

TSX Stock Symbol: HFPC.U

TORONTO, August 9, 2024

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

FINANCIAL RESULTS FOR THE SECOND QUARTER OF 2024

Helios Fairfax Partners Corporation (TSX: HFPC.U) today announced its financial results for the three and six months ended June 30, 2024. All dollar amounts in this news release are expressed in U.S. dollars except as otherwise noted. The financial results are derived from the interim consolidated financial statements prepared using the recognition and measurement requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including International Accounting Standard 34 Interim Financial Reporting, except as otherwise noted.

Management Commentary

“The second quarter of 2024 marked continued strong performance of our positions in Helios Managed investments,” said Tope Lawani and Babatunde Soyoye, Co-CEO’s of Helios Fairfax Partners. “These investments increased in fair value by 15.5% over the same period last year, and now stand at \$223 million. Consistent with our strategy of seeding investments in the sports and entertainment sector, we deployed \$13 million in Helios Sports & Entertainment Group, which invests in brands, companies and assets in the African sports and entertainment ecosystem. Completing the orderly exit of our Legacy Non-Core investments remains a priority this year. These proceeds will augment our \$65 million cash position which we intend to deploy primarily in investments that will contribute to long-term capital appreciation for HFP through the growth of cash flow streams from excess management fees and carried interest.”

Highlights During the Second Quarter of 2024

- Book value per share for the second quarter was \$4.19 compared to \$4.35 in the first quarter of 2024.
- HFP reported a net loss in the second quarter of 2024 of \$16.5 million compared to net earnings of \$4.0 million in the second quarter of 2023.
- Book value per share for the six months ended June 30, 2024, was \$4.19 compared to \$4.39 at the end of 2023.
- The company reported a net loss of \$21.2 million for the six months ended June 30, 2024, compared to net earnings of \$11.0 million in the six months ended June 30, 2023.
- The decrease in the book value per share compared to that of previous quarters, the increase in the loss compared to the first quarter and change from net earnings in the second quarter of 2023 to net loss in the second quarter of 2024 were due to unrealized losses from the company’s investment in TopCo LP which was driven by lower cash flow expectations and a decrease in expected carried interest. These unrealized losses were offset by unrealized gains related to Helios Managed Investments as well as net foreign exchange gains.
- Deployed \$13 million in Helios Sports & Entertainment Group.

Financial Position and Results of Operations

HFP reported a net loss of \$16.5 million in the second quarter of 2024 as compared to net earnings of \$4.0 million in the comparable period of 2023. The net loss was driven primarily by unrealized losses on the company's investment in TopCo, specifically TopCo Class B. The unrealized losses on the company's investment in TopCo Class B were driven primarily by the impact of lower forecasted management fees for the Helios Strategies which reduces the excess management fees to TopCo Class B. The unrealized losses were offset by unrealized gains related to Helios Managed Investments which increased, due to the strong performance of the underlying investments. Results from operations also include \$4.3 million of expenses offset by interest and dividend income of \$2.1 million.

The company reported net loss of \$21 million in the first six months of 2024 compared to net earnings of \$11 million in the first six months of 2023. The change from net earnings to net loss was driven primarily by unrealized losses on the company's investment in TopCo. These unrealized losses were driven primarily by the impact of lower forecasted management fees for the Helios Strategies, which reduced the excess management fees to TopCo Class B. Also contributing to the unrealized losses is a decrease in carried interest expected to be received from TopCo Class A driven by a combination of reduced expectations of the value that is to be realized from various investments and expected delays in the timing of certain exits for investments. The unrealized losses were offset by unrealized gains related to Helios Managed Investments, which increased due to the strong performance of the underlying investments in Helios Fund IV. Also included in the net loss are expenses of \$8.9 million offset by interest income and dividends of \$4 million.

The reduction in book value per share to \$4.19 as of June 30, 2024, as compared to \$4.35 in the prior quarter was primarily from the unrealized loss in the company's investment in TopCo.

Included in book value per share is \$65.1 million of cash and cash equivalents as at June 30, 2024, which is available to fund future investments. At June 30, 2024, HFP had 108,179,127 common shares outstanding, as compared to 108,169,817 common shares outstanding at December 31, 2023.

HFP's detailed second quarter report can be accessed at its website www.heliosinvestment.com/helios-fairfax-partners.

About Helios Fairfax Partners Corporation

Helios Fairfax Partners Corporation is an investment holding company whose investment objective is to achieve long term capital appreciation, while preserving capital, by investing in public and private equity securities and debt instruments in Africa and African businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, Africa.

Contact Information

Neil Weber
LodeRock Advisors
neil.weber@loderockadvisors.com
(647) 222-0574

This press release may contain forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements may relate to the company's or a Portfolio Investment's future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, plans and objectives of the company. Particularly, statements regarding future results, performance, achievements, prospects or opportunities of the company, a Portfolio Investment, or the African market are forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved".

Forward-looking statements are based on our opinions and estimates as of the date of this press release and they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to the following factors that are described in greater detail in the company's annual report : geopolitical risks; inflation and rising interest rates; 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; 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 and HFP Investments Holdings SARL 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 April 2, 2024, 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.

GLOSSARY OF NON-GAAP AND OTHER FINANCIAL MEASURES

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

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