dividends received	**–**	208
Income taxes paid	**8,024**	(6,129)

Directors of the company

Kofi Adjepong-Boateng
Corporate Director

Ken Costa
Director
K J Costa Advisory Limited

Katherine Cunningham
Chief Financial Officer
The Globe and Mail Inc.

Lieutenant-General (ret.) Roméo Dallaire
President
Roméo Dallaire Inc.

Christopher D. Hodgson
Corporate Director

Tope Lawani
Co-Founder and Managing Partner
Helios Investment Partners LLP
Co-Chief Executive Officer of the company

Quinn McLean
Managing Director, Middle East and Africa
Hamblin Watsa Investment Counsel

Sahar Nasr
Professor, Economics Department, School of Business,
American University in Cairo

Babatunde Soyoye
Co-Founder and Managing Partner
Helios Investment Partners LLP
Co-Chief Executive Officer of the company

Masai Ujiri
Vice Chairman and President of Basketball Operations
Toronto Raptors, Maple Leaf Sports and Entertainment Ltd.

Operating Management
HFP South Africa Investments Proprietary Limited
HFP Investments Limited

Dylan Buttrick
Managing Director, South Africa and Mauritius

Officers of the company

Belinda Blades
Chief Financial Officer

Ken Costa
Chairman

Luciana Germinario
Chief Operating Officer

Julia Gray
General Counsel and Corporate Secretary

Tope Lawani
Co-Chief Executive Officer

Babatunde Soyoye
Co-Chief Executive Officer

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Auditor
PricewaterhouseCoopers LLP

Transfer Agent and Registrar
Computershare Trust Company of Canada, Toronto

Share Listing
Toronto Stock Exchange
Stock Symbol: HFPC.U

Annual Meeting
The annual general and special meeting of shareholders of Helios Fairfax Partners Corporation will be held virtually on May 14, 2025 at 11:00 a.m. (Eastern Time) via live audio webcast at https://meetnow.global/M4RLS9D.

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