

TSX Stock Symbol: FIH.U

TORONTO, February 15, 2024

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FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Note: All dollar amounts in this press release are expressed in U.S. dollars except as otherwise noted. The financial results are derived from financial statements prepared using the recognition and measurement requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS®"), except as otherwise noted, and are unaudited. This press release contains certain non-GAAP and other financial measures, including book value per share, book value per share prior to the performance fee, and cash and marketable securities, that do not have a prescribed meaning under IFRS and may not be comparable to similar financial measures presented by other issuers. See "Glossary of non-GAAP and other financial measures" at the end of this press release for further details.)

Fairfax India Holdings Corporation (TSX: FIH.U) announces fiscal year 2023 net earnings of \$371.8 million (\$2.72 net earnings per diluted share), compared to 2022 net earnings of \$191.4 million (\$1.34 net earnings per diluted share). The company's book value per share at December 31, 2023 of \$21.85 increased compared to \$20.89 at September 30, 2023 (\$19.11 at December 31, 2022) through the realization of gains on the sales of investments and strong performance of the investment portfolio. The company's book value per share has grown at a compound annual growth rate of 9.2% (9.6% prior to the performance fee described below) from the initial public offering price of \$10.00 per share. The company's growth in 2023 was supported by strong Indian equity markets and economic fundamentals.

Highlights for 2023 (with comparisons to 2022, except as otherwise noted) included the following:

- Net change in unrealized gains on investments of \$361.7 million (Q4 2023 - \$44.6 million) principally from increases in the fair values of the company's listed investments of \$367.1 million, including CSB Bank (\$188.8 million), IIFL Securities (\$82.6 million), IIFL Finance (\$78.7 million), and 5paisa (\$24.1 million), and private company investments of \$174.4 million including BIAL (\$125.0 million), Seven Islands (\$46.8 million), NSE (\$30.1 million) and Jaynix (\$16.8 million). These unrealized gains were partially offset by a decrease in the fair values of the company's investments in the private companies Sanmar (\$33.2 million) and NCML (\$16.1 million). The net change in unrealized gains on investments also included reversals of prior period gains upon the sales of IIFL Finance (\$157.7 million) and 360 ONE (\$17.7 million).
- Net realized gains on investments of \$193.2 million (Q4 2023 - \$145.8 million) primarily related to realized gains on sales of IIFL Finance (\$177.3 million) and 360 ONE (\$16.6 million).
- The company continued to buy back shares under its normal course issuer bid and during 2023 purchased for cancellation 2,872,391 subordinate voting shares at a net cost of \$37.2 million (\$12.97 per subordinate voting share).
- During 2023 the company acquired an additional 10.0% equity interest in BIAL from Siemens Project Ventures GmbH in two transactions for total purchase consideration of \$250.0 million. Following completion of the second closing, Fairfax India's aggregate share ownership in BIAL has increased to 64.0% (20.4% held by its wholly-owned subsidiary and 43.6% held by its indirect subsidiary, Anchorage Infrastructure Investments Holdings Limited) from 54.0% last year.
- BIAL achieved notable recognition at the 2023 Prix Versailles by UNESCO. The airport's Terminal 2 was acknowledged as one of the "World's most beautiful airports" and received the esteemed "World special prize for an interior 2023".
- In accordance with the Investment Advisory Agreement, which provides for the payment of a performance fee of 20% of the increase in book value per share in excess of a hurdle rate of 5% per annum, a performance

fee of \$110.2 million was earned by Fairfax Financial Holdings for the period from January 1, 2021 to December 31, 2023. The performance fee will be paid in cash in the first six months of 2024.

- Fairfax India is in strong financial health, with cash and marketable securities at December 31, 2023 of approximately \$209 million, prior to the sales of NSE described below. Additionally, on December 4, 2023 DBRS Limited (Morningstar DBRS) upgraded the issuer rating and unsecured senior notes ratings of the company to BBB from BBB (low).
- During the fourth quarter of 2023 and the first quarter of 2024 the company entered into agreements to sell its equity interest in NSE for gross proceeds of approximately \$189 million (15.7 billion Indian rupees). The original cost of the company's investment in NSE was \$26.8 million. On January 29, 2024 the company completed one of the sales and received gross proceeds of \$132.3 million (11.0 billion Indian rupees). The remaining sales are subject to customary closing conditions and are expected to be completed in the first quarter of 2024.

There were 135.5 million and 138.5 million weighted average common shares outstanding during the fourth quarters of 2023 and 2022, respectively. At December 31, 2023 there were 105,398,509 subordinate voting shares and 30,000,000 multiple voting shares outstanding.

Unaudited balance sheets, earnings and comprehensive income (loss) information follow and form part of this press release.

Fairfax India Holdings Corporation 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 India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India.

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This press release may contain forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements may relate to the company's or an Indian 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, an Indian Investment, or the Indian market are forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved".

Forward-looking statements are based on our opinions and estimates as of the date of this press release, and they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to the following factors: COVID-19 pandemic, the conflicts in Ukraine and Israel, and the development of other geopolitical events and economic disruptions worldwide; oil price risk; geographic concentration of investments; foreign currency fluctuation; volatility of the Indian securities markets; investments may be made in foreign private businesses where information is unreliable or unavailable; valuation methodologies involve subjective judgments; financial market fluctuations; pace of completing investments; minority investments; reliance on key personnel and risks associated with the Investment Advisory Agreement; lawsuits; use of leverage; significant ownership by Fairfax may adversely affect the market price of the subordinate voting shares; weather risk; taxation risks; emerging markets; MLI; economic risk; and trading price of subordinate voting shares relative to book value per share risk. Additional risks and uncertainties are described in the company's annual information form dated March 10, 2023 which is available on SEDAR+ at www.sedarplus.ca and on the company's website at www.fairfaxindia.ca. 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.

Information on
CONSOLIDATED BALANCE SHEETS
as at December 31, 2023 and December 31, 2022
(unaudited - US\$ thousands)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Cash and cash equivalents	174,615	147,448
Short term investments	—	49,692
Bonds	63,263	140,693
Common stocks	3,581,043	3,020,223
Total cash and investments	<u>3,818,921</u>	<u>3,358,056</u>
Interest receivable	1,367	5,599
Income taxes refundable	220	1,012
Other assets	1,027	902
Total assets	<u>3,821,535</u>	<u>3,365,569</u>
Liabilities		
Accounts payable and accrued liabilities	912	1,143
Accrued interest expense	8,611	8,611
Income taxes payable	—	331
Payable to related parties	120,858	50,851
Deferred income taxes	108,553	50,554
Borrowings	497,827	497,306
Total liabilities	<u>736,761</u>	<u>608,796</u>
Equity		
Common shareholders' equity	2,958,718	2,642,036
Non-controlling interests	126,056	114,737
Total equity	<u>3,084,774</u>	<u>2,756,773</u>
	<u>3,821,535</u>	<u>3,365,569</u>
Book value per share	<u>\$ 21.85</u>	<u>\$ 19.11</u>

Information on
CONSOLIDATED STATEMENTS OF EARNINGS
for the fourth quarters and years ended December 31, 2023 and 2022
(unaudited - US\$ thousands except per share amounts)

	Fourth quarter		Year ended December 31,	
	2023	2022	2023	2022
Income				
Interest	3,511	3,397	16,833	11,353
Dividends	12,208	2,850	28,831	23,985
Net realized gains on investments	145,758	68,769	193,203	95,882
Net change in unrealized gains on investments	44,581	47,705	361,702	153,656
Net foreign exchange gains (losses)	322	(3,161)	(1,713)	(47,350)
	<u>206,380</u>	<u>119,560</u>	<u>598,856</u>	<u>237,526</u>
Expenses				
Investment and advisory fees	10,720	9,444	39,382	38,988
Performance fee (recovery)	27,849	8,855	69,385	(36,428)
General and administration expenses	1,884	6,317	12,672	13,470
Interest expense	6,380	6,380	25,521	25,521
	<u>46,833</u>	<u>30,996</u>	<u>146,960</u>	<u>41,551</u>
Earnings before income taxes	159,547	88,564	451,896	195,975
Provision for (recovery of) income taxes	22,794	(3,996)	68,050	4,487
Net earnings	136,753	92,560	383,846	191,488
Attributable to:				
Shareholders of Fairfax India	134,968	92,574	371,770	191,439
Non-controlling interests	1,785	(14)	12,076	49
	<u>136,753</u>	<u>92,560</u>	<u>383,846</u>	<u>191,488</u>
Net earnings per share	\$ 1.00	\$ 0.67	\$ 2.72	\$ 1.38
Net earnings per diluted share	\$ 1.00	\$ 0.65	\$ 2.72	\$ 1.34
Shares outstanding (weighted average)	135,464,165	138,481,733	136,818,139	139,066,682

Information on
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
for the fourth quarters and years ended December 31, 2023 and 2022
(unaudited - US\$ thousands)

	Fourth quarter		Year ended December 31,	
	2023	2022	2023	2022
Net earnings	136,753	92,560	383,846	191,488
Other comprehensive loss, net of income taxes				
Item that may be subsequently reclassified to net earnings				
Unrealized foreign currency translation losses, net of income taxes of nil (2022 - nil)	(6,485)	(48,570)	(18,614)	(301,507)
Other comprehensive loss, net of income taxes	(6,485)	(48,570)	(18,614)	(301,507)
Comprehensive income (loss)	130,268	43,990	365,232	(110,019)
Attributable to:				
Shareholders of Fairfax India	128,727	45,947	353,913	(97,114)
Non-controlling interests	1,541	(1,957)	11,319	(12,905)
	<u>130,268</u>	<u>43,990</u>	<u>365,232</u>	<u>(110,019)</u>

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 this press release, which have been used consistently and disclosed regularly in the company's Annual Reports and interim financial reporting, do not have a prescribed meaning under IFRS and may not be comparable to similar measures presented by other companies. Those measures are described below.

Book value per share - The company considers book value per share a key performance measure in evaluating its objective of long term capital appreciation, while preserving capital. This measure is also closely monitored as it is used to calculate the performance fee, if any, to Fairfax Financial Holdings. This measure is calculated by the company as common shareholders' equity divided by the number of common shares outstanding.

Book value per share prior to the performance fee - This measure adjusts common shareholders' equity in the book value per share calculation to remove the performance fee accrued, and is a key performance measure.

Cash and marketable securities - This measure is calculated by the company as the sum of cash, cash equivalents, short term investments, Government of India bonds and Other Public Indian Investments. The company uses this measure to monitor short term liquidity risk.