INTERIM REPORT

For the nine months ended September 30, 2024

Index to Management's Discussion and Analysis

Management's Discussion and Analysis
(as of November 12, 2024)
(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 three and nine months ended September 30, 2024 and should be read in conjunction with the interim consolidated financial statements thereof and the audited annual consolidated financial statements and notes thereto for the year ended December 31, 2023 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 interim 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") applicable to the preparation of interim financial statements, including International Accounting Standard 34 Interim Financial Reporting, 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 portfolio investments as disclosed in note 5 (Portfolio Investments, Related Party Loan and Derivatives) to the interim consolidated financial statements for the three and nine months ended September 30, 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 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 ("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 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.

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 Objectives

Investment Objective

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"). Generally, subject to compliance with applicable law, the company will make Portfolio Investments with a view to acquiring control or significant influence positions.

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 Excess Management Fees and carried interest.

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 September 30, 2024, the company determined that it was in compliance with the Investment Concentration Restriction.

Overview of African Operating Environment

The company believes long-term demographic and economic shifts in Africa will offer attractive and unique investment opportunities on which HFP intends to capitalize. The demographic and technology tailwinds that make Africa an attractive investment locale remain intact. The continent benefits from a young and growing population. According to the UN, the median age in Africa is 19 years old, compared to 38 in North America and 42 in Europe. In addition, over the next 30 years, almost 70% of the growth in the total global workforce is expected to come from Africa. With populations in the developed and much of the developing world aging rapidly, the youthfulness and growth of Africa's population makes the continent critical to sustaining the global labour force.

A critical mass of young, urban and digitally-savvy Africans are catalyzing a powerful innovation ecosystem. The number of internet users across Africa has been growing at a 14% Compound Annual Growth Rate (CAGR) since 2014, with over 70% of the Sub-Saharan African ("SSA") population accessing the internet through mobile phones. This is driving similar digital trends, for example revenues from online payments are estimated to grow in excess of 30% annually, a more than fourfold increase from 2020, potentially reaching approximately $13 billion by 2025.

As global economic growth shows signs of recovery, Africa is witnessing a gradual improvement in its macroeconomic landscape. Inflationary pressures across the continent are easing, albeit at varying rates, while GDP continues to expand. Pivotal developments in several African economies occurred in the third quarter of 2024 marked by macroeconomic reforms, political changes, and rising debt concerns. The overall Sub-Saharan African outlook is steadily improving, with the IMF projecting GDP growth to land at 3.6% in 2024. Approximately two-thirds of countries within the SSA region anticipate higher growth. The economic recovery is expected to continue beyond 2024 with GDP growth in SSA projected to reach 4.2% in 2025.

Inflationary pressures have eased in a number of Sub-Saharan African nations, largely due to favourable base effects and lower commodity prices, especially in food. Although inflation rates vary relative to central bank targets, interest rate decisions were mixed across key African countries. Key factors driving inflation across the region include high energy costs, high food costs, currency volatility, and supply chain and structural issues.

A number of African nations have implemented comprehensive macroeconomic reforms to unlock $16.6 billion in multilateral funding from agencies such as the IMF and the World Bank Group. This funding has bolstered currency reserves and improved the fiscal positions of several key economies, though the impact on foreign exchange rates varies across SSA. Notably, the South African rand and Kenyan shilling have appreciated measurably year-to-date.

There are still risks that jeopardize the outlook of SSA. The region continues to be vulnerable to global external shocks, as well as the threat of rising political instability and frequent climate events. However, there are a growing number of economies where policy focus is bringing imbalances in check, opening the way for a broader turnaround in fortunes. While many of these reforms are much-needed and have been heralded by international organizations such as the World Bank, they have nonetheless created some near- and potentially medium-term uncertainty. The region's focus remains balancing growth objectives, controlling inflation, managing debt, and structural reforms. The success of these efforts will shape the region's economic trajectory, influencing investor confidence and long-term prospects.

Business Developments

Capital Transactions

On March 3, 2022, the company closed a $70,000 secured, revolving demand credit facility with FirstRand Bank Limited (acting through its Rand Merchant Bank division) (the "RMB Facility"), 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 September 30, 2024.

On September 18, 2024, FirstRand Bank Limited (acting through its Rand Merchant Bank division) granted the company a waiver from complying with certain financial covenants, which no longer aligned with the company's evolving business strategy, until amendments to the Facility Agreement are finalized, provided no loan remains outstanding.

Subsequent to September 30, 2024

Subsequent to September 30, 2024, the Facility Agreement between the company and FirstRand Bank Limited (via its Rand Merchant Bank division) 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 Helios 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. Such decrease can be waived by the lender.

Refer to note 7 (Borrowings) to the interim consolidated financial statements for the three and nine months ended September 30, 2024, for additional details.

During the first nine months of 2024, under the terms of its normal course issuer bid, the company purchased for cancellation 97,314 subordinate voting shares (2023 - 72,276 subordinate voting shares) for a net cost of $259 (2023 - $211) and $530 (2023 - $375) was recorded as a benefit in retained earnings.

Refer to note 8 (Common Shareholders' Equity) to the interim consolidated financial statements for the three and nine months ended September 30, 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 the respective management teams and has been prepared by them using recognition, measurement and presentation principles consistent with IFRS Accounting Standards, and provided to the company in their underlying functional currencies.

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 and Transfer	Change in Fair Value	September 30, 2024
Alternative Asset Management						
TopCo LP Class A Limited Partnership Interest	2020	55,815	310	—	(11,316)	44,809
TopCo LP Class B Limited Partnership Interest	2020	99,942	—	—	(12,647)	87,295
Total		155,757	310	—	(23,963)	132,104
Helios Managed Investments						
Co-Investments						
Helios Fund IV Limited Partnership Interest	2021	51,996	2,064	—	8,007	62,067
Trone Common Shares	2021	18,652	—	—	2,645	21,297
Taj Holdings Limited Partnership Interest	2024	—	16,133	—	—	16,133
		70,648	18,197	—	10,652	99,497
Seeding Investments						
NBA Africa Common Shares	2021	39,182	—	—	344	39,526
HSEG Common Shares	2023	31,625	12,950	—	2,782	47,357
HSEG Loan Facility	2024	—	12,000	—	137	12,137
Digital Ventures $40M Facility	2022	21,508	6,752	—	1,098	29,358
Digital Ventures $1M Facility	2022	518	135	—	24	677
Seven Rivers Common Shares	2023	34,827	—	—	714	35,541
		127,660	31,837	—	5,099	164,596
Total		198,308	50,034	—	15,751	264,093
Legacy Non-Core Investments						
Indirect Equity Interest in AGH	2017	2,400	—	—	—	2,400
Philafrica Common Shares	2018	4,400	—	(4,400)	—	—
AGH Loan	2024	—	4,400	—	—	4,400
Philafrica Facility	2020	8,137	—	—	1,620	9,757
Indirect Equity Interest in Nova Pioneer	2021	17,000	—	—	(723)	16,277
Total		31,937	4,400	(4,400)	897	32,834
Total Portfolio Investments		386,002	54,744	(4,400)	(7,315)	429,031

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 Helios Seven Rivers Fund Ltd. ("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 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.

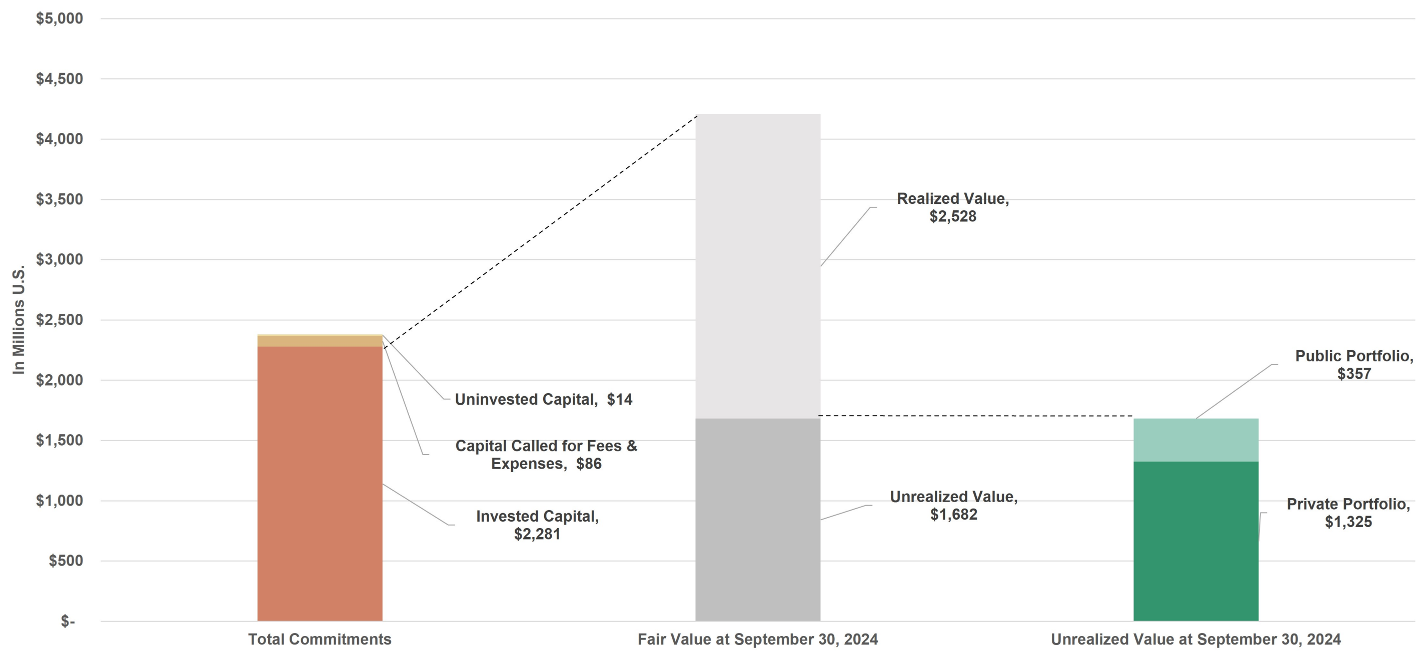
Business Overview

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.

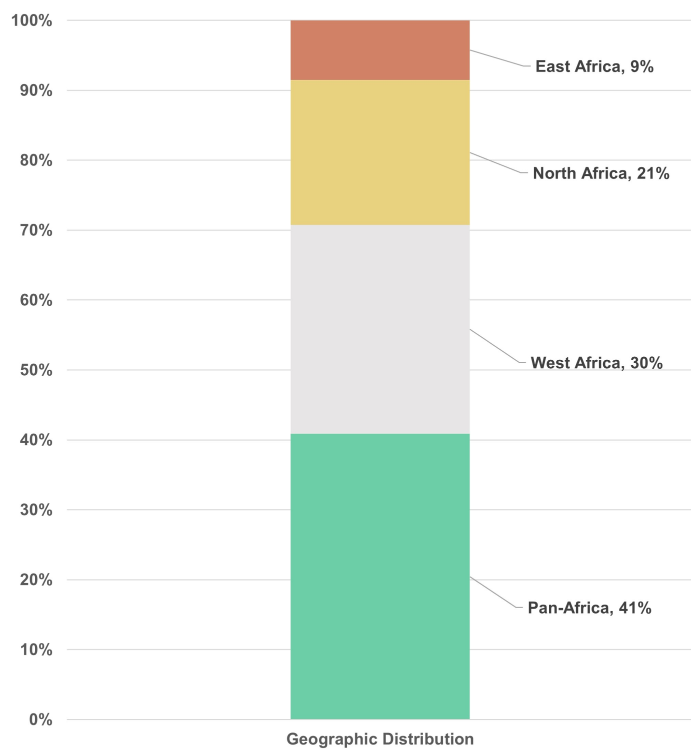
The Helios fee streams to which TopCo LP is entitled are currently derived predominantly from two private equity funds managed by Helios and future Helios strategies. Each fund was formed with the purpose of investing in African businesses or other businesses with customers, suppliers or businesses primarily 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.

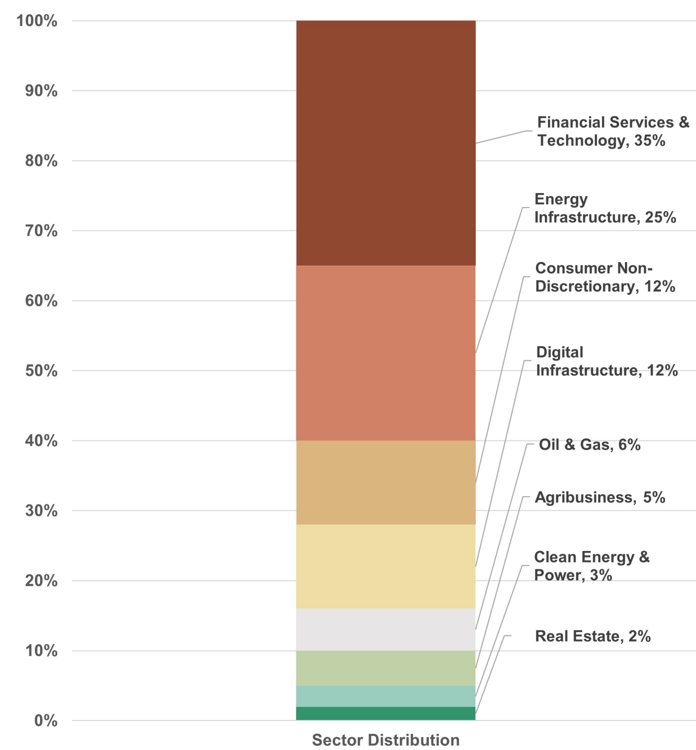
Helios Fund II, in which TopCo LP is entitled to a 25% share of the general partner's carried interest, is a private equity fund domiciled in the Cayman Islands that was formed in 2009 with $908,500 in committed capital; Helios Fund III (from which TopCo LP is entitled to 25% carried interest) is a private 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 September 30, 2024, the status and composition of the Helios Funds was as follows:



As at September 30, 2024, the composition of the Helios Funds' unrealized portfolio was as follows:





For the nine months ended September 30, 2024, the companies in which the Funds have invested experienced an increase in fair value of 1.7%. The increase in fair value is due mainly to a partial recovery in the fair value of a Helios Fund III investment in the financial services sector and increased valuations of Fund IV companies driven by revenue and profitability growth in the underlying companies. In the third quarter of 2024, Helios Fund III realized proceeds from certain of its investments, increasing the probability of generating carried interest.

As at September 30, 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 engaged in midstream LNG operations in

Ghana; (iii) a public company providing cross border payment and foreign exchange services across Africa; (iv) a private company operating electronic payments platform across Pan-Africa; and (v) a private company providing corporate and specialty reinsurance solutions across Pan-Africa.

Summarized below is unrealized carried interest from the Helios Funds as at September 30, 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)

	September 30, 2024	**December 31, 2023**
Total unrealized carried interest	**24,646**	16,902
TopCo LP's share of the unrealized carried interest	**12,323**	8,451

Total unrealized carried interest increased by $7,744 at September 30, 2024 compared to December 31, 2023. TopCo LP's share of unrealized carried interest increased by $3,872 at September 30, 2024 compared to December 31, 2023. The increase was driven primarily by improved fair value that is estimated to be realized from various investments in Helios Fund III and Helios Fund IV if the investments were exited at the period end fair values determined by the manager of Helios Fund III and Helios Fund IV. The valuation of TopCo LP Class A Limited Partnership Interests 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.

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 Interests, 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 September 30, 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 into the Helios CLEAR Fund. In addition, HFP is committed to contribute its pro rata share, being 50% of Management Team Commitments that are required to be made into any fund or investment vehicle in which HFP earns carried interest. HFP's Management Team Commitment is not subject to management fees and carried interest.

In the third quarter of 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 September 30, 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 which results in Excess Management Fees to be paid to HFP. HFP's ownership of TopCo LP Class B Limited Partnership Interests entitles HFP to receive the Excess Management Fees after a six-month holding period by TopCo LP.

At September 30, 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 September 30, 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 ranging from 25.3% to 29.3% (December 31, 2023 - 26.9% to 30.9%);
   b. target exit multiples of invested capital averaging 2.0x to 3.1x across Helios Funds II, III, and IV (December 31, 2023 - 2.1x to 3.2x);
   c. forecasted exit dates ranging from 2024 to 2027 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 September 30, 2024:

Valuation Technique	**Model Inputs**	**Inputs at September 30, 2024**	**Inputs at December 31, 2023**	**Description**
Discounted cash flow and net asset value	Discount rates	25.3% to 29.3%	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	2024 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	2.0x 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 Interests.

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 III and IV, which together form all of the fair value of carried interest proceeds, are actively evaluating exit options for their portfolio investments with carried interest proceeds expected to be realized beginning in 2026.

At September 30, 2024, the company's internal valuation model indicated that the fair value of its TopCo LP Class A Limited Partnership Interest was $44,809 (December 31, 2023 - $55,815). Fair value at September 30, 2024 reflected a decrease in valuation of $11,316, driven primarily 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.

Subsequent to September 30, 2024

Subsequent to September 30, 2024, a Helios Fund from which TopCo LP receives carried interest, elected not to participate in a new funding round planned by an investee company. The election may result in a full dilution of the Helios Fund's equity interest which could potentially impact the carried interest to be received by TopCo LP. Additionally, there was a significant decline in the share price of an investee company held by the Helios Funds from which TopCo LP is entitled to receive carried interest. These events could potentially impact the valuation of TopCo LP and the impact may be significant.

TopCo LP Class B Limited Partnership Interest

At September 30, 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 September 30, 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 $15.7 million in management fee revenue for the nine months ended September 30, 2024 could potentially increase to $99.1 million over the eight year forecasting period, implying a compound annual growth rate of 20.8%. 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 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 September 30, 2024:

Valuation Technique	**Model Inputs**	**Inputs at September 30, 2024**	**Inputs at December 31, 2023**	**Description**
Discounted cash flow	Discount rate	16.1%	16.2%	Included certain risk premiums commensurate with the risks inherent in the probability-weighted expected future cash flows.
	Growth in management fee revenue	20.8%	23.5%	Represented the compound annual growth rate in management fee revenue over eight years from $15.7 million to $99.1 million (December 31, 2023 - $24.8 million to $134.4 million), before taking into account probability weightings.
	Long term pre-tax profit margin	34.3%	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 September 30, 2024, the company's internal valuation model indicated that the fair value of its TopCo LP Class B Limited Partnership Interest was $87,295 (December 31, 2023 - $99,942), reflecting a decrease in valuation of $12,647. This decrease was primarily driven by a reduction in the forecasted management fee revenue from a strategy focused on energy infrastructure in Africa. 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.

TopCo LP's Summarized Financial Information

Summarized below is TopCo LP's balance sheet at September 30, 2024.

Balance Sheet
(unaudited - US$ thousands)

	September 30, 2024
Assets	
Cash and cash equivalents	**46**
Equity interest in limited partnerships	**44,809**
Future net fee related earnings	**87,295**
Accounts receivable	**910**
Due from affiliates	**11,705**
Total Assets	**144,765**
Liabilities	
Due to affiliates	**9,404**
Accrued expenses	**76**
Deferred income	**3,181**
Amounts due to Class A interest holder	**44,809**
Amounts due to Class B interest holder	**87,295**
Total Liabilities	**144,765**

Summarized below is selected information from TopCo LP for the nine months ended September 30, 2024.

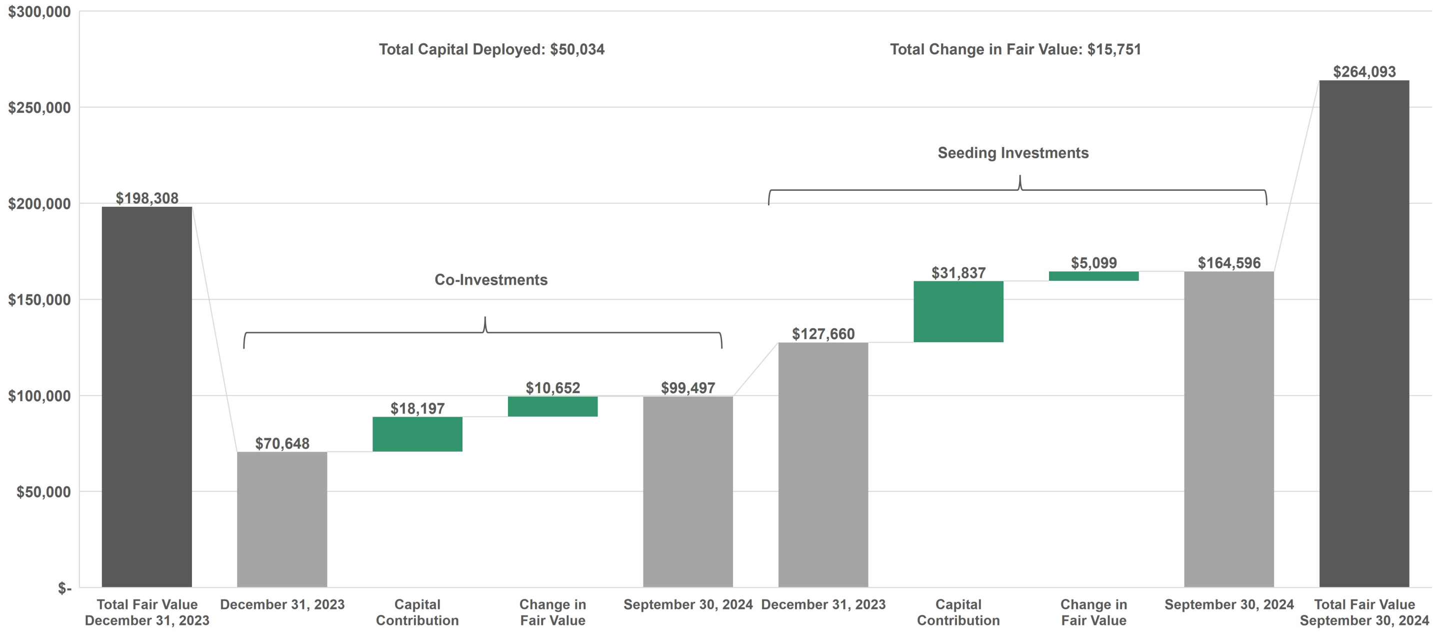
Realized gain from future net fee related earnings
(unaudited - US$ thousands)

	Nine months ended September 30, 2024
Gross management fees	**15,725**
Gross expenses	**15,725**
Excess Management Fees to HFP	**—**

Helios Managed Investments

As at September 30, 2024, the company has deployed $211,728 into Helios Managed Investments representing $67,172 in direct or co-investments and $144,556 to accelerate the development of new strategies. Since the company's initial investments, the fair value has increased by $52,365 (24.7%) to $264,093 as a result of the strong performance of the underlying investee companies.

In the first nine months of 2024, the company deployed capital of $50,034 in Helios Managed Investments. The company recognized an increase in the total fair value of these investments of $15,751. The activities during the first nine months of 2024 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 September 30, 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 the third quarter of 2024, the company funded a capital call of $2,064. At September 30, 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 September 30, 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 September 30, 2024, the company estimated the fair value of its investment in Helios Fund IV Limited Partnership Interest to be $62,067 (December 31, 2023 - $51,996). The increase in fair value since December 31, 2023 reflected an increase in fair value of the underlying investments of $8,007, primarily in the technology, reinsurance, retail and distribution sectors of Helios Fund IV.

Since the company's initial investment, the fair value of Helios Fund IV has increased by $26,556 (74.8%) 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 September 30, 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 September 30, 2024, the company estimated the fair value of its 22.0% equity interest in Trone Holdings to be $21,297 (December 31, 2023 - $18,652). The increase in fair value since December 31, 2023, of $2,645 was due to the strong performance in the current year and securing significant multi-year projects that will help support its future growth plan for 2024.

Since the company's initial investment, the fair value of Trone Holdings has increased by $5,769 (37.2%).

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, 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 commitment in Taj Holdings is not subject to management fees and carried interest.

At September 30, 2024, the company remains the sole limited partner of Taj Holdings. At September 30, 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.

At September 30, 2024 and December 31, 2023, the company had invested $30,000 in exchange for an equity interest in NBA Africa.

In June 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.

At September 30, 2024, the company estimated the fair value of its investment in NBA Africa to be $39,526 (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. At September 30, 2024, the company had invested $57,000 and had legally transferred the interest in U.S. Holdco, including 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. The company has a 100% equity interest in 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 September 30, 2024, the company had invested $57,000, compressing 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 September 30, 2024, the fair value of the company's equity investment in HSEG was estimated to be $47,357 and the fair value of the HSEG Loan Facility was estimated at $12,137. In addition, the fair value of the legally transferred equity interest in NBA Africa, had a fair value of $39,526 (see discussion under the header "NBA Africa").

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 the third quarter of 2024, the company funded drawdowns of $3,581 and $135 on the Digital Ventures $40M Facility and the Digital Ventures $1M Facility, respectively. As at September 30, 2024, drawdowns of $26,934 were funded for the Digital Ventures $40M Facility and drawdowns of $622 were funded for the Digital Ventures $1M Facility.

The funds were used by HDV to invest in Paymob, a merchant acquirer offering a diversified product suite of payment solutions in Egypt and the Middle East; Nomba, a financial services provider with a goal of making fintech services accessible and affordable for all Africans through services including cash in/cash out, funds transfers and bill payments through digital and physical channels; Conduit, a company enabling businesses in emerging markets to access financial products built on blockchain technology; and Moment, a company offering integrated payments and other financial services to businesses and consumers.

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 September 30, 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 $29,358 and $677 (December 31, 2023 - $21,508 and $518).

In the third quarter and first nine months of 2024, the company recorded interest income of $566 and $1,486 (2023 - $324 and $932) within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the Digital Ventures $40M Facility.

In the third quarter and first nine months of 2024, the company recorded interest income of $9 and $25 (2023 - $6 and $17) within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the Digital Ventures $1M Facility.

Subsequent to September 30, 2024

Subsequent to September 30, 2024, the company funded drawdowns of $728 on the Digital Ventures $40M Facility and $18 on the Digital Ventures $1M Facility.

Helios Seven Rivers Fund

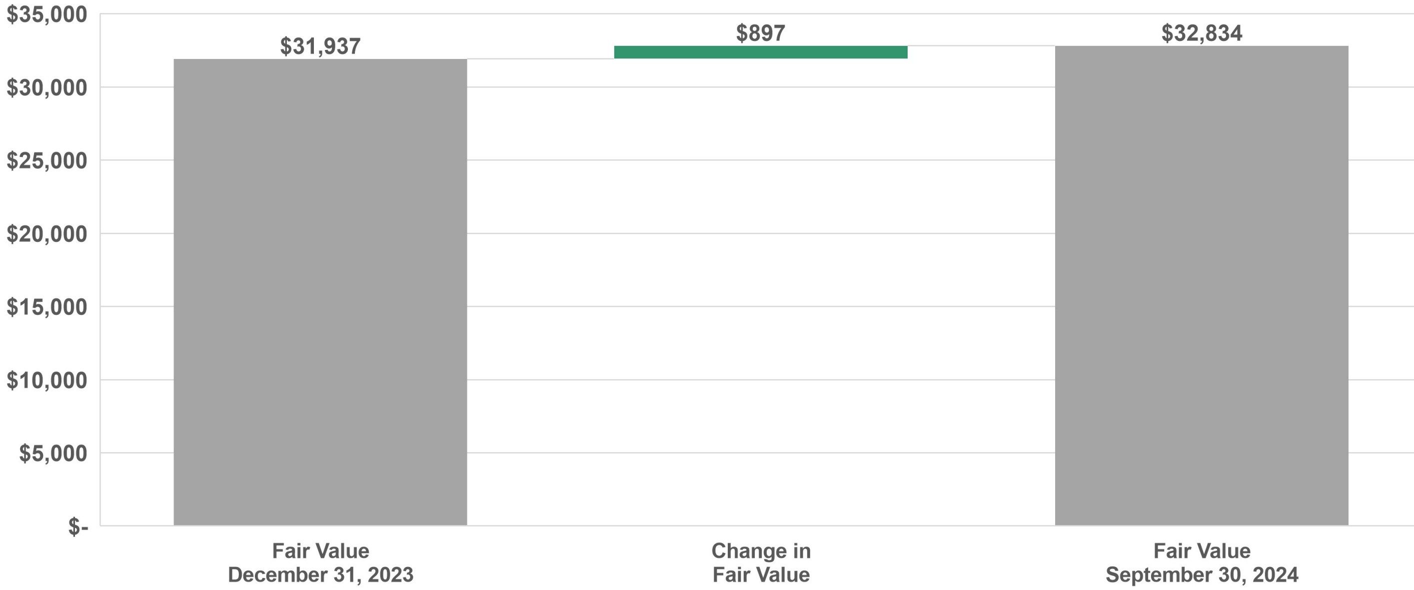
Helios Seven Rivers Fund Ltd. (“Seven Rivers”) was incorporated in the Cayman Islands to focus on investing in publicly traded African equity and credit securities, utilizing a macro hedging overlay to manage systemic risk. Seven Rivers’ objective is to invest in securities that exhibit highly profitable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

In April 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 September 30, 2024, the company’s equity interest in Seven Rivers decreased to 90.9% driven by subscriptions.

At September 30, 2024, the fair value of the company’s investment in Seven Rivers was $35,541. Since the company’s initial investment, the fair value of Seven Rivers has increased by $5,541 (18.5%) due to the strong performance of the underlying portfolio.

Legacy Non-core Investments

In the first nine months of 2024, the company recognized an increase in fair value of $897. The activities during the first nine months of 2024 are outlined in the table below.



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, 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.

On July 28, 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"). On August 29, 2023, the Tranche 1 Sale and Purchase was completed and the company received the payment of sale proceeds of $14,000 in full. In addition, the company received $295 from Joseph Holdings. Following the Tranche 1 Sale and Purchase, HFP retained a 16.3% indirect equity interest (December 31, 2023 - 16.3%) 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 Tranche 2 Sale and Purchase is subject to certain closing conditions and regulatory approvals and will close on the later of August 29, 2024 and the third Business Day following the date on which the Tranche 2 Sale and Purchase conditions are fulfilled or waived.

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 September 30, 2024.

On December 4, 2023, through the 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.

As of September 2024, the company had obtained all required regulatory approvals for the Tranche 2 Sale and Purchase, with one closing condition still pending. Consequently, the Tranche 2 Sale and Purchase was not completed. In September 2024, the company entered into an agreement extending the Tranche 2 Sale and Purchase long-stop date to October 31, 2024.

At September 30, 2024, the company estimated the fair value of its 16.3% indirect equity interest in AGH to be $2,400 (December 31, 2023 - $2,400).

Subsequent to September 30, 2024

Subsequent to September 30, 2024, one of the closing conditions for the Tranche 2 Sale and Purchase remained outstanding, and 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 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. 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.

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 September 30, 2024 and 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.

On July 28, 2023, the company entered into a Sale and Purchase Agreement. Pursuant to the terms of the Sale and Purchase Agreement, the company expects to sell its equity interest in Philafrica for an aggregate consideration of not less than $4,400 and expects to 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 stipulates 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 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.

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 a 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 September 30, 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 is 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.

On July 28, 2023, the company entered into a Sale and Purchase Agreement. Pursuant to the terms of the Sale and Purchase Agreement, the company expects to sell its equity interest in Philafrica for an aggregate consideration of not less than $4,400 and expects to 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 stipulates 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.

At September 30, 2024, the company estimated the fair value of the Philafrica Facility to be $9,757 (December 31, 2023 - $8,137).

In the third quarter and first nine months of 2024, the company recorded interest income of $368 and $1,011 (2023 - $300 and $810) within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the Philafrica Facility.

Subsequent to September 30, 2024

Subsequent to September 30, 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 face value of the facility at the time that the consideration is settled.

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 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.

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 a 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.

At September 30, 2024, the company estimated the fair value of the AGH Loan to be $4,400.

In the third quarter and first nine months of 2024, the company recorded interest income of $45 and $45 within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the AGH Loan.

Subsequent to September 30, 2024

Subsequent to September 30, 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 face value of the facility at the time that the consideration is settled.

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.

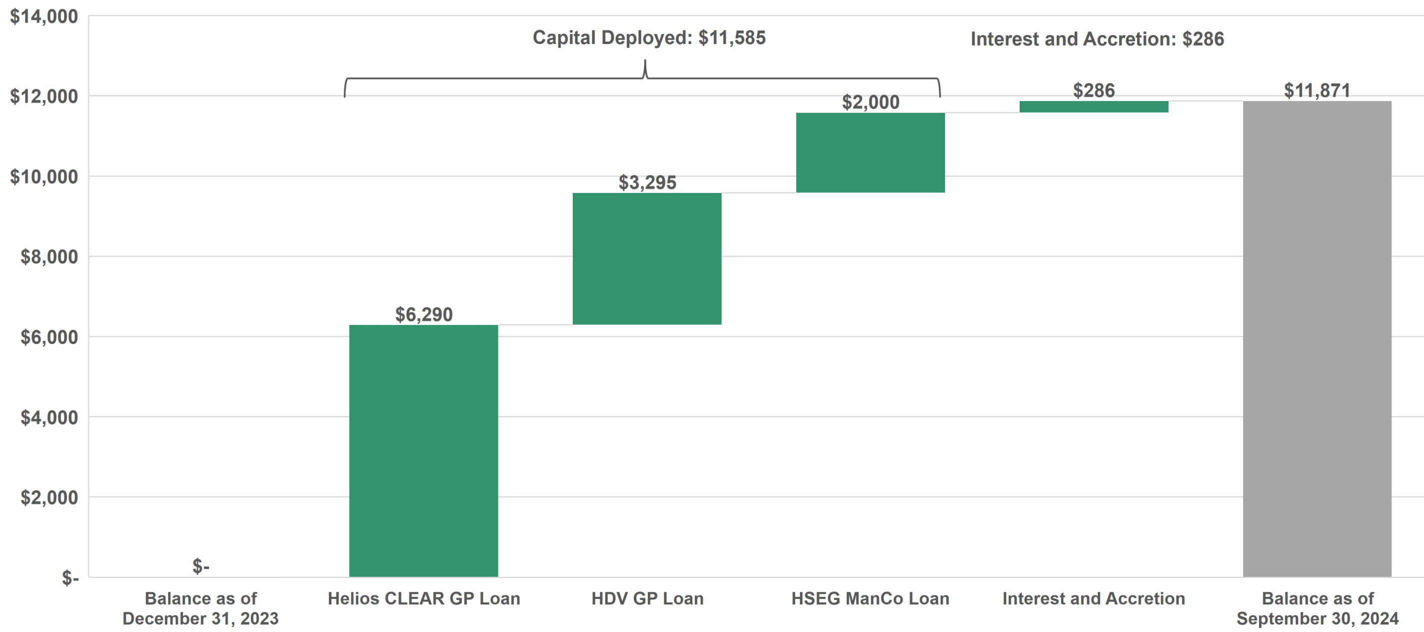
At September 30, 2024 and December 31, 2023, the company had invested an aggregate of $38,811 for a 56.3% equity interest in Ascendant ("Indirect equity interest in Nova Pioneer").

At September 30, 2024, the company estimated the fair value of its indirect equity interest in Nova Pioneer to be $16,277 (December 31, 2023 – $17,000). At June 30, 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.

GP and Management Company Loans

As at September 30, 2024, the company had extended loan facilities totaling $11,585 to the general partners or management companies of new Helios strategies to support the initial startup costs of these strategies. These loans, which are unsecured and bear interest at rates based on the 6-month SOFR reference rate plus margins ranging from 5% to 6%, are repaid based on a five-year amortization period and full repayment is due by the respective maturity dates.

The details of these loans, including drawdowns and interest and accretion, are provided below.



Helios CLEAR GP Loan

In the first quarter of 2024, the company entered into a loan facility agreement for $6,500 with Helios Investors Genpar Clear Fund S.A.R.L. ("Helios CLEAR GP"), the general partner of Helios CLEAR Fund SCSp ("Helios CLEAR Fund"), a fund that intends to deploy growth equity into opportunities in renewable energy solutions, climate-smart agriculture and food, green transport and logistics, recycling and resource efficiency and digital and financial climate enablers (the "Helios CLEAR GP Loan"). As of September 30, 2024, the company had funded aggregate drawdowns of $6,290.

HDV GP Loan

In May 2024, the company entered into a loan facility agreement for $4,700 with Helios Digital Ventures Genpar Ltd. ("HDV GP"), the general partner of HDV (the "HDV GP Loan"). As of September 30, 2024, the company had funded aggregate drawdowns of $3,295.

HSEG ManCo Loan

In June 2024, the company entered into a loan facility agreement for $2,000 with HSEG ManCo Ltd. ("HSEG ManCo"), the investment manager of HSEG (the "HSEG ManCo Loan"). As of September 30, 2024, the company had funded aggregate drawdowns of $2,000.

Results of Operations

HFP's consolidated statements of (loss) earnings and comprehensive (loss) earnings for the three and nine months ended September 30, 2024 are shown in the following table:

	Third quarter		First nine months	
Income	**2024**	2023	**2024**	2023
Interest and dividends	**3,327**	3,354	**7,281**	9,733
Net gains (losses) on investments	**4,177**	(278)	**(10,995)**	15,585
Net foreign exchange gains (losses)	**853**	71	**1,428**	(5,632)
	8,357	3,147	**(2,286)**	19,686
Expenses				
Investment and advisory fees	**1,062**	856	**3,326**	2,388
Transaction costs	**52**	—	**1,725**	—
General and administration expenses	**2,512**	2,698	**6,572**	8,631
Interest expense	**445**	913	**1,336**	2,704
	4,071	4,467	**12,959**	13,723
Earnings (Loss) before income taxes	**4,286**	(1,320)	**(15,245)**	5,963
Provision for (recovery of) income taxes	**250**	494	**1,931**	(3,249)
Net (loss) earnings and comprehensive (loss) earnings	**4,036**	(1,814)	**(17,176)**	9,212
Net earnings (loss) per share	**$ 0.04**	$ (0.02)	**$ (0.16)**	$ 0.09
Net earnings (loss) per diluted share	**$ 0.04**	$ (0.02)	**$ (0.16)**	$ 0.08

Total income of $8,357 in the third quarter of 2024 increased compared to total income of $3,147 in the third quarter of 2023, primarily due to net gains on investments and higher net foreign exchange gains.

Total loss of $2,286 in the first nine months of 2024, compared to total income of $19,686 in the first nine months of 2023, primarily reflecting lower interest and dividends and net losses on investments compared to net gains, partly offset by net foreign exchange gains.

Net gains (losses) on investments for the third quarter of 2024 and 2023 were comprised as follows:

	Third quarter					
	2024			2023		
	Net realized losses	**Net change in unrealized gains**	**Net gains**	Net realized losses	Net change in unrealized gains (losses)	Net gains (losses)
Net gains (losses) on investments:						
Limited partnership investments	**—**	**577**	**577**	—	(3,124)	(3,124)
Common shares	**(13,828)**	**16,942**	**3,114**	(52,882)	52,265	(617)
Loans	**—**	**486**	**486**	—	297	297
Related party derivatives and guarantees	**—**	**—**	**—**	—	3,166	3,166
	(13,828)	**18,005**	**4,177**	(52,882)	52,604	(278)

Net realized losses on investments of $13,828 in the third quarter of 2024 were comprised of a realized loss on the disposal of Philafrica common shares.

Net realized losses on investments of $52,882 in the third quarter of 2023 were comprised of a realized loss on the partial sale of Indirect equity interest in AGH.

Net change in unrealized gains on investments of $18,005 in the third quarter of 2024 was principally comprised of unrealized gains on TopCo LP Class B Limited Partnership Interest ($4,933), Helios Fund IV ($3,093), Seven Rivers ($2,467) and the reversal of previously recognized unrealized losses on Philafrica, partially offset by unrealized losses on TopCo LP Class A Limited Partnership Interest ($7,449).

Net change in unrealized gains on investments of $52,604 in the third quarter of 2023 was principally comprised of unrealized gains on the HFP Redemption Derivative ($3,166), Helios Fund IV ($1,971), TopCo LP Class A Limited Partnership Interest ($1,602), and Seven Rivers ($1,289), and the reversal of previously recognized unrealized losses on Indirect equity interest in AGH ($52,173), partially offset by unrealized losses on TopCo LP Class B Limited Partnership Interest ($6,697) and NBA Africa ($1,048).

Net gains (losses) on investments for the first nine months of 2024 and 2023 were comprised as follows:

	First nine months					
	2024			2023		
	Net realized losses	**Net change in unrealized gains (losses)**	**Net gains (losses)**	Net realized gains (losses)	Net change in unrealized gains	Net gains (losses)
Net gains (losses) on investments:						
Limited partnership investments	**—**	**(15,956)**	**(15,956)**	—	16,325	16,325
Common shares	**(13,828)**	**18,971**	**5,143**	(44,623)	37,133	(7,490)
Loans	**—**	**(182)**	**(182)**	29	217	246
Related party derivatives and guarantees	**—**	**—**	**—**	—	6,504	6,504
	(13,828)	**2,833**	**(10,995)**	(44,594)	60,179	15,585

Net realized losses on investments of $13,828 in the first nine months of 2024 were comprised of a realized loss on the disposal of Philafrica common shares.

Net realized losses on investments of $44,594 in the first nine months of 2023 were principally comprised of a realized loss on the partial sale of Indirect equity interest in AGH ($52,882), partially offset by realized gains on the transfer of Other Common Shares ($8,259).

Net change in unrealized gains on investments of $2,833 in the first nine months of 2024 was principally comprised of unrealized gains on Helios Fund IV ($8,007), Trone ($2,645), HSEG ($2,782), and the reversal of previously recognized unrealized losses on Philafrica ($13,359), partially offset by unrealized losses on TopCo Class A Limited Partnership Interest ($11,316), and TopCo LP Class B Limited Partnership Interest ($12,647).

Net change in unrealized gains on investments of $60,179 in the first nine months of 2023 was principally comprised of unrealized gains on TopCo Class A Limited Partnership Interest ($14,139), the HFP Redemption Derivative ($6,504), and Helios Fund IV ($3,664), and the reversal of previously recognized unrealized losses on Indirect equity interest in AGH ($54,025). This was partially offset by unrealized losses on Indirect equity interest in Nova Pioneer ($7,468), NBA Africa ($2,272), and TopCo LP Class B Limited Partnership Interest ($1,478), and the reversal of previously recognized unrealized gains on Other Common Shares ($8,324).

Net foreign exchange gains (losses) for the third quarter of 2024 and 2023 were comprised as follows:

	Third quarter					
	2024			2023		
	Net realized gains (losses)	**Net change in unrealized gains**	**Net gains (losses)**	Net realized gains (losses)	Net change in unrealized gains	Net gains
Net foreign exchange gains (losses) on:						
Cash and cash equivalents	**69**	**—**	**69**	3	—	3
Common shares	**(5,026)**	**5,486**	**460**	(1,215)	1,274	59
Loans	**—**	**381**	**381**	—	8	8
Other	**(57)**	**—**	**(57)**	1	—	1
	(5,014)	**5,867**	**853**	(1,211)	1,282	71

Net foreign exchange gains of $853 in the third quarter of 2024 were principally a result of the strengthening of the South African rand relative to the U.S. dollar during the period.

Net foreign exchange gains of $71 in the third quarter of 2023 were principally a result of the strengthening of the South African rand relative to the U.S. dollar during the period.

Net foreign exchange gains (losses) for the first nine months of 2024 and 2023 were comprised as follows:

	First nine months					
	2024			2023		
	Net realized gains (losses)	**Net change in unrealized gains**	**Net gains**	Net realized gains (losses)	Net change in unrealized gains (losses)	Net gains (losses)
Net foreign exchange gains (losses) on:						
Cash and cash equivalents	**171**	**—**	**171**	(810)	—	(810)
Common shares	**(5,026)**	**5,645**	**619**	(627)	(2,510)	(3,137)
Loans	**—**	**608**	**608**	(7,517)	5,772	(1,745)
Other	**30**	**—**	**30**	60	—	60
	(4,825)	**6,253**	**1,428**	(8,894)	3,262	(5,632)

Net foreign exchange gains of $1,428 in the first nine months of 2024 were principally a result of the strengthening of the South African rand and pound sterling relative to the U.S. dollar during the period.

Net foreign exchange losses of $5,632 in the first nine months of 2023 were principally a result of the weakening of the South African rand and pound sterling relative to the U.S. dollar during the period.

Total expenses of $4,071 in the third quarter of 2024 decreased from total expenses of $4,467 in the third quarter of 2023, principally as a result of lower general and administrative expenses, and lower interest expense, partially offset by higher investment and advisory fees.

Total expenses of $12,959 in the first nine months of 2024 decreased from total expenses of $13,723 in the first nine months of 2023, principally as a result of lower general and administrative expenses, and lower interest expense, partially offset by higher transaction costs, and investment and advisory fees.

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 the third quarter and first nine months of 2024, investment and advisory fees recorded within the consolidated statements of earnings (loss) and comprehensive earnings (loss) were $1,062 and $3,326 (2023 - $856 and $2,388).

At September 30, 2024, no performance fee was accrued to TopCo LP (December 31, 2023 - $nil), as the Adjusted Book Value per Share of $3.06 (December 31, 2023 - $2.92) was less than the hurdle per share at that date of $3.53. No performance fee (2023 - $nil) was recorded within the consolidated statements of earnings (loss) and comprehensive earnings (loss) for the third quarter and first nine months of 2024.

General and administrative expenses of $2,512 in the third quarter of 2024, decreased from $2,698 in the third quarter of 2023, principally as a result of non-recurring consulting fees incurred in the third quarter of 2023. General and administrative expenses of $6,572 in the first nine months of 2024, decreased from $8,631 in the first nine months of 2023, principally as a result of non-recurring consulting fees incurred in the first nine months of 2023.

General and administrative expenses in the third quarter and first nine months of 2023 include costs attributable to the company's investment activities of $364 and $464. The expenses attributable to investment activities include legal and other professional services required to complete the investment process. As these costs relate directly to the company's investment activities and are not expected to be recurring for an individual investment, they are not considered by management to be general and administrative expenses required for the day-to-day operations of the company.

Transaction costs of $52 and $1,725 in the third quarter and first nine months of 2024, include expenses attributable to investment activities and include legal and other professional services required to complete the investment process.

During the third quarter and first nine months of 2024, the company recorded $426 and $1,278 of standby fees related to the revolving credit facility and $19 and $58 related to the lease liability for a total of $445 and $1,336 within interest expense. Interest expense of $445 and $1,336 in the third quarter and first nine months of 2024, decreased from $913 and $2,704 in the third quarter and first nine months of 2023, principally due to the early repayment of HFP 3.0% Debentures in 2023. In the third quarter and first nine months of 2023, interest expense of $913 and $2,704 related to the HFP 3.0% Debentures.

The provision for income taxes of $250 in the third quarter of 2024 differed from the provision 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, change in unrecorded tax benefit of losses and temporary differences, and realized gains and foreign exchange effects, partially offset by the tax rate differential on losses outside of Canada and other permanent differences.

The provision for income taxes of $494 in the third quarter of 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 and foreign exchange effects, partially offset by changes in unrecorded tax benefit of losses and temporary differences.

The provision for income taxes of $1,931 in the first nine months of 2024 differed from the provision 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, tax rate differential on losses outside of Canada, realized gains and foreign exchange effects, and other permanent differences, partially offset by the change in unrecorded tax benefit of losses.

The recovery for income taxes of ($3,249) in the first nine months of 2023 differed from the provision 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, change in unrecorded tax benefit of losses and temporary differences, and foreign exchange effects, partially offset by the tax rate differential on losses incurred outside of Canada.

The company reported a net earnings of $4,036 (net earnings of $0.04 per basic and diluted share) in the third quarter of 2024 compared to a net loss of $1,814 (a net loss of $0.02 per basic share and diluted share) in the third quarter of 2023. The change from net loss to net earnings primarily reflected net gains on investments compared to net losses on investment, net foreign exchange gains, partly offset by lower interest and dividend income.

The company reported net loss of $17,176 (a net loss of $0.16 per basic and diluted share) in the first nine months of 2024 compared to net earnings of $9,212 (net earnings of $0.09 per basic share and $0.08 per diluted share) in the first nine months of 2023. The change from net earnings to net loss primarily reflected lower interest and dividend income and net losses on investments, partly offset by net foreign exchange gains.

Consolidated Balance Sheet Summary

The assets and liabilities reflected on the company's consolidated balance sheet at September 30, 2024 were primarily impacted by changes in the Portfolio Investments and the GP and management company loans. These changes include the funding of the Digital Ventures $40M Facility, HSEG, Taj Holdings, the HSEG Loan, Helios Fund IV, the Helios CLEAR GP Loan, the HDV GP Loan and the HSEG ManCo Loan.

	September 30, 2024	December 31, 2023
Assets		
Cash and cash equivalents	**27,371**	95,913
Portfolio Investments	**429,031**	386,002
Total cash and investments	**456,402**	481,915
Interest receivable	**728**	412
Income tax refundable	**5,608**	2,874
Other receivable from related parties	**927**	991
GP and management company loans	**11,871**	—
Other assets	**1,005**	1,167
Property and equipment	**1,214**	974
Total assets	**477,755**	488,333
Liabilities		
Accounts payable and accrued liabilities	**712**	1,601
Payable to related parties	**1,073**	1,096
Foreign income tax payable	**5,613**	—
Lease liability	**510**	548
Deferred income taxes	**12,404**	10,492
Total liabilities	**20,312**	13,737
Equity		
Common shareholders' equity	**457,443**	474,596
	477,755	488,333

Total Assets

Total assets at September 30, 2024 of $477,755 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 $456,402 at September 30, 2024 from $481,915 at December 31, 2023.

Cash and cash equivalents decreased to $27,371 at September 30, 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 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.

Total Liabilities

Total liabilities at September 30, 2024 of $20,312 increased compared to $13,737 at December 31, 2023. The increase was principally comprised of the following:

Foreign income tax payable of $5,613 reflects management's best estimate of the potential UK tax liability related to the company's profits or loss required to be attributed to UK activities and subject to UK corporation tax.

Deferred income taxes increased to $12,404 at September 30, 2024 from $10,492 at December 31, 2023. The increase is primarily due to increases in the fair value of the company's investments meeting the deferred tax recognition criteria, particularly in HSEG and Helios Fund IV, compared to the increase in tax basis, resulting in higher taxes expected on future settlement.

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 September 30, 2024 compared to those identified at December 31, 2023 and disclosed in the company's 2023 Annual Report.

Capital Resources and Management

For a detailed analysis, refer to note 12 (Financial Risk Management, under the heading Capital Management) to the interim consolidated financial statements for the three and nine months ended September 30, 2024.

Book Value per Share

Common shareholders' equity at September 30, 2024 was $457,443 (December 31, 2023 - $474,596). The company's book value per share at September 30, 2024 was $4.23 compared to $4.39 at December 31, 2023, representing a decrease in 2024 of 3.6%, primarily due to a net loss of $0.16 at September 30, 2024.

	September 30, 2024	December 31, 2023
Common shareholders' equity	**457,443**	474,596
Number of common shares outstanding	**108,179,127**	108,169,817
Book value per share	**$4.23**	$4.39

Liquidity

Cash, readily realizable investments and the RMB facility (refer to note 7) at September 30, 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 $63,000 is available to be drawn based on current financial covenants.

At September 30, 2024 and December 31, 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 first calculation period, December 31, 2023.

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 September 30, 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.

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 the 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 September 30, 2024, the company was not subject to any clawback or indemnity obligations with respect to its indirect equity interest in AGH.

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.

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

	First nine months	
	2024	2023
Operating activities		
Cash used in operating activities, excluding net disposals (purchases) of investments, receipt of equalization capital adjustments, receipt of returns of capital and Excess Management Fees, and receipt of carried interest	**(18,376)**	(10,700)
Net disposals (purchases) of investments	**(50,696)**	2,295
Receipt of Excess Management Fees	**991**	—
Receipt of carried interest	**—**	363
Investing activities		
Property and equipment	**(345)**	—
Financing activities		
Purchases of subordinate voting shares for cancellation	**(259)**	(211)
Principal elements of lease payments	**(28)**	—
Decrease in cash and cash equivalents during the period	**(68,713)**	(8,253)

Cash used in operating activities, excluding net purchases of investments and receipt of returns of capital and Excess Management Fees of $18,376 in the first nine months of 2024 increased from cash used in operating activities, excluding net disposals of investments, and receipt of carried interest of $10,700 in the first nine months of 2023 primarily due to the funding of GP and management company loans during the first nine months of 2024.

Net purchases of investments of $50,696 in the first nine months of 2024 comprised purchases of investments related to funding of the Digital Ventures $40M Facility, HSEG, Taj Holdings, Helios Fund IV, and the HSEG Loan. Net disposals of investments of $2,295 in the first nine months of 2023 were comprised of disposals of investments of $42,525 related to the full repayment of the CIG Loan and the AFGRI International Facility, offset by purchases of investments of $40,230 related to the company's investments in Seven Rivers, HSEG, Helios Fund IV, and TopCo LP Class A.

Receipt of Excess Management Fees of $991 in the first nine months of 2024 (2023 - $nil) relates to the receipt of Excess Management Fees from TopCo LP Class B Limited Partnership Interest.

Receipt of carried interest was $363 in the first nine months of 2023 related to receipt of carried interest from TopCo LP Class A Limited Partnership Interest. There was no receipt of carried interest in the first nine months of 2024.

Property and equipment of $345 in the first nine months of 2024 represents leasehold improvements related to the company's new office space, purchase of machinery and equipment and furniture and fixtures related items.

Purchases of subordinate voting shares of $259 in the first nine months of 2024 (2023 -$211) related to the cash paid for the company's purchases for cancellation of 97,314 subordinate voting shares (2023 - 72,276 subordinate voting shares) under the terms of the normal course issuer bid that were settled in the period.

Principal elements of lease payments of $28 in the first nine months of 2024 (2023 -$nil) related to the principal element of the cash payment of the lease liability related to the company's new office space.

Contractual Obligations

The following table presents the company's commitments, and contractual obligations by their contractual maturity date:

	September 30, 2024				
	Total	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Digital Ventures $40M Facility	**13,066**	**13,066**	—	—	—
Digital Ventures $1M Facility	**378**	**378**	—	—	—
HDV GP Loan	**1,405**	**1,405**	—	—	—
Helios CLEAR GP Loan	**210**	**210**	—	—	—
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	**1,073**	**1,073**	—	—	—
Accounts payable and accrued liabilities	**712**	**712**	—	—	—
Lease commitments	**1,893**	**180**	**411**	**446**	**856**
	45,649	**43,936**	**411**	**446**	**856**

(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).

	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**

Under the terms of the Investment Advisory Agreement (defined in note 13 (Related Party Transactions) to the interim consolidated financial statements for the three and nine months ended September 30, 2024), 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. In the third quarter and first nine months of 2024, investment and advisory fees recorded within the consolidated statements of earnings (loss) and comprehensive earnings (loss) were $1,062 and $3,326 (2023 - $856 and $2,388).

Under the Investment Advisory Agreement, the period from January 1, 2021, to December 31, 2023 (the "first calculation period") is the first consecutive three-year period for which a performance fee, if applicable, will be payable to TopCo LP. At September 30, 2024 and December 31, 2023, the company determined that a performance fee of $nil should be accrued to TopCo LP as the Adjusted Book Value per Share of $3.06 at September 30, 2024 (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 $3.53. Refer to note 13 (Related Party Transactions) to the interim consolidated financial statements for the three and nine months ended September 30, 2024, 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:

	September 30, 2024	December 31, 2023
Asset management[2]	**132,104**	155,757
Food and agriculture	**16,557**	14,937
Financial services [1]	**73,050**	49,482
Education	**16,277**	17,000
Entertainment	**97,443**	69,853
Infrastructure	**12,472**	10,640
Retail and distribution [1]	**63,221**	45,223
Insurance [1]	**15,206**	12,947
Other	**2,701**	10,163
	429,031	386,002

(1) Helios Fund IV, Seven Rivers, and HSEG have been allocated to industry sectors based on underlying investment holdings.
(2) The returns of TopCo LP Class A Limited Partnership Interest and TopCo LP Class B Limited Partnership Interest are tied to the performance of Helios Holdings Group.

During the first nine months of 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 loss on TopCo LP Class A Limited Partnership Interest and TopCo LP Class B Limited Partnership Interest.
- Food and agriculture sector increased primarily due to capitalized interest on the Philafrica Facility.
- Financial services sector increased primarily due to an investment in Digital Ventures and Taj Holdings.
- Education sector decreased primarily due to unrealized loss on the Indirect equity investment in Nova Pioneer.
- Entertainment sector increased primarily due to unrealized gain on HSEG, and additional investment made in HSEG.
- Infrastructure sector increased primarily due to unrealized gains on Seven Rivers.
- Retail and distribution sector increased primarily due to unrealized gain on Helios Fund IV and Trone.
- Insurance sector increased primarily due to unrealized gain on Helios Fund IV.

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 September 30, 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.

At September 30, 2024 and December 31, 2023, the company determined that it was in compliance with the Investment Concentration Restriction.

Related Party Transactions

The company's related party transactions are disclosed in note 13 (Related Party Transactions) to the interim consolidated financial statements for the three and nine months ended September 30, 2024.

Accounting and Disclosure Matters

***M*anagement'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, 2023. 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, 2023. 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 has been 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.

Upon identification of the material weakness and under review of the Audit Committee of the company's Board of Directors, the Manager developed a comprehensive plan to remediate the material weakness. 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 continues to exist at September 30, 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.

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 the third quarter of 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.

At September 30, 2024 the company believes that remediation of the material weakness has not yet been achieved. 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.

Other

Quarterly Data (unaudited)

US$ thousands, except per share amounts	**September 30, 2024**	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Income (loss)	**8,357**	(11,392)	749	(65,609)	3,147	5,092	11,447	28,237
Expenses	**4,071**	4,344	4,544	5,294	4,467	4,261	4,995	7,217
Provision for (recovery of) income taxes	**250**	795	886	9,996	494	(3,157)	(586)	3,476
Net earnings (loss)	**4,036**	(16,531)	(4,681)	(80,899)	(1,814)	3,988	7,038	17,544
Net earnings (loss) per share	**$ 0.04**	$ (0.15)	$ (0.04)	$ (0.75)	$ (0.02)	$ 0.04	$ 0.07	$ 0.16
Net earnings (loss) per diluted share	**$ 0.04**	$ (0.15)	$ (0.04)	$ (0.75)	$ (0.02)	$ 0.04	$ 0.06	$ 0.16

Income (loss) is primarily comprised of net gains (losses) on investments, net foreign exchange gains (losses), interest and dividends. Net earnings in the third quarter of 2024 was primarily due to net gains on investments, the timing of which are not predictable, net foreign exchange gains, general and administration expenses, and interest expenses, partially offset by higher investment and advisory 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.

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 interim consolidated financial statements for the three and nine months ended September 30, 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, Related Party Loan and Derivatives) within the interim consolidated financial statements for the three and nine months ended September 30, 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 equalization capital adjustments, receipt of returns of capital and Excess Management Fees, and receipt of carried interest - This measure provides 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 equalization adjustments, receipt of Excess Management Fees, and return of capital.

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.

Index to Interim Consolidated Financial Statements

Consolidated Balance Sheets
as at September 30, 2024 and December 31, 2023
(unaudited - US$ thousands)

	Notes	**September 30, 2024**	December 31, 2023
Assets			
Cash and cash equivalents	6, 18	**27,371**	95,913
Portfolio Investments	5, 6, 13	**429,031**	386,002
Total cash and investments		**456,402**	481,915
Interest receivable		**728**	412
Income taxes refundable	11	**5,608**	2,874
Other receivable from related parties	13	**927**	991
GP and management company loans	13	**11,871**	—
Other assets	15	**1,005**	1,167
Property and equipment	14	**1,214**	974
Total assets		**477,755**	488,333
Liabilities			
Accounts payable and accrued liabilities		**712**	1,601
Payable to related parties	13	**1,073**	1,096
Foreign income tax payable	11	**5,613**	—
Lease liability	14	**510**	548
Deferred income taxes	11	**12,404**	10,492
Total liabilities		**20,312**	13,737
Equity			
Common shareholders' equity	8	**457,443**	474,596
		477,755	488,333

See accompanying notes.

Consolidated Statements of (Loss) Earnings and Comprehensive (Loss) Earnings
for the three and nine months ended September 30, 2024 and 2023
(unaudited - US$ thousands except per share amounts)

		Third quarter		First nine months	
	Notes	**2024**	2023	**2024**	2023
Income					
Interest and dividends	6	**3,327**	3,354	**7,281**	9,733
Net gains (losses) on investments	6	**4,177**	(278)	**(10,995)**	15,585
Net foreign exchange gains (losses)	6	**853**	71	**1,428**	(5,632)
		8,357	3,147	**(2,286)**	19,686
Expenses					
Investment and advisory fees	13	**1,062**	856	**3,326**	2,388
Transaction costs		**52**	—	**1,725**	—
General and administration expenses	13, 16	**2,512**	2,698	**6,572**	8,631
Interest expense	7	**445**	913	**1,336**	2,704
		4,071	4,467	**12,959**	13,723
Earnings (Loss) before income taxes		**4,286**	(1,320)	**(15,245)**	5,963
Provision for (recovery of) income taxes	11	**250**	494	**1,931**	(3,249)
Net (loss) earnings and comprehensive (loss) earnings		**4,036**	(1,814)	**(17,176)**	9,212
Net earnings (loss) per share	10	**$ 0.04**	$ (0.02)	**$ (0.16)**	$ 0.09
Net earnings (loss) per diluted share	8	**$ 0.04**	$ (0.02)	**(0.16)**	0.08
Shares outstanding (weighted average)	10	**108,179,127**	108,296,706	**108,143,529**	108,273,211

See accompanying notes.

Consolidated Statements of Changes in Equity
for the nine months ended September 30, 2024 and 2023
(unaudited - 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 for the period	**—**	**—**	**—**	**—**	**—**	**(17,176)**	**(17,176)**
Issuances (note 8)	**355**	**—**	**(355)**	**—**	**—**	**—**	**—**
Purchases for cancellation (note 8)	**(789)**	**—**	**—**	**—**	**—**	**530**	**(259)**
Amortization of share-based payments (note 8)	**—**	**—**	**282**	**—**	**—**	**—**	**282**
Balance as of September 30, 2024	**252,101**	**260,354**	**8,269**	**5,557**	**385,609**	**(454,447)**	**457,443**
Balance as of January 1, 2023	432,963	439,904	8,375	5,557	24,515	(367,007)	544,307
Net earnings for the period	—	—	—	—	—	9,212	9,212
Issuances (note 8)	473	—	—	—	—	—	473
Reduction of stated capital (note 8)	(179,550)	(179,550)	—	—	359,100	—	—
Purchases for cancellation (note 8)	(586)	—	—	—	—	375	(211)
Amortization of share-based payments (note 8)	—	—	(132)	—	—	—	(132)
Tax benefit on equity transactions (note 11)	—	—	—	—	5	—	5
Balance as of September 30, 2023	253,300	260,354	8,243	5,557	383,620	(357,420)	553,654

See accompanying notes.

Consolidated Statements of Cash Flows

for the three and nine months ended September 30, 2024 and 2023

(unaudited - US$ thousands)

		Third quarter		First nine months	
	Notes	**2024**	2023	**2024**	2023
Operating activities					
Net earnings (loss)		**4,036**	(1,814)	**(17,176)**	9,212
Items not affecting cash and cash equivalents:					
Net bond and loan (premium) discount		**334**	(40)	**—**	54
Capitalized interest on loans and bonds	5	**(822)**	(1,128)	**(2,386)**	(3,244)
Deferred income taxes	11	**335**	(81)	**1,913**	(1,167)
Share-based compensation expense	9	**98**	**98**	**282**	**341**
Depreciation of property and equipment	14	**38**	—	**105**	—
Net (gains) losses on investments	6	**(4,177)**	278	**10,995**	(15,585)
Net foreign exchange (gains) losses	6	**(853)**	(71)	**(1,428)**	5,632
Purchases of investments	5, 18	**(34,575)**	(13,308)	**(50,696)**	(40,230)
Disposals of investments	5, 18	**—**	14,295	**—**	42,525
Receipt of Excess Management Fees	5	**—**	—	**991**	—
Receipt of carried interest	5	**—**	—	**—**	363
Changes in operating assets and liabilities:					
GP and management company loans	13	**(1,670)**	—	**(11,585)**	—
Interest receivable		**88**	(144)	**(316)**	(410)
Accounts payable and accrued liabilities		**(38)**	55	**(890)**	244
Income taxes refundable		**281**	(396)	**2,878**	(5,615)
Other receivables from related parties		**—**	—	**—**	40
Payable to related parties		**(63)**	(10)	**(23)**	46
Other		**(790)**	27	**(745)**	(248)
Cash used in operating activities		**(37,778)**	(2,239)	**(68,081)**	(8,042)
Investing activities					
Purchase of property plant and equipment	14	**(14)**	—	(345)	—
Cash used in investing activities		**(14)**	—	**(345)**	—
Financing activities					
Subordinate voting shares - purchases for cancellation	8	**—**	(192)	**(259)**	(211)
Principal elements of lease payments	14	**(10)**	—	**(28)**	—
Cash used in financing activities		**(10)**	(192)	**(287)**	(211)
Decrease in cash and cash equivalents		**(37,802)**	(2,431)	**(68,713)**	(8,253)
Cash and cash equivalents - beginning of period		**65,107**	118,665	**95,913**	125,241
Foreign currency translation		**66**	4	**171**	(750)
Cash and cash equivalents - end of period	18	**27,371**	116,238	**27,371**	116,238

See accompanying notes.

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"). Generally, subject to compliance with applicable law, the company will make Portfolio Investments with a view to acquiring control or significant influence positions.

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 interim consolidated financial statements for the three and nine months ended September 30, 2024, have been prepared in accordance with 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. Accordingly, certain information and disclosures normally included in annual consolidated financial statements prepared in accordance with IFRS Accounting Standards have been omitted or condensed. These interim consolidated financial statements should be read in conjunction with the company's annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards.

These interim consolidated financial statements were approved for issue by the company's Board of Directors on November 11, 2024.

3. Summary of Material Accounting Policies

The material accounting policies applied to the preparation of these interim consolidated financial statements are as set out in the company's annual consolidated financial statements for the year ended December 31, 2023, prepared in accordance with IFRS Accounting Standards, except as noted below. Those policies and methods of computation have been consistently applied to all periods presented except as described below.

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.

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

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

Determination of Investment Entity Status, Valuation of Private Portfolio Investments, and Income Taxes

In the preparation of the company's interim consolidated financial statements, management has made a number of critical estimates and judgments in the determination of its investment entity status and that of its subsidiary, Helios Seven Rivers Fund, the valuation of Private Portfolio Investments, and the provision for income taxes in a manner consistent with those as described in the company's annual consolidated financial statements for the year ended December 31, 2023.

5. Portfolio Investments, Related Party Loan and Derivatives

Summary of Changes in Fair Value of the Company's Portfolio Investments

A summary of changes in the fair value of the company's Public and Private Portfolio Investments for the third quarter of 2024 and 2023 were as follows:

	Third quarter of 2024					
	Balance as of July 1	Purchases / Contributions(1)	Sales / Distributions / Redemptions/ Conversions	Net gains (losses) on investments(2)	Net foreign exchange gains on investments	Balance as of September 30
Portfolio Investments:						
Private Investments:						
Limited partnership investments:						
TopCo LP limited partnership interests	**134,310**	**310**	**—**	**(2,516)**	**—**	**132,104**
Helios Fund IV limited partnership interest	**56,910**	**2,064**	**—**	**3,093**	**—**	**62,067**
Taj Holdings Limited Partnership Interest	**—**	**16,133**	**—**	**—**	**—**	**16,133**
Common shares	**163,224**	**—**	**(4,400)**	**3,114**	**460**	**162,398**
Loans	**34,457**	**21,005**	**—**	**486**	**381**	**56,329**
Total Portfolio Investments	**388,901**	**39,512**	**(4,400)**	**4,177**	**841**	**429,031**

(1) Inclusive of capitalized interest and accretion of $364 on Philafrica Facility, $517 on Digital Ventures $40M Facility, and $8 on Digital Ventures $1M Facility.

(2) Total net change in unrealized gains on investments is $18,005. Within this change, the unrealized gains on investment for Level 3 investments still held as of September 30, 2024 is $4,542.

	Third quarter of 2023					
	Balance as of July 1	Purchases / Contributions(1)	Sales / Distributions / Redemptions/ Conversions	Net gains (losses) on investments(2)	Net foreign exchange gains on investments	Balance as of September 30
Portfolio Investments:						
Private Investments:						
Limited partnership investments:						
TopCo LP limited partnership interests	243,964	—	—	(5,095)	—	238,869
Helios Fund IV limited partnership interest	44,110	—	—	1,971	—	46,081
Common shares	131,439	—	(14,295)	(617)	59	116,586
Loans	38,100	6,168	—	6	8	44,282
Total Private Investments	457,613	6,168	(14,295)	(3,735)	67	445,818
Total Portfolio Investments	457,613	6,168	(14,295)	(3,735)	67	445,818

(1) Inclusive of capitalized interest and accretion of $300 on Philafrica Facility, $547 on Event Horizon Loan, $315 on Digital Ventures $40M Facility and $6 on Digital Ventures $1M Facility.

(2) Total net change in unrealized gains on investments is ($52,604). Within this change, the unrealized gains on investment for Level 3 investments still held as of September 30, 2023 is $431.

	First nine months of 2024					
	Balance as of January 1	Purchases / Contributions(1)	Sales / Distributions / Redemptions/ Conversions	Net gains (losses) on investments(2)	Net foreign exchange gains on investments	Balance as of September 30
Portfolio Investments:						
Private Investments:						
Limited partnership investments:						
TopCo LP limited partnership interests	**155,757**	**310**	**—**	**(23,963)**	**—**	**132,104**
Helios Fund IV limited partnership interest	**51,996**	**2,064**	**—**	**8,007**	**—**	**62,067**
Taj Holdings Limited Partnership Interest	**—**	**16,133**	**—**	**—**	**—**	**16,133**
Common shares	**148,086**	**12,950**	**(4,400)**	**5,143**	**619**	**162,398**
Loans	**30,163**	**25,740**	**—**	**(182)**	**608**	**56,329**
Total Portfolio Investments	**386,002**	**57,197**	**(4,400)**	**(10,995)**	**1,227**	**429,031**

(1) Inclusive of capitalized interest and accretion of $1,012 on Philafrica Facility, $1,417 on Digital Ventures $40M Facility and $24 on Digital Ventures $1M Facility.

(2) Total net change in unrealized gains on investments is $2,833. Within this change, the unrealized losses on investment for Level 3 investments still held as of September 30, 2024 is ($10,526).

	First nine months of 2023					
	Balance as of January 1	Purchases / Contributions(1)	Sales / Distributions / Redemptions/ Conversions	Net gains (losses) on investments(2)	Net foreign exchange losses on investments	Balance as of September 30
Portfolio Investments:						
Public Investments:						
Common shares	16,595	—	(15,856)	(65)	(674)	—
Total Public Investments	16,595	—	(15,856)	(65)	(674)	—
Private Investments:						
Limited partnership investments:						
TopCo LP limited partnership interests	225,398	1,295	(485)	12,661	—	238,869
Helios Fund IV limited partnership interest	33,785	8,632	—	3,664	—	46,081
Common shares	104,729	36,040	(14,295)	(7,425)	(2,463)	116,586
Loans	61,447	13,294	(28,215)	(499)	(1,745)	44,282
Total Private Investments	425,359	59,261	(42,995)	8,401	(4,208)	445,818
Total Portfolio Investments	441,954	59,261	(58,851)	8,336	(4,882)	445,818

(1) *Inclusive of capitalized interest and accretion of $352 on AFGRI International Facility, $810 on Philafrica Facility, $1,051 on Event Horizon Loan, $919 on Digital Ventures $40M Facility and $17 on Digital Ventures $1M Facility.*

(2) *Total net change in unrealized gains on investments is $60,179. Within this change, the unrealized gains on investment for Level 3 investments still held as of September 30, 2023 is $14,721.*

Public Portfolio Investments

The company’s Public Portfolio Investments are as follows:

Common Shares

At March 31, 2023, the company held less than 5.0% of the common shares of public companies in various sectors, listed on the Johannesburg Stock Exchange (“Other Common Shares”).

In April 2023, the company transferred its investment in Other Common Shares of $15,841 and cash of $14,159, for a total investment of $30,000, to Helios Seven Rivers Fund Ltd. (“Seven Rivers”) in exchange for a 93.7% equity interest in Seven Rivers, described later in this note.

Private Portfolio Investments

The company’s Private Portfolio Investments are as follows:

Limited Partnership Investments

TopCo LP

At September 30, 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").

HFP is entitled to receive carried interest proceeds received by TopCo LP, through its ownership of TopCo LP Class A Limited Partnership Interests, 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 September 30, 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 their respective rights to receive all management fees to TopCo LP and TopCo LP agreed to pay all expenses incurred in order to receive the management fees (“Excess Management Fees”). HFP’s ownership of TopCo LP Class B Limited Partnership Interests 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"). HIP Equity IV holds a Management Team Commitment in Fund IV which bears no fees or carried interest. HFP is committed to contribute its pro rata share, being 50% of Management Team Commitments that are required to be made into the Helios CLEAR Fund. In addition, HFP is committed to contribute $7,500 to TopCo LP in respect of Management Team Commitments for Helios Fund IV. HFP is committed to contribute its pro rata share, being 50% of Management Team Commitments that are required to be made into any fund or investment vehicle in which HFP earns carried interest. HFP's Management Team Commitment is not subject to management fees and carried interest. This commitment is funded from capital contributed via HFP's TopCo LP Class A Limited Partnership Interest. At September 30, 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%).

In the third quarter of 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 September 30, 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 September 30, 2024, the company's remaining capital commitment to TopCo LP with respect to the Management Team Commitment was $2,173 (December 31, 2023 - $2,483).

At September 30, 2024, the fair value of the company's investment in TopCo LP Limited Partnership Interests was $132,104 (December 31, 2023 - $155,757).

Subsequent to September 30, 2024

Subsequent to September 30, 2024, a Helios Fund from which TopCo LP receives carried interest, elected not to participate in a new funding round planned by an investee company. The election may result in a full dilution of the Helios Fund's equity interest which could potentially impact the carried interest to be received by TopCo LP. Additionally, there was a significant decline in the share price of an investee company held by the Helios Funds from which TopCo LP is entitled to receive carried interest. These events could potentially impact the valuation of TopCo LP and the impact may be significant.

Helios Fund IV

On March 31, 2021, the company committed to investing $50,000 in Helios Fund IV, a limited partnership based in the Cayman Islands. 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.

In the third quarter of 2024, the company funded a capital call of $2,064. At September 30, 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 September 30, 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 September 30, 2024, the company estimated the fair value of its investment in Helios Fund IV Limited Partnership Interest to be $62,067 (December 31, 2023 - $51,996).

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"), an infrastructure API and Banking-as-a-Service (BaaS) provider headquartered in India.

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 commitment in Taj Holdings is not subject to management fees and carried interest.

At September 30, 2024, the company remains the sole limited partner of Taj Holdings. At September 30, 2024, the company estimated the fair value of its investment in Taj Holdings to be $16,133.

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”).

At September 30, 2024 and December 31, 2023, the company, through its U.S. Holdco, had invested $30,000 in exchange for an equity interest in NBA Africa.

In June 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.

At September 30, 2024, the company estimated the fair value of its investment in NBA Africa to be $39,526 (December 31, 2023 - $39,182).

Trone Holdings

At September 30, 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.

At September 30, 2024, the company estimated the fair value of its 22.0% equity interest in Trone Holdings to be $21,297 (December 31, 2023 - $18,652).

Helios Seven Rivers Fund

Helios Seven Rivers Fund Ltd. 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 April 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 September 30, 2024, the company’s equity interest in Seven Rivers decreased to 90.9% driven by subscriptions.

At September 30, 2024, the fair value of the company’s investment in Seven Rivers was $35,541 (December 31, 2023 - $34,827).

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”).

In 2023, the company invested 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, 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 (the “Zaria Loan”). 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.

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.

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 August 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).

In August 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 September 30, 2024, the company had invested $45,000 and has a 100% equity interest in HSEG. At September 30, 2024, the fair value of the company's investment in HSEG was $47,357 (December 31, 2023 - $31,625).

Indirect equity interest in AGH

At August 28, 2023, 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.

On July 28, 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"). On August 29, 2023, the Tranche 1 Sale and Purchase was completed and the company received the payment of sale proceeds of $14,000 in full. Following the Tranche 1 Sale and Purchase, HFP retained a 16.3% indirect equity interest (December 31, 2023 - 16.3%) 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 Tranche 2 Sale and Purchase is subject to certain closing conditions and regulatory approvals and will close on the later of August 29, 2024 and the third Business Day following the date on which the Tranche 2 Sale and Purchase conditions are fulfilled or waived.

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 September 30, 2024. The Claw Back Clause and Indemnity Clause are not covered by the HFP Redemption Derivative as discussed later in this note.

On December 4, 2023, through the 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.

As of September 2024, the company had obtained all required regulatory approvals for the Tranche 2 Sale and Purchase, with one closing condition still pending. Consequently, the Tranche 2 Sale and Purchase was not completed. In September 2024, the company entered into an agreement extending the Tranche 2 Sale and Purchase long-stop date to October 31, 2024.

At September 30, 2024, the company estimated the fair value of its 16.3% indirect equity interest in AGH to be $2,400 (December 31, 2023 - $2,400).

Subsequent to September 30, 2024

Subsequent to September 30, 2024, one of the closing conditions for the Tranche 2 Sale and Purchase remained outstanding, and 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 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. 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.

Philafrica Foods Proprietary Ltd.

At September 30, 2024 and 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 Foods Proprietary Ltd. (“Philafrica”), a South African entity that owns and operates maize and wheat mills and animal feed factories. Philafrica is controlled by AGH through AGH’s 60.0% equity interest.

On July 28, 2023, the company entered into a Sale and Purchase Agreement. Pursuant to the terms of the Sale and Purchase Agreement, the company expects to sell its equity interest in Philafrica for an aggregate consideration of not less than $4,400 and expects to 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 stipulates 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 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.

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 a 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”).

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 September 30, 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 September 30, 2024, the company estimated the fair value of its indirect equity interest in Nova Pioneer to be $16,277 (December 31, 2023 - $17,000).

Loans

Digital Ventures Facilities

On May 30, 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.

In the third quarter of 2024, the company funded drawdowns of $3,581 and $135 on the Digital Ventures $40M Facility and the Digital Ventures $1M Facility, respectively. As of September 30, 2024, the company had funded aggregate drawdowns of $26,934 and $622 on the Digital Ventures $40M Facility and the Digital Ventures $1M Facility, respectively.

At September 30, 2024, the company's remaining capital commitments to the Digital Ventures $40M Facility and the Digital Ventures $1M Facility were $13,066 and $378, respectively (December 31, 2023 - $19,819 and $513), which may be called at any time in accordance with the respective loan facility agreements.

At September 30, 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 $29,358 and $677 (December 31, 2023 - $21,508 and $518), respectively, including capitalized interest of $3,098 and $54 (December 31, 2023 - $1,250 and $23), respectively.

In the third quarter and first nine months of 2024, the company recorded interest income of $566 and $1,486 (2023 - $324 and $932) within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the Digital Ventures $40M Facility.

In the third quarter and first nine months of 2024, the company recorded interest income of $9 and $25 (2023 - $6 and $17) within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the Digital Ventures $1M Facility.

Subsequent to September 30, 2024

Subsequent to September 30, 2024, the company funded drawdowns of $728 on the Digital Ventures $40M Facility and $18 on the Digital Ventures $1M Facility.

HSEG Loan Facility

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 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 the third quarter of 2024 and the proceeds were solely used to fund HSEG's investment in PFL Africa.

At September 30, 2024, the company estimated the fair value of the HSEG Loan Facility to be $12,137.

In the third quarter and first nine months of 2024, the company recorded interest income of $187 and $187 within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the HSEG Loan Facility.

Philafrica Facility

At September 30, 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 is 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.

On July 28, 2023, the company entered into a Sale and Purchase Agreement. Pursuant to the terms of the Sale and Purchase Agreement, the company expects to sell its equity interest in Philafrica for an aggregate consideration of not less than $4,400 and expects to 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 stipulates 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.

At September 30, 2024, the company estimated the fair value of the Philafrica Facility to be $9,757 (December 31, 2023 - $8,137).

In the third quarter and first nine months of 2024, the company recorded interest income of $368 and $1,011 (2023 - $300 and $810) within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the Philafrica Facility.

Subsequent to September 30, 2024

Subsequent to September 30, 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 face value of the facility at the time that the consideration is settled.

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 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.

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 a 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.

At September 30, 2024, the company estimated the fair value of the AGH Loan to be $4,400.

In the third quarter and first nine months of 2024, the company recorded interest income of $45 and $45 within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the AGH Loan.

Subsequent to September 30, 2024

Subsequent to September 30, 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 face value of the facility at the time that the consideration is settled.

Event Horizon Loan

In November 2023, the company transferred the Event Horizon Loan to HSEG. Subsequently, HSEG transferred the Event Horizon Loan to HSEH. The outstanding Event Horizon Loan amount plus certain deal costs, totaling $21,737, was discharged by TMG issuing 9,745 Preference Shares to HSEH on a cashless basis and derecognized by the company (see discussion under the header "Helios Sports and Entertainment Group").

AFGRI International Facility

In 2023, the company received full repayment of the principal of $10,000 and accrued interest of $1,824 and derecognized the AFGRI International Facility.

CIG Loan

In 2023, the company received full repayment of the principal of $16,391 (300 million South African rand) and derecognized the CIG Loan. Additionally, the company received an interest payment of $1,036, which was recognized as interest income in the consolidated statements of earnings (loss) and comprehensive earnings (loss).

Related Party Loan and Derivatives

Fairfax Loan

The company issued the $20,000 interest-free Fairfax Loan to Fairfax, due no later than December 8, 2023 (refer to note 13).

In 2023, the company received full repayment of the principal of $20,000 and derecognized the Fairfax Loan.

HFP Redemption Derivative

On March 31, 2021, as part of the $100,000 HFP 3.0% Debenture transaction (refer to note 7) the company entered into the HFP Redemption Derivative. At maturity, the principal amount to be repaid will be adjusted for the amount, if any, by which the aggregate fair value of the company's investments in AGH (indirect via Joseph Holdings), Philafrica common shares, the Philafrica Facility (see discussion under the headers "Indirect equity interest in AGH", "Philafrica Foods Proprietary Ltd." and "Philafrica Facility"), and the PGR2 Loan (collectively, the "Reference Investments") is lower than $102,600.

In December 2023, and prior to the maturity date, the company redeemed the HFP 3.0% Debentures on a net basis with the HFP Redemption Derivative at the price of $28,400 plus any accrued and unpaid interest. As a result of the redemption, the company derecognized the HFP Redemption Derivative and recognized a net gain on investments of $9,264, comprised of a realized gain of $49,535 offset by a reversal of unrealized gain of $40,271, within the consolidated statements of earnings (loss) and comprehensive earnings (loss).

6. Cash and Investments

Fair Value Disclosures

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:

	September 30, 2024				December 31, 2023			
	Quoted prices (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total fair value of assets**	**Quoted prices (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total fair value of assets**
Cash and cash equivalents	**27,371**	**—**	**—**	**27,371**	95,913	—	—	95,913
	27,371	**—**	**—**	**27,371**	95,913	—	—	95,913
Portfolio Investments:								
Limited partnership investments	**—**	**—**	**210,304**	**210,304**	—	—	207,753	207,753
Common shares	**—**	**35,541**	**126,857**	**162,398**	—	34,827	113,259	148,086
Loans	**—**	**—**	**56,329**	**56,329**	—	—	30,163	30,163
Total Portfolio Investments	**—**	**35,541**	**393,490**	**429,031**	—	34,827	351,175	386,002
Total cash and investments	**27,371**	**35,541**	**393,490**	**456,402**	95,913	34,827	351,175	481,915
	6.0%	**7.8%**	**86.2%**	**100.0%**	19.9%	7.2%	72.9%	100.0%

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. The company's investment in Seven Rivers was classified as Level 2. During the first nine months of 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.

The tables that follow describe the valuation technique and significant unobservable inputs and 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 September 30, 2024. The analysis assumes quarterly variations within a reasonably possible range determined by the company based on analysis of the return on various equity indices, management's knowledge of the applicable equity markets and the potential impact of changes in interest rates. The reasonably possible ranges of discount rates reflect increased market volatility due to rising inflation, elevated oil and commodity prices, and interest rate hikes. The range also reflects the additional uncertainty in determining recoverability, market multiples and the discounted cash flows for assessing the fair values of Private Portfolio Investments.

Investments	Valuation technique	Significant unobservable inputs	Inputs at September 30, 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	Discount rates	25.3% to 29.3%	26.9% to 30.9%	Increases (decreases) in discount rates (decrease) increase fair value
		Target exit dates	2024 to 2030	2024 to 2028	Increases (decreases) in target exit dates (decrease) increase fair value
		Exit multiple of invested capital	2.0x 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	16.1%	16.2%	Increases (decreases) in discount rates (decrease) increase fair value
		Growth in management fee revenue	20.8%	23.5%	Increases (decreases) in growth in management fee revenue increase (decrease) fair value
		Long term pre-tax profit margin	34.3%	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 growth rates increase (decrease) fair value
Common shares					
Trone	Market multiples	Multiples of EBITDA	9.6x	9.0x	Increases (decreases) in multiples of EBITDA increase (decrease) fair value
NBA Africa	Discounted cash flow	After-tax discount rate	17.2%	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	Discounted cash flow and transaction price	Discount rate	12.3%	12.3%	Increases (decreases) in discount rates (decrease) increase fair value
Indirect equity interest in Nova Pioneer(1)	Revenue multiple and discounted cash flow	Revenue multiple	2.3x	N/A	Increases (decreases) in multiples of revenue increase (decrease) fair value
		Discount rate	17.6%	N/A	Increases (decreases) in discount rate (decrease) increase fair value
Loans					
Digital Ventures $40M Facility	Discounted cash flow	Discount rate	13.0%	13.7%	Increases (decreases) in discount rates (decrease) increase fair value
HSEG Loan Facility	Discounted cash flow	Discount rate	9.6%	N/A	Increases (decreases) in discount rates (decrease) increase fair value

(1) *The investment was valued using offer price at December 31, 2023. At September 30, 2024, the valuation technique was changed from 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.*

	September 30, 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	$44,809	Discounted cash flow and net asset value	Discount rates	Increase/(decrease) 400 bps	(3,361) / 3,906	(2,916) / 3,388
			Target exit dates	Increase/(decrease) 1 year	(21,040) / 19,086	(18,252) / 16,557
			Exit multiple of invested capital	Increase/(decrease) 5%	9,024 / (10,301)	7,828 / (8,936)
TopCo LP Class B Limited Partnership Interest	$87,295	Discounted cash flow	Discount rate	Increase/(decrease) 150 bps	(14,169) / 18,700	(12,292) / 16,222
			Growth in management fee revenue	Implied CAGR of management fee revenue of 19.2% to 22.3%	24,722 / (24,722)	21,446 / (21,446)
			Long term pre-tax profit margin	Increase/(decrease) 200 bps	3,891 / (3,891)	3,375 / (3,375)
			Long term growth rate	Increase/(decrease) 50 bps	3,001 / (2,753)	2,603 / (2,389)
Common shares						
Trone	$21,297	Market multiples	Multiples of EBITDA	Increase/(decrease) 0.5x	1,698 / (1,698)	1,473 / (1,473)
NBA Africa	$39,526	Discounted cash flow	After-tax discount rate	Increase/(decrease) 100 bps	(2,513) / 2,696	(2,180) / 2,339
			Growth in revenue	Increase/(decrease) 5%	2,375 / (2,314)	2,060 / (2,008)
			Terminal revenue multiple	Increase/(decrease) 0.5x	2,942 / (2,942)	2,552 / (2,552)
Helios Sports and Entertainment Group	$47,357	Discounted cash flow and transaction price	Discount rate	Increase/(decrease) 100 bps	(538) / 586	(467) / 509
Indirect equity interest in Nova Pioneer	$16,277	Revenue multiple and discounted cash flow	Revenue multiple	Increase/(decrease) 0.5x	2,649 / (2,649)	2,298 / (2,298)
			Discount rate	Increase/(decrease) 100 bps	(354) / 406	(307) / 352
Loans						
Digital Ventures $40M Facility	$29,358	Discounted cash flow	Discount rate	Increase/(decrease) 100 bps	(172) / 175	(149) / 151
HSEG Loan Facility	$12,137	Discounted cash flow	Discount rate	Increase/(decrease) 100 bps	(82) / 84	(71) / 73

(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.*

	December 31, 2023					
Investments	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	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 $15.7 million to $99.1 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.

	Valuation technique at		Fair value of investment at
Investments	**September 30, 2024**	**December 31, 2023**	**September 30, 2024**
Limited partnership investments:			
Helios Fund IV limited partnership interest	Net asset value	Net asset value	$62,067
Taj Holdings Limited Partnership Interest	Transaction price	N/A	$16,133
Common shares:			
Seven Rivers	Net asset value	Net asset value	$35,541
Loans:			
Philafrica Facility	Transaction price	Transaction price	$9,757
AGH Loan	Transaction price	N/A	$4,400
Digital Ventures $1M Facility	Discounted cash flow	Discounted cash flow	$677

Investment Income

An analysis of investment income for the three and nine months ended September 30 is summarized in the table that follows:

	Third quarter		First nine months	
	2024	2023	**2024**	2023
Interest:				
Cash and cash equivalents	**2,217**	1,462	**3,987**	4,382
Loans	**1,110**	1,249	**3,294**	4,500
Bonds	**—**	643	**—**	643
	3,327	3,354	**7,281**	9,525
Dividends: Common shares	**—**	—	**—**	208

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

	Third quarter	
	2024	2023
	Net gains (losses)	Net gains (losses)
Net gains (losses) on investments:		
Limited partnership investments	**577**	(3,124)
Common shares	**3,114**	(617)
Loans	**486**	297
Related party derivatives and guarantees	**—**	3,166
	4,177	(278)
Net foreign exchange gains (losses) on:		
Cash and cash equivalents	**69**	3
Common shares	**460**	59
Loans	**381**	8
Other	**(57)**	1
	853	71
Net gains (losses) on investments	**5,030**	(207)

	First nine months	
	2024	2023
	Net gains (losses)	Net gains (losses)
Net gains (losses) on investments:		
Limited partnership investments	**(15,956)**	16,325
Common shares	**5,143**	(7,490)
Loans	**(182)**	246
Related party derivatives and guarantees	**—**	6,504
	(10,995)	15,585
Net foreign exchange gains (losses) on:		
Cash and cash equivalents	**171**	(810)
Common shares	**619**	(3,137)
Loans	**608**	(1,745)
Other	**30**	60
	1,428	(5,632)
Net gains (losses) on investments	**(9,567)**	9,953

7. Borrowings

HFP 3.0% Debentures

In December 2023, and prior to the maturity date, the company redeemed the HFP 3.0% Debentures on a net basis with the HFP Redemption Derivative at the price of $28,400 plus any accrued and unpaid interest.

Interest Expense

During the third quarter and first nine months of 2024, the company incurred $19 and $58 of interest related to the lease liability (refer to note 14) (2023 - $913 and $2,704) relating to interest on the HFP 3.0% Debentures).

Revolving Credit Facility

On March 3, 2022, the company closed a $70,000 secured revolving credit facility with FirstRand Bank Limited (acting through its Rand Merchant Bank division) (the "RMB Facility"), bearing interest based on the Secured Overnight Financing Rate (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.

During the third quarter and first nine months of 2024, the company incurred standby fees of $426 and $1,278 (2023 - $426 and $1,278) which were included in interest expense, and also included as administrative expense within general and administrative expenses.

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 the Mauritius Sub and SA Sub, Mauritius Sub's bank accounts and its receivables and includes a floating charge over the company's other assets, both present and future, movable and immovable.

Under the terms of the RMB Facility, the company is required to maintain the following financial covenants : an asset cover ratio, being the ratio of total cash and cash equivalents plus the fair value of Portfolio Investments (excluding the fair value of the TopCo Limited Partnership Interests) to total borrowings, an asset cover ratio (listed), being the ratio of total cash and cash equivalents plus the fair value of listed Portfolio Investments to total borrowings, and an adjusted tangible net worth of at least $350,000, being the total equity of the Company less 75% of the fair value of the TopCo Limited Partnership Interests.

On September 18, 2024, FirstRand Bank Limited (acting through its Rand Merchant Bank division) granted the company a waiver from complying with certain financial covenants, until amendments to the Facility Agreement are finalized, provided no loan remains outstanding. At September 30, 2024, the RMB Facility was undrawn.

Subsequent to September 30, 2024

Subsequent to September 30, 2024, the Facility Agreement between the company and FirstRand Bank Limited (via its Rand Merchant Bank division) 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 Helios 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. Such decrease can be waived by the lender.

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 September 30, 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 September 30, 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	**106,624**	142,338
Purchases for cancellation	**(97,314)**	(72,276)
Subordinate voting shares - September 30	**52,726,262**	52,811,168
Multiple voting shares - beginning and end of period	**55,452,865**	55,452,865
Common shares effectively outstanding - September 30	**108,179,127**	108,264,033

Purchase of Shares

As of June 23, 2023, 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 the first nine months of 2024, under the terms of its normal course issuer bid, the company purchased for cancellation 97,314 subordinate voting shares (2023 - 72,276 subordinate voting shares) for a net cost of $259 (2023 - $211) and $530 (2023 - $375) 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

On May 28, 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. The company's automatic share purchase plan expired on June 22, 2024.

Warrants

On March 31, 2021, Fairfax, through its affiliates, invested $100,000 in HFP 3.0% Debentures and HFP Warrants . 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 the first nine months of 2024 and 2023.

Capital Contributions

On March 31, 2021, Fairfax, through its affiliates, invested $100,000 in HFP 3.0% Debentures and HFP Warrants. At inception, the difference of $18,107 between the total net fair value of the financial instruments issued and received and the transaction amount was recorded in contributed surplus within common shareholders' equity, in line with the company's accounting policy on related party transactions.

In December 2023, and prior to the maturity date, the company redeemed the HFP 3.0% Debentures on a net basis with the HFP Redemption Derivative at the price of $28,400 plus any accrued and unpaid interest.

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 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.

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. 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.

During the first nine months of 2024, under the terms of the LTIP, 106,624 restricted share units vested (2023 - 142,338 restricted share units) and 106,624 subordinate voting shares (2023 - 142,338 subordinate voting shares) were issued at a cost of $355 (2023 - $473).

For the third quarter and first nine months of 2024, the company recorded share-based compensation expense of $98 and $282 (2023 - $98 and $341) within the consolidated statements of earnings (loss) and comprehensive earnings (loss).

10. Net Earnings (Loss) per Share

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

	Third quarter				First nine months			
	2024		2023		**2024**		2023	
Net earnings (loss) - basic and diluted		**4,036**		(1,814)		**(17,176)**		9,212
Weighted average shares outstanding - basic		**108,179,127**		108,296,706		**108,143,529**		108,273,211
Weighted average shares outstanding - diluted		**108,429,642**		108,296,706		**108,143,529**		108,618,397
Net earnings (loss) per basic share	**$**	**0.04**	$	(0.02)	**$**	**(0.16)**	$	0.09
Net earnings (loss) per diluted share	**$**	**0.04**	$	(0.02)	**$**	**(0.16)**	$	0.08

At September 30, 2024 and 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 first calculation period, if applicable, will be payable after December 31, 2023. 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 September 30, 2024, there were 250,000 (2023 - 250,000) potential subordinate voting shares issuable relating to the Special Incentive Plan (refer to note 9) of which nil was dilutive (2023 - 26,361), and 250,515 (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 third quarter and first nine months of 2024 is summarized in the following table:

	Third quarter		First nine months	
	2024	2023	**2024**	2023
Current income tax:				
Current year expense (recovery)	**(88)**	512	**239**	(1,486)
Adjustment to prior years' income taxes	**2**	(1)	**(220)**	(601)
	(86)	511	**19**	(2,087)
Deferred income tax:				
Origination and reversal of temporary differences	**336**	(18)	**1,918**	(1,675)
Adjustments to prior years' deferred income taxes	**—**	1	**(6)**	513
	336	(17)	**1,912**	(1,162)
Provision for (recovery of) income taxes	**250**	494	**1,931**	(3,249)

A portion of the company's earnings (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 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 third quarter and first nine months of 2024 are summarized in the following table:

	Third quarter		First nine months	
	2024	2023	**2024**	2023
Canadian statutory income tax rate	**26.5 %**	26.5 %	**26.5 %**	26.5 %
Provision for (recovery of) income taxes at the Canadian statutory income tax rate	**1,136**	(349)	**(4,034)**	1,581
Non-taxable losses (gains) on investments	**(1,086)**	(57)	**3,085**	(1,193)
Tax rate differential on income (losses) outside of Canada	**2,792**	502	**2,920**	1,358
Provision (recovery) relating to prior years	**2**	—	**(226)**	(88)
Unused tax losses	**—**	—	**—**	(471)
Change in unrecorded tax benefit of losses and temporary differences	**(2,208)**	(998)	**(1,352)**	(3,316)
Realized gains and foreign exchange effect	**(425)**	1,373	**1,023**	(782)
Other, including permanent differences	**39**	23	**515**	(338)
Provision for (recovery of) income taxes	**250**	494	**1,931**	(3,249)

Non-taxable (gains) and losses on investments of ($1,086) and $3,085 in the third quarter and first nine months of 2024 principally reflected the non-taxable portion of unrealized loss on TopCo LP of $133 and $3,608, non-taxable portion of unrealized gain on Helios Fund IV of $503 and $932, and the non-taxable portion of unrealized losses (gains) on other investments of ($716) and $409. Non-taxable losses (gains) on investments of ($57) and ($1,193) in the third quarter and first nine months of 2023 principally reflected the non-taxable portion of unrealized gains and (losses) on investments in TopCo LP and Helios Fund IV of $332 and ($2,025), and the non-taxable portion of unrealized (gains) and losses on other investments of ($389) and $832.

Tax rate differential on income earned outside of Canada of $2,792 and $2,920 in the third quarter and first nine months of 2024 (2023 - $502 and $1,358) principally reflected the 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.

Provision (recovery) relating to prior years of $2 and ($226) in the third quarter and first nine months of 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 $nil and ($88) in the third quarter and first nine months of 2023 principally reflected adjustments for taxable income allocations from TopCo LP and Helios Fund IV, utilization of net capital loss carryovers, reassessments related to losses carried back, and foreign taxes paid.

Unused tax losses was $nil in the third quarter and first nine months of 2024. Unused tax losses of $nil and ($471) in the third quarter and first nine months of 2023 reflected changes in the company's net capital loss arising from an intercompany transaction.

The change in unrecorded tax benefit of losses and temporary differences of ($2,208) and ($1,352) in the third quarter and first nine months of 2024 principally reflected the change in deferred tax assets and liabilities in foreign accrual capital losses of $214 and ($383), investment and other temporary timing differences of $663 and $2,178 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 and liabilities in South Africa on investments of ($3,085) and ($3,147).

The change in unrecorded tax benefit of losses and temporary differences of ($998) in the third quarter of 2023 principally reflected the change in deferred tax assets and liabilities in foreign accrual capital losses of ($540); investment and other temporary timing differences of ($524) 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 and liabilities in South Africa on investments of $66. The change in unrecorded tax benefit of losses and temporary differences of ($3,316) in the first nine months of 2023 principally reflected the change in deferred tax assets and liabilities in foreign accrual capital losses of ($67); investment and other temporary timing differences of ($2,195) 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 and liabilities in South Africa on investments of ($1,054).

Realized gains and foreign exchange effect of ($425) and $1,023 in the third quarter and first nine months of 2024 (2023 - $1,373 and ($782)) 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.

Other, including permanent differences of $39 and $515 in the third quarter and first nine months of 2024 (2023 - $23 and ($338)) principally reflected non-deductible expenses.

12. Financial Risk Management

Overview

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 September 30, 2024 compared to those identified at December 31, 2023.

Geopolitical Risks, Inflation, and Rising Interest Rates

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. Furthermore, fluctuations in interest rates may impact foreign exchange risk as currencies appreciate or depreciate depending on local monetary policy responses. 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 earnings (loss) and common shareholders' equity when measured in U.S. dollars, the company's functional currency.

The company has significant cash and cash equivalents and Portfolio Investments in South African rand and significant cash and cash equivalents in Canadian dollars. 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 September 30, 2024, the company's direct exposure to South African rand decreased compared to its direct exposures at December 31, 2023 (refer to note 5) due to the disposal of Philafrica common shares.

The company's exposure to pound sterling, Egyptian pound, Nigerian naira, Kenyan shilling, and Moroccan dirham increased compared to its exposure at December 31, 2023 due to an increase in pound sterling, Egyptian pound, Nigerian naira, Kenyan shilling, and Moroccan dirham related investments by Seven Rivers.

The company's common shareholders' equity and net earnings (loss) may be significantly affected by foreign currency movements resulting from the company's South African rand-denominated investments. The company is also indirectly exposed to the pound sterling, Egyptian pound, Moroccan dirham, Nigerian naira, and South African rand through its investment in Seven Rivers, which has investments in those currencies. 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 and South African rand-denominated investments.

At September 30, 2024 and December 31, 2023, the company's net foreign currency exposure was as follows:

	September 30, 2024	December 31, 2023
South African rand(1)	**16,266**	26,786
Pound sterling(1)	**7,333**	6,140
Egyptian pound(1)	**6,491**	5,235
Canadian dollars	**2,802**	2,515
Mauritian rupees	**21**	67
Kenyan shilling(1)	**3,876**	—
Moroccan dirham(1)	**3,793**	846
Nigerian naira(1)	**6,920**	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, and Egyptian pound for Seven Rivers' investments has been included in this table.

At September 30, 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 net earnings (loss) would have been as follows:

	September 30, 2024		December 31, 2023	
	Sensitivity factor	Hypothetical $ change effect on net earnings (loss)(1)	Sensitivity factor	Hypothetical $ change effect on net earnings (loss)(1)
South African rand(2)	Increase / (decrease) 5.0%	598 / (598)	Increase / (decrease) 5.0%	984 / (984)
	Increase / (decrease) 10.0%	1,196 / (1,196)	Increase / (decrease) 10.0%	1,969 / (1,969)
Pound sterling(2)	Increase / (decrease) 5.0%	270 / (270)	Increase / (decrease) 5.0%	226 / (226)
	Increase / (decrease) 10.0%	539 / (539)	Increase / (decrease) 10.0%	451 / (451)
Canadian dollars	Increase / (decrease) 5.0%	103/ (103)	Increase / (decrease) 5.0%	93 / (93)
	Increase / (decrease) 10.0%	206 / (206)	Increase / (decrease) 10.0%	185 / (185)
Egyptian pound(2)	Increase / (decrease) 5.0%	239 / (239)	Increase / (decrease) 5.0%	193 / (193)
	Increase / (decrease) 10.0%	477/ (477)	Increase / (decrease) 10.0%	385 / (385)
Kenyan shilling(2)	Increase / (decrease) 5.0%	143 / (143)	Increase / (decrease) 5.0%	nil / (nil)
	Increase / (decrease) 10.0%	285 / (285)	Increase / (decrease) 10.0%	nil / (nil)
Moroccan dirham(2)	Increase / (decrease) 5.0%	140 / (140)	Increase / (decrease) 5.0%	31 / (31)
	Increase / (decrease) 10.0%	279 / (279)	Increase / (decrease) 10.0%	62 / (62)
Nigerian naira(2)	Increase / (decrease) 5.0%	254 / (254)	Increase / (decrease) 5.0%	148 / (148)
	Increase / (decrease) 10.0%	509 / (509)	Increase / (decrease) 10.0%	296 / (296)

(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.

(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 pounds 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 fixed income investments decline and, conversely, as interest rates decline, the fair values of fixed income investments rise. In each case, the longer the maturity of the financial instrument, the greater the consequence of a change in interest rates.

At September 30, 2024 the company held fixed income investments with a fair value of $56,329 (December 31, 2023 - $30,163). These investments are exposed to interest rate risk due to changes in market interest rates. At September 30, 2024, the hypothetical impact of a 1% increase or decrease in the interest rate for the company's variable- rate fixed income investment, with all other variables held constant, would have resulted in a corresponding net increase or decrease in the company's net earnings (loss) of $601 (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, limited partnership investment, or related party derivative and guarantee 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 September 30, 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 September 30, 2024 the company's cash and cash equivalents of $27,371 (December 31, 2023 - $95,913) were comprised of $12,625 (December 31, 2023 - $40,167) at the holding company (principally in major Canadian financial institutions) and $14,746 (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 $2,499 (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 and has determined that the credit risk associated with related parties is minimal.

At September 30, 2024 and December 31, 2023, the company's other receivables from related parties of $927 and $991 were comprised of receivables from Helios Investment Partners (HIP), Helios CLEAR GP, and TopCo LP (refer to note 13).

Other Assets

At September 30, 2024, the company's other assets of $1,005 (December 31, 2023 - $1,167) were primarily comprised of prepaid expenses and amounts receivable from Atlas Mara relating to the guarantee provided to TLG Credit Opportunities Fund ("TLG Capital") on Atlas Mara's facility with TLG Capital (the "TLG Facility"). At September 30, 2024, the company estimated the recoverable amount on its receivable from Atlas Mara to be $441 (December 31, 2023 - $441) based on amounts received and expected to be received from the UBN sale. Refer to note 15 for the company's valuation of the receivable from Atlas Mara.

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 fixed income 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 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 September 30, 2024, the company had debt instruments with a fair value of $56,329 (December 31, 2023 - $30,163) that were subject to credit risk, representing 12.3% (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 fixed income securities increased to $56,329 at September 30, 2024 from $22,026 at December 31, 2023 primarily due to the drawdowns on the Digital Ventures $40M Facility, Philafrica Facility, AGH Loan, and loan to HSEG. These credit facilities present additional credit risk, as they are not collateralized.

At September 30, 2024, the company had GP and management company loans of $11,871 (December 31, 2023 - $nil) that were subject to credit risk. The company's GP and management company loans, including the HDV GP Loan, the HSEG ManCo Loan, and the Helios CLEAR GP Loan, present additional credit risk because they are not collateralized and are currently associated with startup entities that lack operations.

At September 30, 2024, loans with fair values of $9,757 (December 31, 2023 - $8,137) contained call features. At September 30, 2024 and December 31, 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 September 30, 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 $63,000 is available to be drawn based on current financial covenants.

The following table presents the company's commitments, and contractual obligations by their contractual maturity date:

	September 30, 2024				
	Total	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Digital Ventures $40M Facility	**13,066**	**13,066**	**—**	**—**	**—**
Digital Ventures $1M Facility	**378**	**378**	**—**	**—**	**—**
HDV GP Loan	**1,405**	**1,405**	**—**	**—**	**—**
Helios CLEAR GP Loan	**210**	**210**	**—**	**—**	**—**
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	**1,073**	**1,073**	**—**	**—**	**—**
Accounts payable and accrued liabilities	**712**	**712**	**—**	**—**	**—**
Lease commitments	**1,893**	**180**	**411**	**446**	**856**
	45,649	**43,936**	**411**	**446**	**856**

(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).

	December 31, 2023				
	Total	**Less than 1**	**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**

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 results of operations.

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.

	September 30, 2024	December 31, 2023
Asset management[2]	**132,104**	155,757
Food and agriculture	**16,557**	14,937
Financial services [1]	**73,050**	49,482
Education	**16,277**	17,000
Entertainment	**97,443**	69,853
Infrastructure	**12,472**	10,640
Retail and distribution [1]	**63,221**	45,223
Insurance [1]	**15,206**	12,947
Other	**2,701**	10,163
	429,031	386,002

(1) Helios Fund IV, Seven Rivers, and HSEG have been allocated to industry sectors based on underlying investment holdings.
(2) The returns of TopCo LP Class A Limited Partnership Interest and TopCo LP Class B Limited Partnership Interest are tied to the performance of Helios Holdings Group.

The company's loans are not rated, with no issuer concentration at September 30, 2024 (December 31, 2023 - 0.0%).

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 September 30, 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 $457,443 at September 30, 2024 (December 31, 2023 - $474,596). The decrease primarily reflected the net loss of $17,176.

13. Related Party Transactions

Payable to Related Parties

At September 30, 2024, the company's payable to related parties of $1,073 was comprised of a payable to TopCo LP for investment and advisory fees of $1,073 (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 the third quarter and first nine months of 2024, investment and advisory fees recorded within the consolidated statements of earnings (loss) and comprehensive earnings (loss) were $1,062 and $3,326 (2023 - $856 and $2,388).

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, 2021, to December 31, 2023 (the "first calculation period") is the first consecutive three-year period for which a performance fee, if applicable, will be payable to TopCo LP. The next calculation period is from January 1, 2024, to December 31, 2026. At September 30, 2024 and December 31, 2023, the company determined that a performance fee of $nil should be accrued to TopCo LP as the Adjusted Book Value per Share of $3.06 at September 30, 2024 (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 $3.53.

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 the third quarter and first nine months 2024, a performance fee of $nil (2023 - a performance fee of $nil) was recorded within the consolidated statements of earnings (loss) and comprehensive earnings (loss).

Other Receivables from Related Parties

Other receivables from related parties were $927 at September 30, 2024 (December 31, 2023 - $991). The receivable at December 31, 2023 was primarily 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 September 30, 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 September 30, 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 September 30, 2024, 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 (December 31, 2023 - 25,452,865 and 24,632,413). 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 September 30, 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 and Director Compensation

Management Compensation

Compensation for the company's key management personnel for the third quarter and first nine months of 2024 and 2023 was recorded in general and administration expenses within the consolidated statements of earnings (loss) and comprehensive earnings (loss) as follows:

	Third quarter		**First nine months**	
	2024	2023	**2024**	2023
Short-term employee benefits	**401**	397	**1,204**	1,190
Share-based expenses	**34**	34	**101**	103
	435	431	**1,305**	1,293

Director Compensation

Compensation for the company's Board of Directors for the third quarter and first nine months of 2024 and 2023 was recognized in general and administration expenses in the consolidated statements of earnings (loss) and comprehensive earnings (loss) as follows:

	Third quarter		**First nine months**	
	2024	2023	**2024**	2023
Retainers and fees	**121**	103	**347**	304
Share-based expenses	**44**	42	**122**	169
	165	145	**469**	473

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 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

Helios CLEAR GP Loan

In the first quarter of 2024, the company entered into a loan facility agreement for $6,500 with Helios CLEAR GP, the general partner of Helios CLEAR Fund, a fund that intends to deploy growth equity into opportunities in renewable energy solutions, climate-smart agriculture and food, green transport and logistics, recycling and resource efficiency and digital and financial climate enablers (the "Helios CLEAR GP Loan"). Helios CLEAR GP is considered a related party to HFP due to HFP's co-CEOs' jointly owning 100% of Helios CLEAR GP and also holding key management positions within HFP.

The Helios CLEAR GP Loan bears interest at a rate of the 6-month SOFR reference rate plus an adjustment of 0.10% and a margin of 5% per annum, accrued and capitalized semi-annually, is unsecured and matures on January 31, 2030. The loan is to be fully repaid by the maturity date, with equal installments of principal and interest payments based on a five-year amortization period during the repayment period, which spans from the first close of Helios CLEAR Fund to the maturity date. Pursuant to the loan agreement, a drawdown of $5,600 was funded in the first quarter of 2024.

During the first nine months of 2024, the company funded a drawdown of $6,290 on the Helios CLEAR GP Loan. As of September 30, 2024, the company had funded aggregate drawdowns of $6,290 on the Helios CLEAR GP Loan. The Helios CLEAR GP Loan is carried at amortized cost. In the third quarter and first nine months of 2024, the company recorded interest income of

$163 and $405 (2023 - $nil) within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the Helios CLEAR GP Loan.

HDV GP Loan

In May 2024, the company entered into a loan facility agreement for $4,700 with Helios Digital Ventures Genpar Ltd. ("HDV GP"), the general partner of HDV (the "HDV GP Loan"). The HDV GP Loan bears interest at a rate of the 6-month SOFR reference rate plus an adjustment of 0.10% and a margin of 6% per annum, accrued and capitalized semi-annually, is unsecured and matures on May 17, 2029. The loan is to be fully repaid by the maturity date, with equal installments of principal and interest payments based on a five-year amortization period during the repayment period, which spans from the first occasion that HDV GP generates sufficient management fees to generate sustainable profit, to the maturity date.

Pursuant to the loan agreement, drawdowns of $3,295 were funded in the first nine months of 2024. HDV GP is considered a related party to HFP due to HFP's co-CEOs' jointly owning 100% of HDV GP and also holding key management positions within HFP. The HDV GP Loan is carried at amortized cost. In the third quarter and first nine months of 2024, the company recorded interest income of $70 and $97 (2023 - $nil) within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the HDV GP Loan.

HSEG ManCo Loan

In June 2024, the company entered into a loan facility agreement for $2,000 with HSEG ManCo Ltd. ("HSEG ManCo"), the investment manager of HSEG (the "HSEG ManCo Loan"). The HSEG ManCo Loan bears interest at a rate of the 6-month SOFR reference rate plus an adjustment of 0.10% and a margin of 6% per annum, accrued and capitalized semi-annually, is unsecured and matures on June 21, 2029. The loan is to be fully repaid by the maturity date, with equal installments of principal and interest payments based on a five-year amortization period during the repayment period, which spans from the first occasion that HSEG generates sufficient management fees to generate sustainable profit, to the maturity date.

Pursuant to the loan agreement, a drawdown of $2,000 was funded in the first nine months of 2024. HSEG ManCo is considered a related party to HFP due to HFP's co-CEOs' jointly owning 100% of HSEG ManCo and also holding key management positions within HFP. The HSEG ManCo Loan is carried at amortized cost. In the third quarter and first nine months of 2024, the company recorded interest income of $36 and $38 (2023 - $nil) within the consolidated statements of earnings (loss) and comprehensive earnings (loss) related to the HSEG ManCo Loan.

Related Party Investment Transactions

Helios Fund IV

Helios Fund IV is related to HFP by virtue of common key management personnel. In the third quarter of 2024, the company funded a capital call of $2,064. At September 30, 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 September 30, 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 note 5).

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. Helios Fund IV owns the remaining 76.0% equity interest in Taj Investment and is a related party of HFP by virtue of common key management personnel. Taj Investment is a related party of HFP by virtue of common key management personnel and being an associate of HFP. 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. Helios Fund IV, who controls SPV Rayon and the operating businesses of Trone and is a related party of HFP by virtue of common key management personnel, holds the remaining 78.0% 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. 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. At September 30, 2024, the company recognized a distribution receivable from its TopCo LP Class B Limited Partnership Interest of $nil (2023 - $122).

TopCo LP Management Team Commitment

HFP's total commitments to TopCo LP in respect of the Management Team Commitment is 25% following the final close of Helios Fund IV. In the third quarter of 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 September 30, 2024, the company had funded aggregate capital calls of $5,327 (December 31, 2023 - $5,017). At September 30, 2024, the company's remaining capital commitment to TopCo LP with respect to the Management Team Commitment was $2,173 (December 31, 2023 - $2,483)(refer to note 5).

HFP 3.0% Debentures

On March 31, 2021, Fairfax, through its affiliates, invested $100,000 in HFP 3.0% Debentures and HFP Warrants. In December 2023, and prior to the maturity date, the company redeemed the HFP 3.0% Debentures at the price of $28,400 plus any accrued and unpaid interest .

As a result of the redemption, the company derecognized the HFP Redemption Derivative and recognized a net gain on investments of $9,264, comprised of a realized gain of $49,535 offset by a reversal of unrealized gain of $40,271, within the consolidated statements of loss and comprehensive loss for the year ended December 31, 2023.

Related party derivatives

As part of Fairfax's investment in the HFP 3.0% Debentures and HFP Warrants, the HFP Redemption Derivative was recorded in Related party derivatives and guarantees within the consolidated balance sheet (refer to note 5).

Fairfax Loan

The company issued the $20,000 interest-free Fairfax Loan to Fairfax, due no later than December 8, 2023. The loan was repaid in full on December 8, 2023 (refer to note 6).

Digital Ventures Facilities

On May 30, 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 company domiciled in the United States (the "Digital Ventures $1M Facility"). Obashe is the sole limited partner of HDV. HDV is related to HFP by virtue of common key management personnel. Obashe Trust is also related to HFP.

In 2023, the company funded drawdowns of $5,654 on the Digital Ventures $40M Facility.

In the third quarter of 2024, the company funded drawdowns of $3,581 on the Digital Ventures $40M Facility and $135 on the Digital Ventures $1M Facility, respectively. As of September 30, 2024, the company had funded aggregate drawdowns of $26,934 and $622 on the Digital Ventures $40M Facility and the Digital Ventures $1M Facility, respectively.

At September 30, 2024, the company's remaining capital commitments to the Digital Ventures $40M Facility and the Digital Ventures $1M Facility were $13,066 and $378, respectively (December 31, 2023 - $19,819 and $513), 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 and 6).

Subsequent to September 30, 2024

Subsequent to September 30, 2024, the company funded drawdowns of $728 on the Digital Ventures $40M Facility and $18 on the Digital Ventures $1M Facility.

Helios Sports and Entertainment Group

At September 30, 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.

On June 8, 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. On June 23, 2023, HSEH subscribed to a $4,000 loan note instrument issued by Zaria (the "Zaria Loan"), representing fulfillment of part of the financial commitment. 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 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 August 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). PFL is a related party of HFP, as PFL is an indirect associate of HFP.

In August 2024, 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 to 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 April 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. The exchange amount of the transaction represented fair value (refer to notes 5 and 6).

As of September 30, 2024, the company's equity interest in Seven Rivers decreased to 90.9% driven by subscriptions.

HSEG Loan Facility

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 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 the third quarter of 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 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 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 a 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.

The exchange amount of the transactions represented fair value (refer to notes 5 and 6).

Subsequent to September 30, 2024

Subsequent to September 30, 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 face value of the facility at the time that the consideration is settled.The purchaser of the AGH Loan is a company controlled by a common key management personnel of AGH.

Philafrica Facility

Subsequent to September 30, 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 face value of the facility at the time that the consideration is settled. The purchaser of the Philafrica Facility is a company controlled by a common key management personnel of AGH.

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 the 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 (refer to note 5). 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 September 30, 2024, the company's Property and equipment consisted of the following:

	Right of Use Assets	Leasehold improvements	Machinery and equipment	Furniture and fixtures	Total
Cost	563	625	58	89	1,335
Accumulated depreciation	(71)	(36)	(9)	(5)	(121)
Net balance, September 30, 2024	**492**	**589**	**49**	**84**	**1,214**

The changes in net carrying amounts of Property and equipment during the first nine months of 2024 are as follows:

	Right of Use Assets	Construction in Progress	Leasehold improvements	Machinery and equipment	Furniture and fixtures	Total
Net balance, December 31, 2023	547	427	—	—	—	974
Additions	—	—	198	58	89	345
Transfers to (from) construction in progress	—	(427)	427	—	—	—
Depreciation expense	(55)	—	(36)	(9)	(5)	(105)
Net balance, September 30, 2024	**492**	**—**	**589**	**49**	**84**	**1,214**

At December 31, 2023, the company's Property and equipment consisted of the following:

	Right of Use Assets	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 2023 are as follows:

	Right of Use Assets	Construction in Progress	Total
Net balance, December 31, 2022	—	—	—
Additions	563	427	990
Depreciation expense	(16)	—	(16)
Net balance, December 31, 2023	**547**	**427**	**974**

Depreciation expense of $38 and $105 was recorded for the third quarter and first nine months of 2024 (2023 - $nil).

Right of use asset

During the year ended December 31, 2023, the company entered into a lease for a permanent office space. The initial term of the lease is 10 years 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.

Lease Liability

The company's lease liability related to the aforementioned lease at September 30, 2024 was $510 and is included in Lease liability on the consolidated balance sheets. The annual minimum payment requirements for this liability were as follows:

For the year:	
2024	**35**
2025	**94**
2026	**113**
2027	**115**
2028	**115**
Thereafter	**452**
Total minimum lease payments	**924**
Less: imputed interest	**(414)**
Balance of obligations under lease	**510**

During the third quarter and first nine months ended September 30, 2024, the company recognized $19 and $58 (2023- $nil) in interest expense relating to its lease liability, which was included in interest expense. The company had total cash disbursements of $28 (2023 - $nil) related to its lease liability.

15. Other Assets

Other assets at September 30, 2024 and December 31, 2023 were comprised as follows:

	September 30, 2024			December 31, 2023		
	Gross	**Provision**	**Net**	Gross	Provision	Net
Receivable from Atlas Mara	**761**	**320**	**441**	761	320	441
Sales tax refundable	**281**	**—**	**281**	293	—	293
Other	**283**	**—**	**283**	433	—	433
	1,325	**320**	**1,005**	1,487	320	1,167

Receivable from Atlas Mara

At September 30, 2024 the receivable from Atlas Mara relates to the guarantee provided by the company during 2021 to TLG Capital on the TLG Facility, in the amount of $8,474. During the third quarter of 2024, the company received repayment of $nil (December 31, 2023 - $145) on the TLG Facility Guarantee. The company expects further repayments on the TLG Facility Guarantee as Atlas Mara receives the remaining tranche of proceeds from the sale.

At September 30, 2024, the company estimated the recoverable amount on its receivable from Atlas Mara to be $441 based on amounts received and expected to be received from the UBN sale.

16. General and Administration Expenses

General and administration expenses for the third quarter and first nine months of 2024 and 2023 were comprised as follows:

	Third quarter		First nine months	
	2024	2023	**2024**	2023
Audit, legal, tax and professional fees	**1,369**	1,093	**3,086**	3,112
Administrative expenses	**269**	794	**920**	2,469
Management service fees	**—**	—	**—**	58
Depreciation of property and equipment	**44**	—	**105**	—
Salaries and employee benefit expenses	**830**	811	**2,461**	2,992
	2,512	2,698	**6,572**	8,631

17. 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.

18. Supplementary Cash Flow Information

Cash and cash equivalents were included within the consolidated balance sheets and statements of cash flows as follows:

	September 30, 2024	December 31, 2023
Cash and balances with banks	**27,371**	95,913

Details of certain cash flows included within the consolidated statements of cash flows for the third quarter and first nine months of 2024 and 2023 were as follows:

	Third quarter		First nine months	
	2024	2023	**2024**	2023
Purchases of investments				
Limited partnership investments	**(18,507)**	(8,308)	**(18,507)**	(9,927)
Common shares	**—**	(4,000)	**(12,950)**	(20,159)
Loans	**(16,068)**	(1,000)	**(19,239)**	(10,144)
	(34,575)	(13,308)	**(50,696)**	(40,230)
Disposals of investments				
Loans	**—**	—	**—**	28,215
Common stocks	**—**	14,295	**—**	14,310
	—	14,295	**—**	42,525
Interest received (paid)				
Interest received	**2,572**	2,043	**4,225**	5,928
Interest paid on borrowings	**—**	(758)	**—**	(2,244)
Interest paid on lease liability	**(19)**	—	**(58)**	—
	2,553	1,285	**4,167**	3,684
Dividends received	**—**	—	**—**	208
Income taxes refund (paid)	**324**	(717)	**2,905**	(6,129)

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