

Fairfax India Holdings Corporation

News Release

TSX Stock Symbol: FIH.U

TORONTO, September 16, 2021

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FAIRFAX INDIA ANNOUNCES INVESTMENT IN MAXOP ENGINEERING COMPANY PRIVATE LIMITED

(Note: All dollar amounts in this news release are expressed in U.S. dollars, except as otherwise noted).

Fairfax India Holdings Corporation (“Fairfax India” or the “Company”) (TSX: FIH.U) announces that it has entered into an agreement to invest, in aggregate, up to INR 4.88 billion (approximately \$66 million at current exchange rates) for a 67% equity interest in Maxop Engineering Company Private Limited (“Maxop”) in two transactions.

In connection with the initial transaction, Fairfax India will invest INR 2.22 billion (approximately \$30 million at current exchange rates) for a 51% equity interest in Maxop and in the second transaction will invest up to INR 2.66 billion (approximately \$36 million at current exchange rates) for an additional 16% equity interest. The initial transaction is expected to close in Q4 2021 and the second transaction is expected to close in the second half of 2022. The transaction is subject to customary closing conditions.

Maxop is a precision aluminum die casting and machining solution provider for aluminum die casting components used by the automotive and industrial sectors, with customers in India, Asia, North America and Europe. Maxop is based in New Delhi and operates with four plants in Manesar, Haryana and two plants in Jaipur, Rajasthan.

"We are very impressed with Maxop's growth under the exceptional leadership of its Managing Director, Shailesh Arora. Shailesh has built a strong organization catering to a wide array of customers around the world. We intend to provide Shailesh with the resources necessary to expand the business and build Maxop to be a world class leader in the precision engineered components manufacturing industry. We look forward to a long-term partnership with Shailesh" said Prem Watsa, Chairman of Fairfax India.

Shailesh Arora, Managing Director of Maxop, said, "We are excited to partner with Fairfax India to accelerate our next phase of growth and continue to create value for our customers, employees and other stakeholders. I am truly humbled by the faith Prem and Fairfax India are entrusting in me as their partner and the Managing Director of Maxop. We will benefit significantly from Fairfax India's long-term vision to create a world class precision engineered components manufacturing company in India."

About Fairfax India

Fairfax India 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.

FAIRFAX INDIA HOLDINGS CORPORATION

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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: the COVID-19 pandemic; 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; multilateral instrument; 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 5, 2021 which is available on SEDAR at www.sedar.com 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.

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