Pershing Square Holdings, Ltd.
2025 Annual Report

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2025 Annual Report and Audited Financial Statements

Annual Report

Audited Financial Statements

Supplemental U.S. GAAP Disclosures

Disclosures

Company Overview

The Company

Pershing Square Holdings, Ltd. ("PSH", or the "Company") (LN:PSH) (LN:PSHD) is an investment holding company structured as a closed-ended fund principally engaged in the business of acquiring and holding significant positions in a concentrated number of large capitalization companies. PSH's objective is to maximize its long-term compound annual rate of growth in intrinsic value per share.

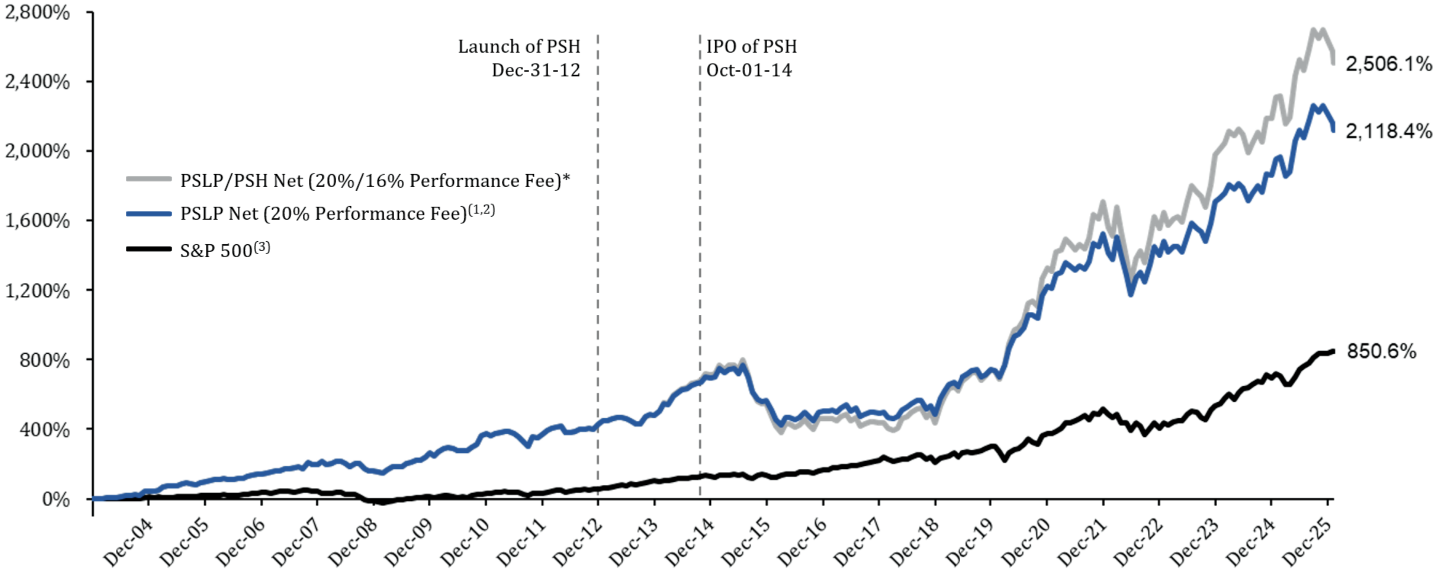
PSH was incorporated with limited liability under the laws of the Bailiwick of Guernsey on February 2, 2012. It commenced operations on December 31, 2012 as a registered open-ended investment scheme, and on October 1, 2014 converted into a registered closed-ended investment scheme. Public Shares of PSH commenced trading on Euronext Amsterdam N.V. on October 13, 2014 and were delisted from that exchange on January 31, 2025. On May 2, 2017, PSH's Public Shares were admitted to the Official List of the UK Listing Authority and commenced trading on the London Stock Exchange ("LSE").

PSH has appointed Pershing Square Capital Management, L.P. ("PSCM", or the "Investment Manager") as its investment manager. PSCM was founded by William A. Ackman on January 1, 2004. The Investment Manager has the responsibility, subject to the overall supervision of the Board of Directors, for the investment of PSH's assets and liabilities in accordance with the investment policy of PSH set forth on pages 33-34 of this Annual Report (the "Investment Policy").

The substantial majority of the Company's portfolio is typically allocated to 8 to 12 core holdings usually comprising liquid, listed, large capitalization North American companies. The Investment Manager seeks to invest in high-quality growth businesses, which it believes have limited downside and generate predictable, recurring cash flows. The Investment Manager is an active and engaged investor that works with its portfolio companies to create substantial, enduring and long-term shareholder value. The Investment Manager aims to manage risks through careful investment selection and portfolio construction, and may use opportunistic hedging strategies to mitigate market-related downside risk or to take advantage of asymmetric profit opportunities. For more than 22 years, the investment strategy pursued by the Investment Manager has generated a 15.9% annualized net return and a cumulative net return of 2,506.1% for PSLP/PSH (as converted) compared to a 10.7% annualized net return and a cumulative net return of 850.6% for the S&P 500, PSH's historical benchmark index, during the same period.[1,3]

Company Performance

Pershing Square Holdings, Ltd. and Pershing Square, L.P. ("PSLP") NAV Performance vs the S&P 500



	PSLP/PSH Net Return*	PSLP Net Return[1,2]	S&P 500[3]
2004	42.6 %	42.6 %	10.9 %
2005	39.9 %	39.9 %	4.9 %
2006	22.5 %	22.5 %	15.8 %
2007	22.0 %	22.0 %	5.6 %
2008	(13.0)%	(13.0)%	(37.0)%
2009	40.6 %	40.6 %	26.4 %
2010	29.7 %	29.7 %	15.1 %
2011	(1.1)%	(1.1)%	2.1 %
2012	13.3 %	13.3 %	16.0 %
2013	9.6 %	9.7 %	32.4 %
2014	40.4 %	36.9 %	13.7 %
2015	(20.5)%	(16.2)%	1.4 %
2016	(13.5)%	(9.6)%	12.0 %
2017	(4.0)%	(1.6)%	21.8 %
2018	(0.7)%	(1.2)%	(4.4)%
2019	58.1 %	44.1 %	31.5 %
2020	70.2 %	56.6 %	18.4 %
2021	26.9 %	22.9 %	28.7 %
2022	(8.8)%	(7.8)%	(18.1)%
2023	26.7 %	20.8 %	26.3 %
2024	10.2 %	8.2 %	25.0 %
2025	20.9 %	18.3 %	17.9 %
Year-to-date through February 10, 2026	(5.2)%	(4.3)%	1.5 %
January 1, 2004–February 10, 2026[1,4]			
Cumulative Return (Since Inception)	2,506.1 %	2,118.4 %	850.6 %
Compound Annual Return	15.9 %	15.0 %	10.7 %
December 31, 2012–February 10, 2026[1,4]			
Cumulative Return (Since PSH Inception)	391.6 %	318.5 %	515.9 %
Compound Annual Return	12.9 %	11.5 %	14.9 %

*NAV return an investor would have earned if it invested in PSLP at its January 1, 2004 inception and converted to PSH at its launch on December 31, 2012. Also see endnote 1 on page 120. Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and important disclaimers on pages 120-123.

Chairman's Statement

INTRODUCTION

I am pleased to report that 2025 was another year of impressive performance for PSH on an absolute and relative basis. Through the end of the year, PSH's Net Asset Value ("NAV") per share, including dividends, increased 20.9%, compared with a 17.9% return for the S&P 500 over the same period.[i,ii] In addition to another year of strong performance, the Investment Manager made significant progress on a number of strategic initiatives that position PSH for continued success in the years ahead.

The Board was particularly pleased with PSH's performance given the complex macroeconomic and geopolitical landscape that characterised the year. While inflation in the United States continued its gradual moderation, uncertainty surrounding the trajectory, timing, and ultimate destination of interest rates persisted, causing periods of volatility as markets repeatedly recalibrated their outlook.

While U.S. economic growth exceeded expectations, uncertainty also persisted over the duration of restrictive financial conditions. Trade and tariff policy became a less acute source of market volatility as the year progressed, providing greater clarity for businesses and investors.

Geopolitical risks remained elevated amid ongoing conflicts in Eastern Europe and the Middle East, and new questions emerged around strategic competition between the major economic blocs. Taken together, these and other factors reinforced an environment in which market volatility is increasingly influenced by policy expectations and geopolitical developments, creating a more challenging investing landscape.

The Board remains focused on long-term value creation for PSH shareholders and believes that the Investment Manager's disciplined, fundamentals-driven approach continues to serve investors well. Periods of market dislocation during the year allowed the Investment Manager to deploy capital at attractive valuations, consistent with its patient and opportunistic investment philosophy.

During the year, PSH and the Investment Manager undertook a number of strategic initiatives designed to strengthen PSH's balance sheet, enhance shareholder returns, and position the Company for long-term value creation, including debt issuances, increased shareholder distributions, share repurchases, and a significant investment in Howard Hughes Holdings, Inc. (NYSE:HHH).

The Board believes the Investment Manager's strategic initiatives and performance continue to demonstrate the strength of its long-term orientation in an increasingly complex global environment. These actions, including subsequent developments at HHH and related commitments by PSH, are discussed in greater detail in the sections that follow.

INVESTMENT PERFORMANCE

During the year ended December 31, 2025, PSH's NAV per share, including dividends, increased by 20.9% net of fees, ending the year at $85.32. Over the same period, PSH's share price increased by 33.9%, reflecting a narrowing of the discount to NAV at which PSH shares traded from 31.2% to 24.1%.[iii,iv] By comparison, the S&P 500 increased 17.9% during the year ended December 31, 2025.

INVESTMENT MANAGER

The Board has delegated the task of managing PSH's assets to the Investment Manager as set out in the Investment Management Agreement ("IMA") entered into at the inception of PSH and subsequently amended. Although the Board does not make individual investment decisions, it is accountable for oversight of the Investment Manager.

The Investment Manager is a fundamental value investor that utilises a range of engagement strategies to unlock long-term value for shareholders and, among other things, seeks to invest in excellent businesses, which it believes have limited downside. These businesses tend to be large cap companies domiciled in North America that generate relatively predictable and growing free cash flows, with formidable barriers to entry and a compelling value proposition. The Investment Manager continues to engage constructively with many of PSH's portfolio companies through direct board representation in some situations, and less formal, private engagement in others.

PORTFOLIO CHANGES

The Board was pleased to see continued robust idea generation from the Investment Manager throughout the year. As discussed in my August letter, the Investment Manager exited its investment in Canadian Pacific in April, and it initiated a position in Amazon – a business that the Investment Manager had followed for some time. In November, the Investment Manager opportunistically deployed capital into Meta following a decline in the share price amid concerns around AI-related spending. Also in November, the Investment Manager announced that it had exited its investments in Chipotle and Nike, and in February 2026, it exited its investment in Hilton.

Further information on the PSH portfolio can be found in the Investment Manager's Report.

CORPORATE ACTIONS

The Board has undertaken a number of corporate actions over the past year.

- PSH continues to believe that its ability to access low-cost, long-term, investment grade debt is a competitive advantage. We seek to maintain leverage generally between 15% and 20% of total assets, utilising investment-grade debt financing without mark-to-market or other margin-like covenants. PSH's long-term debt management strategy is to manage leverage over time by growing NAV through strong performance and by laddering maturities through new debt issuances.

  In April, PSH completed a €650 million senior notes issuance due 2030, at a rate of 4.25%. In October, PSH completed a $500 million senior notes issuance due 2032, at a rate of 5.50%. PSH's current debt profile is comprised of a structured set of maturities matching its long-term investment horizon, with a weighted average maturity of six years and a weighted average cost of capital of 3.6% as of December 31, 2025.

  The Board believes that this amount of leverage is conservative, particularly given the quality, liquidity and mark-to-mark nature of PSH's portfolio assets.

- As discussed in my August letter, the Investment Manager made an investment of $900 million to acquire newly issued shares of HHH in May 2025. PSH did not purchase additional shares in this particular transaction. Following the acquisition, the Investment Manager and its affiliates, including PSH, collectively own 46.9% of HHH's outstanding shares. The acquisition positions the Investment Manager to create significant shareholder value at HHH over time, benefiting PSH shareholders.

In connection with the Transaction, HHH entered into a services agreement with the Investment Manager pursuant to which the Investment Manager will provide investment, advisory, and other ancillary services to HHH, and HHH will pay the Investment Manager a quarterly fee further described in the following joint press release: investor.howardhughes.com/news-releases/news-release-details/pershing-square-invest-900-million-acquire-nine-million-newly.

To that end, the Board approved amendments to the IMA that provide reductions to the management fees otherwise payable by PSH to the Investment Manager. The reduction is an amount equal to the fees payable to the Investment Manager by HHH that are attributable to the HHH common stock held by PSH.

Since the acquisition, the Investment Manager has made significant progress with HHH. In December, HHH announced that it has entered into a definitive agreement to acquire 100% of Vantage Group Holdings Ltd. ("Vantage"), a privately held leading specialty insurance and reinsurance company. The acquisition of Vantage by HHH will be financed by a combination of HHH's cash on hand and an equity commitment from PSH of up to $1 billion of non-voting exchangeable perpetual preferred stock to be issued by HHH.

- In June, the Board and the Investment Manager determined that it was appropriate, given the current market conditions and PSH's available free cash, to authorize a share buyback program for $200 million of PSH's outstanding Public Shares. In November, the Board authorized another $100 million program. Since PSH commenced its first share buyback program on May 2, 2017, PSH has repurchased 73,572,630 Public Shares for a total of $1.8 billion at an average price of $24.36.

DISCOUNT TO NAV

During the year, the discount narrowed from 31.2% to 24.1%. The Board closely monitors the discount to NAV at which PSH's Public Shares trade.

As discussed previously, the Board believes that the launch of additional funds managed by the Investment Manager will be a positive catalyst to narrow the discount to NAV at which PSH shares currently trade since a portion of the fees earned by the Investment Manager on new funds raised will reduce the performance fees paid by PSH. However, the Board continues to believe that the most powerful driver of long-term shareholder returns will be continued strong absolute and relative NAV performance.

CORPORATE GOVERNANCE / BOARD

In 2025, Jean-Baptiste Wautier and Bilge Ogut joined the Board, and our discussions have already benefited from their thoughtful contributions. The Investment Manager and the Board have maintained an open and productive dialogue, and the Board continues to work effectively and diligently on behalf of all shareholders. I would like to thank my fellow directors for their dedication throughout the year.

SHAREHOLDER ENGAGEMENT

It was another year of record attendance at PSH's investor meeting on February 11, 2026, and it was a pleasure to have an opportunity to spend time with so many of you. For those unable to attend, the Investment Manager presented a portfolio update, and the slides from that presentation are available on PSH's website: www.pershingsquareholdings.com.

PSH's 2026 AGM will be held on May 7, 2026. Details of the event will be posted on www.pershingsquareholdings.com. I will report to you on the first half of 2026 in August, and the Investment Manager will keep you informed of any significant developments in the portfolio before then, when appropriate.

/s/ Rupert Morley

Rupert Morley
Chairman of the Board
February 18, 2026

Investment Manager's Report

LETTER TO SHAREHOLDERS[(5)]

To the Shareholders of Pershing Square Holdings, Ltd.:

In 2025, Pershing Square Holdings generated NAV performance of 20.9% and a 33.9% total shareholder return as a result of the narrowing of the discount to NAV at which PSH shares trade.[6] In comparison, the S&P 500 generated a total return of 17.9% for the year.[7]

Investors who invested in Pershing Square, L.P. at its inception on January 1, 2004 and transferred their capital account to PSH at its inception on December 31, 2012 ("Day One Investors") have grown their equity investment at a 16.2% compounded annual NAV return over the last 22 years compared with a 10.7% return had they invested in the S&P 500 over the same period.[8] With the power of compounding, our 16.2% compounded annual NAV return translates into a cumulative total NAV return since inception of 2,644% (27.4 times) versus 836% (9.4 times) for the S&P 500 over the same period. Using PSH's stock price return rather than our per-share NAV performance, Day One Investors have earned a 14.9% compounded return, a 21.1 times multiple of their original investment.[9] This lower return reflects the 24.1% discount to NAV at which PSH's stock currently trades.[10]

The Financial Times Hedge Fund List

Each year, the Financial Times ("FT") publishes a list of the top 20 hedge fund managers by 'overall profits in absolute dollar terms since inception,' rather than by rate of return, a methodology developed by Rick Sopher of LCH Rothschild.[11] The FT list calculates the current year's and cumulative profits generated for investors rather than a fund's net rate of return as alternative measures of a hedge fund manager's long-term performance. The FT method helps to differentiate among hedge fund managers with similar long-term records by highlighting those with large net profits, distinguishing them from managers who generated their highest returns when they were managing smaller amounts of capital.

While the FT measure is a useful one, particularly when combined with an investment manager's net returns for the year and since inception, it is important to note that a couple of factors can tip the scales on this measure. All other things being equal, the longer the fund manager has been in business and the more assets under management, the easier it is to rank favorably on the list.

This year, Pershing Square was ranked fifteenth on the list with gains of $3.1 billion and cumulative gains since inception of $23.3 billion.[12] We achieved this result with the smallest amount of year-end assets in our core strategy compared to the 20 managers in the group (the list overstated our year-end 2025 core strategy assets of $17.0 billion by about $3.6 billion with the inclusion of PSH's debt outstanding), and we tied with one other manager for youngest firm (the mean launch year on the list excluding Pershing Square was 1990).[13] In short, we are pleased with our ranking on the FT list, but even more so when our small size and youthful firm age are considered. We would suggest that in future years the FT and Rick consider creating an alternative ranking which considers these factors, as adjusting for age and size in the calculation may provide a more insightful measure of long-term hedge fund performance.

Stock Market Dynamics

In our 2024 first half letter, I wrote:

> The stock market has increasingly been characterized by a growing percentage of the market capitalization of companies being held by effectively permanent owners, principally index funds. We believe that the growing index ownership as a percentage of stock market float has increased the impact that short-term, highly leveraged investors can have on price discovery as they now comprise a growing percentage of the market cap and daily trading of

companies, and are important marginal buyers and sellers of a security. These shorter-term investors – which include so-called market-neutral and quantitative funds – use large amounts of margin, derivative, and total return swap leverage in their strategies. As highly leveraged market participants, these investors' tolerance for mark-to-market losses is small, which contributes to stock price volatility as they can become effectively forced sellers when companies disappoint, even in the short term.

This phenomenon of massive short-term volatility in even the largest, most well-capitalized and most closely followed companies has only increased over the last two years. As a result, the stock market at times feels 'broken;' that is, stocks can trade in, what appears to us, a completely irrational fashion in the short term when a company fails to meet and/or exceed analysts' or investors' expectations. While short-term disappointments can be a harbinger of future underperformance, the degree of downward volatility in many cases appears irrational – well in excess of reasonably anticipated potential intrinsic value risk or impairment due to the potential disappointment. In many cases, the market has responded in a negative way to news that we viewed favorably, and with the passage of time, the initial negative market reaction has often proven to be an overreaction.

We believe that current market dynamics are due to the ever-growing percentage of capital controlled by highly-leveraged market participants who have extremely short-term objectives, and are incentivized or required to exit when certain stop loss triggers are hit due to margin and/or total-return swap leverage and/or risk limits, amplified by the reduction in float due to growing index ownership.

The market increasingly appears like a casino where money is wagered over the course of a day, hours, minutes or even seconds. This mismatch between stocks, which represent perpetuity interests in businesses that are inherently long-term assets, and their temporary 'owners,' creates growing opportunities for the patient investor with stable capital. Because of our permanent capital structure, the increasingly volatile market dynamics will likely continue to offer us occasionally extraordinary opportunities to buy the highest quality durable growth companies in the world at bargain prices.

Market Valuation

Since the onset of COVID-19, equity markets have delivered strong returns. From 2020 through 2025, the S&P 500 has generated a 112% total return or 13% per annum.[14] While the past five years have experienced enormous volatility due to significant geopolitical, pandemic, and inflation-related challenges, the overall result has been a strong, multi-year advance in the index.

Stock market performance has been particularly robust over the last three years. The S&P 500's total return over this period was 26% in 2023, 25% in 2024, and 18% in 2025 including dividend reinvestment. This sustained high level of performance has naturally led some observers to question whether market valuations have become detached from fundamentals. In our view, while the stock market could decline materially from current levels for reasons that are today unknown, the stock market's advance has been largely supported by earnings growth rather than speculative excess.

Of the S&P 500's roughly 13% average annual return from 2020 through 2025, approximately 10 percentage points were attributable to earnings-per-share growth while only about three percentage points came from P/E multiple expansion. In other words, the market has not been driven principally by investors simply paying a higher multiple for earnings, but rather by the growth in profits of the index's components.

The S&P 500's ~10% earnings-per-share growth over the past six years compares with ~7% in the five years prior to COVID and roughly ~8% since 1990. In the last two years, earnings-per-share growth has been even higher with 13% growth in 2024 and 14% in 2025. In the next two years, stock market analysts estimate that earnings per share will continue to grow at 14%.

This increase in earnings growth is one of the most important developments in the market over the last several years, and it is not evenly distributed across the index. A substantial portion of the market's elevated growth in earnings has been driven by the top ten largest companies in the S&P 500, which have had a disproportionate impact on the index's performance and its price/earnings multiple in light of the index's capitalization-weighted composition. Collectively, the ten largest companies, which account for nearly 40% of the capitalization of the overall index, are expected to grow their earnings per share by more than 20% for each of the next two years, which is nearly triple the level of growth expected for the remaining 490 companies in the index.

We believe this concentration of performance and market value is not a temporary phenomenon, but rather a reflection of the durable structural advantages enjoyed by the highest-quality mega cap companies, which include their global scale, dominant market positions, access to low-cost capital, and leadership in artificial intelligence and related technologies. If the S&P 500 can sustain structurally higher earnings growth driven disproportionately by the top handful of these companies, we believe the market's P/E multiple is justified and can remain sustainably higher than historical averages.

We have increased our exposure to a number of these high-quality, higher-growth mega cap companies with the purchase of Alphabet in early 2023, Amazon in April of 2025, and Meta (together "The Three") late last year. In each case, we acquired our stakes in these companies at opportunistic prices due to short-term dislocations in their share prices: Alphabet shortly after the release of ChatGPT by OpenAI, Amazon in the days after President Trump's launch of global tariffs, and Meta when the market responded negatively to its capex spending program. We have long admired The Three, but only recently did we have the opportunity to acquire them at large discounts to their intrinsic values. We believe that The Three offer substantially higher long-term growth than the substantial majority of S&P 500 companies, while trading at modestly higher earnings multiples despite what we believe to be their long-term sustainable competitive advantages.

In the first six weeks of the year, the stock prices of each of Alphabet, Amazon, and Meta have declined due to their announcements of large AI-related capex programs well in excess of market expectations. We believe the market's negative response to these large capex announcements is misguided. The Three have a long-term track record of allocating capital intelligently and have been explicit in stating that their capex investments are in response to massive increases in demand and/or internal use cases that offer high rates of return. Importantly, The Three have the financial wherewithal to comfortably make these investments.

When a business you own, managed by a management team you trust, announces a large increase in capital spending due to increased demand for its products or services, you should be applauding rather than booing. If, however, the surprise in capital spending is due to an unexpected increase in capex due to larger than anticipated maintenance capex requirements, then boos are appropriate. As long as a company's increased capex spending is on projects that are expected to deliver returns comfortably in excess of the company's cost of capital and the company has the financial wherewithal to make these investments, the company's growth and intrinsic value should increase as a result. We believe the large recently announced capex programs at Alphabet, Amazon, and Meta meet these standards and will contribute to accelerated and sustained increases in their long-term intrinsic values and further improvements in their competitive positions.

Howard Hughes Holdings

Since our initial investment in Howard Hughes Holdings ("HHH") nearly 15 years ago, we have believed that the company's unique portfolio of master planned communities represents one of the highest-quality collections of real estate development assets in the country. Yet, despite the attractive long-term economics of these communities, HHH's share price has persistently failed to reflect the company's intrinsic value and attractive business attributes. We attribute the trading discount to the inherent complexity of the business, the company's exposure to vacant land and real estate development, and the long-term nature of the company's business model to which investors assign a high cost of capital.

In May, Pershing Square Holdco, L.P. ("Holdco"), the management company or "GP" of the Pershing Square funds, acquired a $900 million stake in HHH increasing our total ownership to 47% of HHH (15% by Holdco and 32% by the Pershing Square funds). As part of the transaction, I returned to the company as Executive Chairman along with Ryan Israel as Chief Investment Officer. We have also made available to HHH the full resources of Pershing Square as part of a services arrangement in which we receive management fees. We have reduced the management fees paid by PSH dollar-for-dollar by the fees paid to Pershing Square by HHH that are attributable to the HHH common stock held by PSH, which will reduce PSH's management fees while allowing us to accelerate value creation at HHH.

Our approach to the transformation of HHH is not meaningfully different from that of other companies in which we have invested that were underperforming their potential. In these other examples, we have worked to address a business' underperformance by making changes to governance, management, capital structure, cost structure, and/or strategy. The only difference here is that the new additions to management are comprised of Pershing Square employees. The HHH board has also been refreshed with three additional members, Susan Panuccio, the former CFO of News Corp.; Thom Lachman, the Chairman and CEO of Duracell, a Berkshire Hathaway company; and Jean-Baptiste Wautier, the former Chairman of the Investment Committee and CIO of BC Partners, a large European private equity firm. JB also serves as a director of PSH.

Our long-term objective is to transform HHH into a modern-day Berkshire Hathaway: a diversified holding company built upon a foundation of high-quality, durable growth companies that can compound their intrinsic values at high rates over the long term.

In December, HHH took an important step forward in executing its new strategy by entering into a definitive agreement to acquire Vantage Group Holdings, Ltd. ("Vantage"), a specialty insurance and reinsurance company, for $2.1 billion. We believe Vantage is an ideal platform to begin HHH's transformation. It is well diversified across specialty lines of insurance, has an excellent and experienced management team, and benefits from established regulatory licenses, strong credit ratings, and a growing presence in the market. In light of its short operating history – Vantage was launched in 2020 – it has limited risk associated with long-dated legacy insurance exposures.

The Vantage acquisition is expected to close in the second quarter of 2026, subject to regulatory approvals. The transaction will be funded with approximately $1.2 billion of cash from HHH's balance sheet, together with up to $1.0 billion of preferred equity from PSH (the "HHH Preferred"). The HHH Preferred is structured to provide bridge equity to HHH while offering PSH a return similar to a direct investment in Vantage plus a small premium in the likely event it is repurchased by HHH over the next several years. If HHH does not fully repurchase the HHH Preferred from PSH, it converts into common stock in Vantage at the initial acquisition price, and PSH has registration rights which can facilitate a public listing of the company.

As part of our services arrangement with HHH, Pershing Square will manage the assets of Vantage for no incremental cost. We intend for Vantage to invest 100% of its insurance float in short-term U.S. Treasurys, and over time, its surplus capital in common stocks, similarly to how Berkshire Hathaway has managed its insurance subsidiaries' assets. We expect that our approach to managing Vantage's assets will allow it to earn a substantially higher return on equity than a typical insurer, which should enable it to compound its book value at a high rate over time. If we are successful in achieving our expectations for Vantage, it will materially accelerate HHH's growth profile, diversify the sources of its revenues and earnings, reduce its cost of capital, and accelerate HHH's long-term growth in intrinsic value and share price.

The Current Economic and Market Backdrop

We believe that 2026 could be a very strong economic year. There are a number of geopolitical, economic, and political factors and forces that contribute to our view. Our top 10 are: (1) the impact of the previous administration's $1.2 trillion infrastructure bill and the Chips Act, for which shovels are only recently beginning to break ground, (2) the tax benefits of the

Big Beautiful Bill which will lead to large tax refunds early this year and provide massive incentives for investment, (3) the President and this administration's highly pro-business posture which drives business confidence and includes a Federal Trade Commission which for the first time in four years is supportive of mergers and acquisitions, unleashing a large number of strategic and other transactions, (4) a massive deregulation initiative led by Secretary of the Treasury Scott Bessent, (5) reduced and stable inflation data that will allow the Federal Reserve to lower rates, (6) the extraordinary scale of data center and energy investments due to AI, (7) the productivity benefits of AI, (8) the wealth effects from stock market and private company valuation gains, (9) the potential for a peace dividend in the Middle East, South America, and potentially Europe as it appears the Russia/Ukraine war is closer to resolution, and (10) the accelerated pace of innovation, software development, and discovery due to AI.

All of the above are occurring in a year with mid-term elections that typically swing against the incumbent administration. As such, the Trump Administration is extremely motivated to deliver on promises made and will likely take additional actions that will drive the economy. In light of our view that the market is not overvalued and the fact that there are many of the highest-quality growth companies available at prices which offer 20%-30%+ rates of long-term returns at current valuations, including many within our current portfolio, we are constructive on the current economic and market backdrop and on Pershing Square Holdings.

2025 was a great year for Pershing Square. We would not be able to achieve our objectives were it not for the long-term commitment of our shareholders. We are very grateful for your support.

Sincerely,

William A. Ackman

PORTFOLIO UPDATE (15)

Performance Attribution

Below are the contributors and detractors to gross performance of the portfolio of the Company for 2025 and year-to-date 2026.[16]

January 1, 2025 – December 31, 2025	
Alphabet Inc.	10.3 %
Federal National Mortgage Association	5.8 %
Federal Home Loan Mortgage Corporation	5.0 %
Brookfield Corporation	3.5 %
Uber Technologies, Inc.	2.7 %
Amazon.com, Inc.	2.4 %
Share Buyback Accretion	1.2 %
Hilton Worldwide Holdings Inc.	1.0 %
Universal Music Group N.V.	0.7 %
Meta Platforms, Inc.	0.7 %
Restaurant Brands International Inc.	0.5 %
Bond Interest Expense	(0.8)%
Nike, Inc.	(2.5)%
Chipotle Mexican Grill, Inc.	(4.6)%
All Other Positions and Other Income/Expense	0.6 %
Contributors Less Detractors (Gross Return)	**26.5 %**

January 1, 2026 – February 10, 2026	
Brookfield Corporation	0.7 %
Share Buyback Accretion	0.1 %
Bond Interest Expense	(0.1)%
Universal Music Group N.V.	(1.1)%
Amazon.com, Inc.	(1.4)%
Uber Technologies, Inc.	(1.5)%
Federal National Mortgage Association	(1.6)%
Federal Home Loan Mortgage Corporation	(1.8)%
All Other Positions and Other Income/Expense	1.6 %
Contributors Less Detractors (Gross Return)	**(5.1)%**

Contributors or detractors to performance of 50 basis points or more are listed above separately, while contributors or detractors to performance of less than 50 basis points are aggregated, except for share buyback accretion and bond interest expense. Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and important disclaimers on pages 120-123.

New Equity Positions:

Meta Platforms, Inc. ("Meta")

At the end of last year, we initiated a significant position in Meta, a company we have followed closely for many years. Alongside Alphabet, another one of our core holdings, Meta is the dominant leader in the highly attractive and secularly fast-growing digital advertising space. The company principally owns and operates a "Family of Apps" (Facebook, Instagram, WhatsApp) with an entrenched global user base of over 3.5 billion daily active users. This vast, diverse, and highly engaged audience is the source of a powerful network effect: as more users engage more deeply with Meta's apps, the apps become incrementally more valuable to both users and advertisers, creating an exceptionally durable competitive advantage. The company's deep insights into consumer behavior and interests allow advertisers to precisely target specific demographics and intentions, making Meta an indispensable and essential marketing platform for businesses seeking highly effective ad spend.

Our opportunity to invest in Meta arose following the company's Q3 2025 earnings call in October when it announced it would spend significantly more on AI initiatives in 2026 than investors had expected, leading to a 20% share price decline. As a result, we were able to establish our position in Meta at a very attractive valuation of just 20 times earnings per share, earnings which include the significant losses from its Reality Labs segment that amount to nearly 25% of the company's overall profit. Excluding the Reality Labs losses, the implied market valuation for Meta's core advertising business was less than 16 times earnings per share. This valuation represented a significant discount to the S&P 500 for one of the world's great businesses that is currently growing its revenues in excess of 20% per annum.

In our view, concerns surrounding Meta's elevated spending overlook the transformative potential of AI to accelerate near-term revenue growth and reinforce its long-term competitive moats. We believe Meta is one of the clearest beneficiaries of AI and is already seeing material impact across its core business drivers: content recommendation, user engagement, ad monetization and new product innovation.

Improved AI content recommendation systems are driving material growth in user engagement, especially for the video format with time spent watching videos on Instagram up more than 30% year-over-year. Moreover, as content on Meta's platforms has increasingly broadened from the "social graph" (friends/family/followed accounts) to include a wider range of interest-based content from a diverse group of creators, AI recommendation engines enable the company to better understand, surface, and curate content that users desire. Likewise, AI greatly improves ad monetization by leveraging Meta's rich first-party data to deliver more relevant and targeted ads. Automation capabilities – from the company's Advantage+ suite to its generative AI ad creation tools – facilitate an end-to-end self-serve model for advertisers. We are also encouraged by AI's potential to unlock new commercial use cases and engagement modes. For instance, the rollout of Business AI on Meta's messaging platforms could be a game-changer for businesses to pursue scalable, low-cost customer engagement and wearables like Meta Ray-Bans, which present new avenues to leverage AI interactively in the real world.

We believe the substantial upside potential from AI, both within Meta's compute-constrained core business and in its new initiatives, supports front-loading investments in infrastructure and talent. After Meta's next year's planned spending ramp, we expect the company to resume its rapid long-term earnings growth algorithm. Notably, in its year-end earnings call at the end of January, management stated that the near-term acceleration in revenue growth would allow it to continue to grow operating income in 2026 despite significantly elevated levels of investment spending. In addition, the company noted that losses at the Reality Labs division will peak in 2026 and moderate in future years. Should Meta's high levels of revenue growth slow down or the returns on its AI investments be lower than anticipated, we are confident the company will be able to retain the operational levers – reminiscent of the 2023 "Year of Efficiency" – to moderate expenses, maintain profit margins, and deliver continued strong earnings-per-share growth.

Our investment in Meta highlights our approach of closely following a watchlist of high-quality businesses and waiting patiently for an attractive entry price. Having recently trimmed and sold other holdings, we held sufficient cash to move quickly and invest in a business we have long admired that has experienced a significant decline in its share price in recent months due to near-term concerns, which we do not believe will impact the longer-term Meta story.

Current Equity Positions:

Alphabet ("Google")

Alphabet, the parent company of Google, delivered strong business performance in 2025, highlighting its unique ability to leverage core strengths in data, distribution, infrastructure, and research expertise to successfully capitalize on its vast AI potential.

AI is having a profoundly transformative impact on the company's core advertising platform. Google's unrivaled digital "real estate" and consumer mindshare allow for the deployment of AI products at a massive scale. In Search, this is most evident in the global roll-out of AI Overviews. Now reaching more than two billion users in more than 200 countries, AI Overviews is the world's most widely used AI product by a significant margin. Notably, its introduction has accelerated query growth in Search, with the most pronounced effects seen among younger demographics. Similarly, in YouTube, Google's focus on multi-modal AI, specifically image and video generation, has driven material improvements to recommendation algorithms and creator tools.

Google's product innovation cycle benefits tremendously from the pioneering work of DeepMind, a frontier AI research lab which the company presciently acquired in 2014. Late last year, DeepMind launched Gemini 3, the company's most advanced foundational AI model, which promptly topped the leaderboards in major evaluation benchmarks. More importantly, as a sign of improving product velocity, Google quickly integrated Gemini 3 into Search and its broader app ecosystem simultaneously with its release. We believe Google's AI leadership is increasingly gaining external validation, most notably through the recently announced partnership with Apple to power Siri with Gemini.

Within the company's Cloud segment, Google's full-stack approach to AI is increasingly becoming a key differentiator. The combination of cost-advantaged technical infrastructure, bolstered by proprietary TPU semiconductor chips, and world-class models has propelled Google Cloud into a $70 billion run-rate revenue business, which grew at an impressive 48% rate in Q4 2025. With that increasing scale, the Cloud segment's profitability has rapidly improved to 24% profit margins in 2025 from break-even profitability when we initiated our position in the company in 2023.

While Alphabet's share price appreciated meaningfully in 2025 to reflect its strong product and business momentum, we believe it continues to trade at an attractive valuation for a business of its quality, leadership position in AI and ability to grow earnings per share at a high-teens rate over the medium term.

Amazon.com, Inc. ("Amazon")

Amidst tariff-related market volatility in April 2025, we were able to initiate a position in Amazon at a highly compelling valuation. Amazon operates two of the world's great, category-defining franchises between its Amazon Web Services (AWS) cloud business and its e-commerce retail operations. Both businesses are underpinned by decades-long secular growth trends, occupy dominant market positions, and leverage their immense scale to continually enhance their customer value proposition. AWS is the leader in the highly concentrated cloud hyperscaler market, benefiting from the long-term migration of IT workloads to the cloud. Amazon.com is also the world's largest e-commerce retailer, enabled by a one-of-a-kind logistics network that fulfills over $700 billion in gross merchandise value annually.

Despite these compelling attributes, concerns around AWS's growth trajectory, compounded by broader tariff-related market volatility, presented a compelling entry point in April 2025 and we were able to initiate our position at a valuation of only 25 times forward earnings, which was near the lowest valuation multiple in the company's history. We believe that investor concerns at the time underestimated both the inherent resiliency of Amazon's business model and its significant growth runway. While it remains early in our holding period, the company's strong operating results since our purchase have helped to validate our investment case.

We expect increasing AI adoption to materially extend and potentially accelerate AWS's growth trajectory. AWS is currently a ~$140 billion run-rate revenue business that grew at an impressive 20% rate in 2025. In fact, from Q2 2025 to Q4 2025, AWS's growth accelerated from 17% to 24%. Notably, this impressive growth has been achieved despite persistent capacity constraints, as customer demand for compute continued to outpace new supply. To that end, Amazon announced a meaningful increase to its capital expenditure program to accelerate the build-out of new capacity. AWS has doubled its data center capacity since 2022 and is on track to double it again by 2027. We expect this new capacity to be rapidly absorbed by the scaling of AI inference workloads, and believe the current investment cycle to frontload infrastructure investments will deliver strong future returns.

In Amazon's retail operations, the company's broad merchandising mix has limited the impact of tariffs on results to date. Over the long term, we believe the revenue growth outlook remains bright, and we are encouraged by the opportunity for significant margin expansion in its retail segment. We believe Amazon's retail business has the potential to sustainably maintain a double-digit revenue growth rate over the longer-term as the company further expands its product category offerings, continues to invest in its logistics network to allow for same-day shipping to an increasing percentage of its customer base, and leverages AI investments to improve the overall customer purchasing experience. We estimate that Amazon's retail business's structural profit margin potential to be meaningfully higher than its current ~7% level achieved this year after adjusting for differences in its business mix relative to peers and factoring in its fast-growing, high-margin advertising revenue. Moreover, the company is seeing large productivity gains from warehouse automation and its one-of-a-kind logistics network. As a proof point, per-unit shipping costs have been steadily declining for the last eight quarters in a row.

While Amazon's share price has appreciated from our initial cost, it continues to trade at an attractive multiple of approximately 26 times earnings per share, a highly discounted valuation relative to peers and its expected earnings per share growth rate of 20%+ over the medium to longer term.

Brookfield Corporation ("BN" or "Brookfield")

Brookfield is a high-quality, asset-rich, rapidly growing business that has a long-term track record of excellent capital allocation. We initiated our position in Brookfield in 2024 during a period of substantial dislocation where BN traded at a deep discount to intrinsic value – essentially valuing its vast invested capital base at close to zero after accounting for its 73% ownership in its asset management franchise, Brookfield Asset Management.

Brookfield delivered strong performance in 2025 driven in equal measure by earnings growth and multiple expansion. Distributable earnings ("DE") – a proxy for recurring economic earnings – showed solid gains, though the headline numbers still obscure the significant latent earnings power at the company.

Growth was principally driven by the rapid scaling of Brookfield's captive annuities and insurance business ("Brookfield Wealth Solutions," or "BWS") as BN continues to expand its operations and reposition acquired investment portfolios for higher long-term yields. This growth is expected to accelerate further upon the closing of the Just Group acquisition. This transaction will expand BWS's fixed-annuity portfolio by ~30% to ~$180 billion and firmly position Brookfield as a major player in the attractive U.K. market where BN is already one of the largest real estate and infrastructure investors.

The decline in earnings contribution from Brookfield's real estate businesses partially offset BN growth in 2025 and reflects targeted balance sheet simplification actions and softer macroeconomic conditions at Brookfield's small but highly cash generative residential homebuilder business.

Importantly, growth in 2025 remained meaningfully below our view of Brookfield's structural potential and management's long-term targets. The company's current level of Distributable Earnings do not reflect the likely step-function increase in future carried interest realizations, nor the full earnings power of BWS insurance float. In addition, we believe Brookfield's single largest business, Brookfield Asset Management, which comprises more than 50% of Brookfield Corporation's total value, is positioned for growth in fee earnings of 20% or more this year. In total, we expect BN's DE growth to meaningfully accelerate this year with the potential to grow 25% or more, a level that is consistent with management's targeted 25% annual growth rate over the medium term.

Despite Brookfield's strong growth outlook, its valuation remains compelling. Brookfield presently trades at 14 times our estimate of distributable earnings per share, or only 11 times when adjusted for the steady-state earnings power of BWS and a normalized level of carried interest.

We continue to believe Brookfield is an extremely attractive investment with ~20% compounded growth in cash flows over the medium-term and the potential for substantial earnings multiple expansion from current levels.

Fannie Mae (“Fannie”) and Freddie Mac (“Freddie”)

Fannie and Freddie common share prices increased significantly in 2025 as the Trump administration reiterated its commitment to an eventual privatization of the companies. Statements by President Trump, Treasury Secretary Bessent, Commerce Secretary Lutnick, and FHFA Director Pulte have emphasized three key objectives: (1) enhance home affordability by compressing the spread of mortgages over Treasuries, (2) demonstrate a near-term mark to market for the taxpayers’ ownership in the GSEs, and (3) maximize the long-term value of the taxpayers’ investment.

On November 18, 2025, we published a simple and straightforward plan that would achieve all three objectives, which we shared in a public presentation on X. This plan includes the following steps: (1) account for the repayment of Treasury’s Senior Preferred Stock, (2) exercise Treasury’s 79.9% common stock warrants in Fannie and Freddie, and (3) relist Fannie and Freddie on the New York Stock Exchange. All three steps can be taken immediately by Treasury and FHFA at President Trump’s direction. This plan would keep the GSEs in conservatorship until the administration can carefully execute an exit, which eliminates timing pressure, maximizes optionality, and avoids any risk of disruption to the mortgage or MBS markets.

If this plan is implemented, the Trump administration could begin working on the necessary actions to achieve a successful exit from conservatorship within the next couple of years. These actions would include revising the capital rule to allow the GSEs to earn adequate returns without raising guarantee fees, modifying the existing Preferred Stock Purchase Agreements to act as an ongoing, paid-for government backstop, codifying and communicating the regulatory powers that FHFA would retain post-conservatorship, and recruiting and incentivizing world-class management and boards of directors for Fannie and Freddie.

As we previously disclosed in our X presentation, we believe this plan would drive a re-rating of Fannie and Freddie common shares above $40, roughly five times current levels, implying a valuation of over $300 billion for the taxpayers’ 79.9% stake in the companies. We believe a share sale to investors, whether through a “re-IPO” to raise primary capital or a secondary sale of a portion of Treasury’s ownership, is neither feasible while the entities remain in conservatorship, nor necessary as the companies are recapitalizing rapidly through retained earnings.

Hertz

Hertz is a leading vehicle rental provider in the early stages of a turnaround led by a strong management team. The company has successfully navigated a challenging period, reached important operational milestones, and is now profitable with a strengthened liquidity profile.

The company successfully completed its fleet refresh and is now in an enviable position with an average vehicle age of less than one year. This younger fleet has driven depreciation costs well below management’s target. Negotiations for this year’s vehicle purchases are also essentially complete, and the management team is confident that these agreements will support continued strong unit economics with depreciation remaining below target levels.

Operationally, Hertz has made significant strides, achieving 84% utilization this quarter, best-in-class amongst peers and the company’s highest level since 2018. These improvements led to its first profitable quarter in two years. We believe Hertz is on a clear path to delivering mid-single-digit EBITDA margins this year, with a line of sight toward achieving $1 billion in EBITDA in the coming years with continued growth afterwards. Over the course of this year, we see tangible demand drivers that support this growth trajectory including a recovery from the travel slowdown related to the trade war and government shutdown, fiscal stimulus, and the U.S. hosting of the World Cup this summer, which should lead to incremental volume and better pricing.

Beyond the core rental business, we believe Hertz has the potential to meaningfully grow through high-margin ancillary services. The company is currently building out the infrastructure to sell more used cars directly through its retail channels. The company has partnerships with Amazon and Cox, and a "rent-to-buy" program which is now live in over 100 cities. We believe this retail strategy can evolve into a meaningful profit center, leading to structurally lower depreciation costs and providing a platform to sell additional Finance and Insurance (F&I) products. In addition, we believe Hertz is uniquely positioned to be a critical partner for mobility companies rolling out autonomous vehicle fleets. The company's expertise in vehicle maintenance and the scale of its parking and service facilities make it an ideal partner to manage these complex fleets. Both of these initiatives have the potential to further leverage Hertz's fixed-cost base and diversify its revenue streams.

The company is also now in a much stronger liquidity position. In September, we helped facilitate a convertible bond issuance by increasing our economic exposure to the company through the purchase of swaps on its shares. Simultaneously with the issuance, the company entered into a capped-call transaction, which ensures the convertible bonds are not dilutive unless the stock nearly triples from current prices. As a result of this opportunistic and economically advantageous financing, Hertz has ample liquidity to address near-term liabilities and maturities while also continuing to grow its fleet this year.

Given the combination of improving industry structure, sound execution, and significant strategic optionality, we believe Hertz continues to offer an attractive, asymmetric return profile and we remain excited about the company's future.

Howard Hughes Holdings ("HHH")

2025 marked a pivotal year for HHH as it began its transformation from a real estate company into a diversified holding company.

In May 2025, Pershing Square Holdco, L.P., the owner of Pershing Square Capital Management, L.P. (PSCM), invested $900 million of primary capital into HHH as part of a plan to transform HHH into a diversified holding company seeking controlling stakes in high-quality, durable growth companies. As a result of the transaction, Pershing Square's beneficial ownership of HHH, including PSH's and PSCM's private funds' interest, increased to 47%. Bill Ackman rejoined HHH's board as Executive Chairman and Ryan Israel joined HHH's board and executive team as Chief Investment Officer. The full resources of PSCM have been made available to support HHH in its transformation in exchange for a base and variable management fee. We in turn are reducing the management fees we receive from PSH dollar-for-dollar by the fees paid to PSCM by HHH that are attributable to the HHH common stock held by the Company.

We had previously communicated that our first initiative for HHH would be for the company to acquire a diversified property casualty insurance company whose assets we will manage. To that end, in December 2025, HHH signed a definitive agreement to acquire Vantage Group Holdings Ltd. ("Vantage"), a leading specialty insurance and reinsurance company backed by Carlyle and Hellman & Friedman, for $2.1 billion. The transaction is expected to close in the second quarter of 2026, subject to customary regulatory approvals and closing conditions.

We believe the acquisition of Vantage is an ideal transaction to begin HHH's transformation into a diversified holding company. The addition of a higher-return, faster-growing insurance operation accelerates HHH's overall growth profile and increases and diversifies HHH's sources of long-term value. HHH's holding-company ownership of Vantage provides long-term capital support which will materially strengthen Vantage's credit profile and underwriting flexibility. In our view, an emphasis on underwriting profitability—driven by disciplined risk selection, pricing, and portfolio optimization rather than growth—will improve Vantage's ability to effectively navigate the insurance cycle.

Following the transaction's close, HHH intends to invest additional primary capital in Vantage, which will de-lever Vantage's balance sheet and facilitate a repositioning of its investment portfolio to optimize asset allocation, and Pershing Square will manage Vantage's investment portfolio for no additional fees. Over time, Vantage's investment portfolio is expected to be principally invested in cash, short-term Treasurys, and a portfolio of common stocks. Float (loss reserves) will be invested in cash and short-term Treasurys, to avoid duration, credit or liquidity risk. We will seek to increase the proportion of Vantage's investment portfolio allocated to common stocks, where PSCM has a 22-year track record of generating superior investment returns, subject to regulatory and credit rating considerations.

The $2.1 billion acquisition will be financed with capital from HHH's balance sheet and up to $1 billion of non-interest-bearing, non-voting preferred stock issued by HHH to PSH (the "HHH Preferred"). The HHH Preferred will be split into 14 equally sized tranches that HHH will have the right to repurchase at the end of each fiscal year for the first seven years post-closing of the transaction. The repurchase price for each share of the HHH Preferred will be cash consideration equal to 1.5 times Vantage's book value at the repurchase date, multiplied by the ownership percentage of Vantage represented by the HHH Preferred shares (on an as-exchanged basis, subject to a minimum repurchase price equal to the original issue price plus 4% per annum). Over time, we expect HHH to fully exercise its call options on all tranches of PSH's preferred stock and increase its economic ownership of Vantage to 100%. The terms of the HHH Preferred were approved by the independent directors of both PSH and HHH.

We believe that the HHH Preferred is a highly compelling investment, both on its own merits and in the significant value creation it will catalyze for HHH. Economically, we expect the HHH Preferred to resemble an investment in the overall PSH portfolio over time. Its prospective returns should reflect growth in Vantage's book value, which should increasingly resemble overall PSH portfolio returns (subject to various insurance regulatory requirements) as we invest Vantage's equity capital in a portfolio of common stocks similar to those in PSH. In addition, HHH Preferred returns will benefit from effectively lower price-to-book-value multiple at entry (we estimate that the actual purchase price for Vantage at closing to be less than 1.4 times book) to HHH's contractual, pre-determined purchase price of 1.5 times.

The acquisition of Vantage is a milestone event in the transformation of HHH into a diversified holding company. The combination of Vantage's insurance expertise, Pershing Square's fee-free investment capabilities, and the structural advantages of holding-company-ownership create the opportunity to build a large and highly profitable insurance subsidiary, and an important source of long-term value creation for Howard Hughes.

Restaurant Brands International ("QSR")

QSR's franchised business model is a high-quality, capital-light, growing annuity that generates high-margin brand royalty fees from its four leading brands: Tim Hortons, Burger King, Popeyes, and Firehouse Subs. Despite a challenging consumer backdrop, the company reported strong results of 3% comparable sales growth and 8% operating profit growth in 2025, in line with its long-term algorithm.

The company's two largest businesses, Tim Hortons and the International division, which collectively represent nearly 70% of the company's profits, are materially outperforming peers. Tim Hortons delivered comparable sales growth of 3%, outperforming the broader QSR industry in Canada while the international business delivered comparable sales growth of 5%, notably outperforming McDonald's. The turnaround at Burger King U.S. is also gaining traction, with the brand growing at a healthy rate, while the system remains committed to remodeling the majority of its restaurants in the coming years.

At the same time, the management team is taking actions to simplify the business and return QSR to its historic fully franchised capital-light business model. The China business has returned to consistent growth, and its recent sale to a new master franchisee should serve as a catalyst for accelerated expansion, with the new partners providing a capital commitment of $350 million to more than triple the store base over the next decade. We expect this renewed pace of store growth will allow QSR to return to its historic mid-single-digit unit growth rate in the coming years.

In the U.S., the acquired Carrols stores are outperforming the broader Burger King system, validating the unit economics of the company's remodel program and its recent investments in the system. As a result, QSR's plan to refranchise these stores to smaller, operator-led franchisees is proceeding ahead of schedule. The company will host an investor day at the end of February, where we expect management to provide further detail on the building blocks of its future growth strategy while reaffirming its long-term targets of at least 8% annual operating profit growth.

Despite these strong results and inflecting trends, QSR trades at only 16 times our estimate of earnings per share, which represents a discount of nearly 30% to peers with comparable long-term, earnings growth potential. With a strong operating model, improving financial performance, and a deeply discounted valuation, QSR remains a highly attractive investment.

Uber Technologies ("Uber")

Uber is the world's leading mobility and delivery platform. The company operates a high-quality, capital-light, high-growth business which benefits from robust structural network effects. We acquired our position in early 2025 at an attractive valuation, capitalizing on the dislocation driven by misplaced market fears regarding the perceived threat from autonomous vehicles ("AVs").

Uber's share price appreciation from our average cost at announcement through year end reflected the company's substantial operating profit growth, but was somewhat offset by a modest decrease in the valuation multiple due to lingering investor concerns regarding the impact on Uber's long-term growth from future competition by perceived AV competitors, such as Tesla and Waymo.

Uber delivered exceptional financial performance in 2025, including new all-time highs on multiple key operating metrics. Constant-currency bookings grew 20%, driven by a 16% increase in monthly active users and deepening engagement per user, driving a 20% increase in annual trips of 13.6 billion on Uber's network. Robust top-line growth combined with strong cost control and operating leverage generated operating profit growth of ~50%. Operating results accelerated throughout the year and the outlook for 2026 remains strong, with operating profit growth that we estimate could again exceed 30%.

In 2025, AV technology made great strides with increasing evidence that it is approaching super-human safety standards across multiple vendors. Beyond Waymo and Tesla, a host of small companies are making significant advancements as artificial intelligence and end-to-end neural networks provide new opportunities for AV technology. We believe it is likely that AV technology will ultimately be broad-based and spread among a much larger number of companies than many industry observers previously expected. Many of these AV companies are now advancing autonomous pilots in real world settings, with a path to ramping commercialization over the next 12 to 24 months. The proliferation of AV companies is supported by Nvidia's recently launched open-source Alpamayo AV model, a world model which accelerates development lead-times and broadens access to AV technologies. Nvidia is also creating a reference hardware architecture that allows automotive manufacturers to act with confidence around longer-term decision making to advance their own AV futures. Supporting this effort is Uber's newly launched AV Labs, which leverages Uber's massive data – billions of miles of real-world and long-tail driving data – to create data factories that accelerate AV development.

We continue to believe that significant commercialization barriers remain, including the lack of a harmonized regulatory framework, a dearth of cost-effective manufacturing, and expensive and cumbersome development lead times for physical infrastructure and operations. As a result, we anticipate that the near-to-medium-term trajectory of AV expansion is likely to see a continued measured roll out of AVs within defined geographic operating zones, consistent with recent actions by Waymo, Tesla and others.

Importantly, we believe a third-party partnership model is the clear value-maximizing strategy for all industry participants, a "win-win" outcome with strong industrial logic. Uber offers AV partners the unique ability to rapidly scale their physical assets through a dense high-utilization network which is responsive to consumer expectations for high availability, low-latency, and low prices, all within the context of extremely variable demand patterns. In mid-2025, Uber exclusively launched Waymo's commercial operations in Austin and Atlanta, integrating hundreds of Waymo vehicles into Uber's hybrid fleet.

Uber recently released data showing that vehicles operating on the Uber network are already achieving a ~30% higher utilization than comparable first-party fleets (which should further increase over time), a critical proof point of Uber's value proposition. AV hardware is capital-intensive with high fixed costs, so maximizing utilization is the key to profitability. Uber's marketplace allows AV operators to achieve utilization rates that are not possible to replicate in a standalone first-party network. So long as AV operators generate a revenue uplift that exceeds the "take-rate" that Uber charges, the company is providing AV operators a very strong economic value proposition. Businesses such as online travel agencies, and even Uber Eats, demonstrate the success of the third-party marketplace model when the value proposition is strong. We anticipate that over time Uber and Waymo will further expand their partnership to include additional cities and geographies.

Beyond Waymo, Uber is laser focused on advancing and partnering with many smaller AV companies. In 2025, Uber broadened its go-to-market AV approach, announcing new and expanded partnerships with Avride, Baidu, Lucid, May Mobility, Momenta, Nuro, Nvidia, Pony.ai, Waabi, Wayve, WeRide and others. Overall, Uber is advancing dozens of geographically focused commercial pilots with a host of regional partners, creating line-of-sight to tens of thousands of autonomous vehicles covering major metropolitan cities operating on Uber's network within the coming years. We believe that as AV technology becomes more widespread, the value of the "driver" will lessen, and the overall marketplace network will become an increasingly important point of differentiation.

We believe that AV technology will not be a winner-take-all model and that third-party networks, and Uber in particular, have a valuable role to play. The stock market clearly underappreciates the durability of Uber's moat, the magnitude of its earnings growth, and the strategic role it will play in shaping the future of mobility. Uber currently trades at less than 20 times our estimate of earnings per share, which is a bargain relative to our expectation that Uber will generate 30% or greater annual earnings per share growth over the medium-term.

We believe that the combination of Uber's rapid earnings-per-share growth and the potential for significant valuation multiple expansion, as investors better appreciate the sustainability of Uber's future growth prospects and competitive positioning, should drive substantial future share price appreciation.

Universal Music Group ("UMG")

Universal Music Group is the world's leading music entertainment company and a high-quality, capital-light business that can be best thought of as a rapidly growing royalty on greater global consumption and monetization of music. While UMG's share price performance over the last year has been disappointing, we fortunately monetized a meaningful portion of our investment at significantly higher prices last March, generating positive attribution for the year. Importantly, the business has made considerable progress that we believe the market has not yet fully appreciated. We expect growth to accelerate this year as the company begins to realize the benefits of several strategic initiatives.

Over the last year, UMG signed a number of "Streaming 2.0" deals with major digital service providers ("DSPs") such as Spotify, Amazon, and YouTube, which incorporate wholesale price increases that will lead to higher subscription revenue growth. This is a fundamental shift in the industry's economic model as for the first time UMG has negotiated higher rates that ensure the company and its artists capture a larger share of the revenue pool regardless of when retail price increases occur. In addition, these new agreements will allow for better customer segmentation through new product tiers. By offering targeted products for "superfans," the small minority of listeners who drive a disproportionate share of total music spend, the music industry will also be able to better monetize fans previously ignored by the one-size-fits-all monthly price point of a music subscription.

Despite these developments, the shares have further weakened this year, and the company now trades at only 18 times our estimate of earnings per share, the lowest valuation since UMG became a publicly traded company. We believe this is largely the result of two technical overhangs and the market's concern that AI-generated music will disrupt the business.

The first overhang is due to uncertainty regarding a potential sale of stock by UMG's largest shareholder, Bolloré, who through the Bolloré Group owns 18.5% of the company. After Cyrille Bolloré stepped down from UMG's Board of Directors in July following an adverse court ruling that could have required the Bolloré Group to spend up to €2.5 billion to buy out Vivendi's minority shareholders, market participants have speculated that Bolloré might fund the forced buyout by selling some of its UMG shares. Although the Bolloré Group has more than ample cash and the French Court of Cassation recently struck down the ruling that would have required a mandatory offer, the matter has been sent back to lower courts, prolonging the uncertainty.

The second overhang is the delay in UMG's U.S. listing due to the government shutdown. Both of these are transitory issues that we believe will be resolved over time. We exercised our registration right to catalyze the U.S. listing because we believe it will increase demand from U.S. investors, improve analyst coverage, and enable UMG to be included in major U.S. indices.

The second concern, that AI will disrupt the music business, is misplaced in our view. Technology has long been used to make music creation easier and has even spawned entirely new genres like electronic music. We believe AI has the potential to meaningfully accelerate human creativity and lower production costs, which artists can use to create more music. At the same time, with over 100 million songs now being uploaded annually to DSPs, the role of a label like UMG in helping an artist 'break through' the noise and go global has never been more vital. While a few fully AI-generated songs and artists have begun showing up on charts, and will likely continue to do so, these often drop off after an initial period of novelty, and nearly all of these songs go unheard. We remain convinced that human artists will continue to represent the vast majority of commercially relevant music as AI cannot replicate the personal fan connection and cultural relevance that makes music meaningful to society.

UMG has also done an excellent job of both litigating against bad actors and licensing new deals with responsible partners. The company has recently signed deals with new AI-native DSPs that monetize this music creation with AI at a higher per-user level than traditional streaming, all while creating "walled gardens" that protect artist rights. UMG also possesses a vast catalog library that can both be made available to fans looking to experiment with AI tools and allow the company to revitalize this historic IP through new releases. We expect the company will continue to announce new deals with partners launching new and exciting tools. Separately, UMG has ensured that deal renewals with traditional DSPs include dilution and rights protections. DSPs like Deezer and Spotify have already begun to demonetize background music and tracks that fail to hit minimum streaming thresholds. Ultimately, there is a natural ceiling to the amount of AI content a service can host; if it becomes too large a percentage of a platform's library, it degrades the listening experience and increases hosting and ingestion costs for the provider.

Given UMG's dominant market position and decades-long runway for sustained earnings growth, we believe the current valuation represents a very large discount to intrinsic value.

Recently Exited Equity Positions:

Hilton ("HLT")

We exited our investment in Hilton after a highly successful, more than seven-year holding period. Hilton is a quintessential Pershing Square investment: a high-quality, asset-light, high-margin business with significant long-term growth potential and superb management.

We initiated the position in 2018 at an attractive valuation of less than 23 times our estimate of earnings per share for the following year. At the time, HLT traded at a discount to both its historical average and our estimate of intrinsic value, as investors were concerned about a potential macroeconomic slowdown and failed to appreciate the high-quality nature of the company's fee-based business model and highly attractive earnings algorithm.

Over the subsequent years, Hilton generated excellent financial results, anchored by best-in-class net unit growth which drove fee revenue growth of approximately 70%. Strong top-line performance was enhanced by exceptional cost control, with corporate overhead essentially flat over the past seven years, driving operating profit growth of 85%. Earnings growth was further supported by best-in-class capital allocation – Hilton retired more than 20% of its outstanding shares at highly accretive prices – driving a 150% increase in earnings per share over our holding period. These results are particularly impressive considering the lodging industry was uniquely impacted by the COVID-19 pandemic, a crisis which CEO Chris Nassetta and his team navigated with exceptional skill. Our investment returns further benefited from a significant expansion in Hilton's valuation multiple from 23 times earnings per share at entry to 32 times at exit as investors increasingly recognized the quality of the company's consistent and high-growth earnings algorithm.

While we remain admirers of the franchise and believe strongly in its long-term growth, we exited the position earlier this year as we believed HLT's current valuation made it unlikely that the future share price growth would meet our high returns thresholds. We continue to monitor the business and believe the company is positioned for continued success.

Other Exited Equity Positions:

As we previously disclosed, we completed the sale of Chipotle, Canadian Pacific, and Nike during 2025.

PUBLIC COMPANY ENGAGEMENT SINCE INCEPTION[17]

Long Positions

Wendy's	Sears	Plains Resources	Atlantic Realty Trust	SPI	McDonald's	Sears Canada
2004	2004	2004	2004	2004	2005	2005
Borders	Ceridian	Target	GGP	Longs Drugs	EMC²	Landry's Restaurants, Inc.
2006	2006	2007	2008	2008	2008	2009
Howard Hughes	Fortune Brands	Beam	Alexander & Baldwin, Inc.	jcp	Canadian Pacific Railway	Justice Holdings Ltd.
2010	2010	2010	2010	2010	2011	2011
P&G	Platform Specialty Products Corporation	Air Products	FannieMae	FreddieMac	zoetis	Allergan
2012	2013	2013	2013	2013	2014	2014
Valeant Pharmaceuticals North America	Nomad Foods	Mondelēz International	Chipotle Mexican Grill	ADP	Starbucks Coffee	United Technologies
2015	2015	2015	2016	2017	2018	2018
Lowe's	Hilton	Agilent Technologies	Starbucks Coffee	Restaurant Brands International	Pershing Square Tontine Holdings	Universal Music Group
2018	2018	2019	2020	2020	2020	2021
CPKC	Google	Pershing Square SPARC Holdings	Seaport Entertainment Group	Brookfield	Nike	Hertz
2021	2023	2023	2024	2024	2024	2024

Short Positions*

mbia	Ambac	FannieMae	FreddieMac	FSA	Herbalife
2004	2005	2007	2007	2007	2012

* Short Positions includes options, credit default swaps and other instruments that provide short economic exposure. The Investment Manager has no current intention to initiate a public equity short position.

The companies on this page reflect all of the portfolio companies, long and short, as of February 10, 2026, in respect of which (a) the Investment Manager or any Pershing Square fund, as applicable, has designated a representative to the board, filed Schedule 13D, Form 4 or a similar non-U.S. filing or has made a Hart-Scott Rodino filing; or (b) the Investment Manager has publicly recommended changes to the company's strategy in an investment-specific white paper, letter or presentation.

Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and disclaimers on pages 120-123.

Principal Risks and Uncertainties

The Board has ultimate responsibility for the Company's risk management. The Board recognizes that identifying the inherent risks related to the business and operations of the Company and developing an effective strategy to manage and mitigate these risks is crucial to the ongoing viability and success of the Company.

In order to identify these risks, the Board reviews the management of investment risk and the operations of the Investment Manager at each quarterly Board meeting.

In addition, the Board has established a Risk Committee, which at least annually carries out a robust assessment of the existing and emerging risks facing the Company, including those that could threaten its business model, future performance, solvency or liquidity.

The Risk Committee's assessment identified 45 existing risks relevant to the Company's business, including risks arising from the Company's investment activities, structure and operations as well as risks relating to shareholder engagement and regulatory compliance. The Risk Committee has considered the cause of each risk, the likelihood of the risk occurring, and the severity of the impact on the Company if the risk occurs, both before and after taking into account the mitigating controls that are in place. Based on this assessment, the Risk Committee has identified the subset of risks set out below as the principal risks faced by the Company. The discussion of each principal risk below also includes the effect of any applicable emerging risks identified by the Committee.

Risk	Description	Mitigating Factors
Investment Risk	The Company's investments are exposed to the risk of the loss of capital. There is no assurance that the Company's portfolio investments will increase in value and shareholders may lose all, or substantially all, of their investment in the Company. Failure to appropriately integrate risks into investment decisions or to manage risks to which the Company's investments are exposed, including Environmental, Social and Governance ("ESG") risks such as climate change, may have a material negative impact on the Company's performance. The Board and Investment Manager have identified potential changes to U.S. trade and immigration policy and the impact of artificial intelligence (AI) as emerging risks to the Company's investments.	The Investment Manager is an experienced investor and makes investment decisions in accordance with its investment principles as described in the Company's Investment Policy. The most important criterion in the Investment Manager's investment selection process is its view of the long-term quality of a business, which is informed by, among other things, the Investment Manager's assessment of the potential impact of risks to the business, including ESG risks, and how these risks are managed by its board and management. The Investment Manager assesses risks to the long-term success of the Company's investments by performing extensive research prior to making an investment decision and by ongoing monitoring to deeply understand each business and the industry in which it operates. The Investment Manager's approach to the management of ESG risks as a component of investment risk is further described in its ESG Statement available on the Company's website. The Board receives quarterly updates on the performance of the Company's portfolio positions, including the effect of emerging risks on the portfolio. The Investment Manager assesses the potential impact of emerging risks on the portfolio and seeks to make portfolio investments that are resilient to disruption by, or may benefit from, emerging risks. The Investment Manager believes the portfolio is well-positioned to harness AI's growth opportunities and does not believe the portfolio will be significantly impacted by anticipated changes in U.S. trade and immigration policy, but will continue to monitor these areas. The long-term interests of the Investment Manager are aligned with the Company's shareholders as a result of the substantial investment made by the Investment Manager's personnel in the Company.

Risk	Description	Mitigating Factors
Investment Manager's Authority	The Investment Manager has broad investment authority in executing the Company's strategy and may use whatever investment techniques it believes are suitable for the Company, including novel or untested approaches. In addition, the Company's strategy depends on the ability of the Investment Manager to successfully identify attractive investment opportunities. Performance fees may incentivize the Investment Manager to take on excessive risk within the portfolio.	The Board receives a report from the Investment Manager at each quarterly Board meeting, or as necessary, on developments and risks relating to portfolio positions, financial instruments and the portfolio composition as a whole. The Investment Manager engages in a thorough diligence process for novel investment structures and is an experienced investor. The Investment Manager seeks to limit the impact of unsuccessful novel investments on the Company's performance by sizing them appropriately and regularly reevaluating any unrealized losses. The Investment Manager has no current intention to initiate a public equity short position. The performance fee calculation takes into account unrealized gains and losses, and no performance fee is paid unless NAV appreciation exceeds the high water mark. Investment team compensation is based on performance of the overall portfolio rather than any individual position. The long-term interests of the Investment Manager are aligned with the Company's shareholders as a result of the substantial investment made by the Investment Manager's personnel in the Company.
Portfolio Concentration	The Investment Manager may invest a significant proportion of the Company's capital in a limited number of investments, including asymmetric hedges, subject to the Company's Investment Policy. Because the Company's portfolio is highly concentrated, it is sensitive to general market fluctuations and its investment results may be volatile. A concentrated portfolio also exacerbates the risk that a loss in any one position could have a material adverse impact on the Company's assets.	The Investment Manager performs extensive research prior to making new investments, along with ongoing monitoring of positions held in the Company's portfolio. The Investment Manager is mindful of sector and industry exposures and other correlations between businesses in which the Company invests. The Investment Manager will reduce position sizes accordingly in investments with greater leverage, business complexity or other factors that create a risk of substantial permanent impairment of value. The Board reviews portfolio concentrations and receives a detailed overview of the portfolio positions no less than quarterly, and more frequently as necessary. The Investment Policy prohibits investments by the Company in, or giving exposure to, the securities of any one issuer representing more than 25% of the Company's gross assets (assets on the statement of financial position prior to deduction of liabilities) measured at the time of making the investment.

Risk	Description	Mitigating Factors
Corporate Engagement	The Investment Manager is an engaged investor and may advocate for managerial, operating and governance changes, which may require the substantial use of time, resources and capital and may involve litigation by or in opposition to the target company's management, board or shareholders.	The Investment Manager has significant experience engaging constructively with the management of portfolio companies, and management has been supportive of its role in the substantial majority of such engagements. The Investment Manager takes an active role where it believes the commitment of time, energy and capital is justified in light of the potential reward. The Investment Manager does not currently intend to initiate public equity short positions. The Board is kept informed of and reviews the Investment Manager's active engagements with portfolio companies.
NAV Discount	The Public Shares of the Company have in the past, currently and may in the future trade at a significant discount to NAV, which may affect demand for the Public Shares.	For a summary of actions the Company has taken to address the discount, please see "Discount to NAV" in the Report of the Directors. The Board monitors the trading activity of the shares on a regular basis and reviews the discount to NAV at its quarterly meetings. The Company has retained advisers to engage with existing and potential shareholders and to assist in its consideration of potential measures to reduce the discount of share price to NAV.
Regulatory Risk	Regulatory risk can negatively impact the Company in a number of ways. For example, changes in laws or regulations could have a detrimental impact on the Company's ability to freely acquire and dispose of certain securities or deploy certain investment techniques. In addition, failure to comply with laws or regulations can subject the Company to reputational damage and prosecutions.	Prior to initiating an investment, the Investment Manager considers the possible legal and regulatory issues that could impact its ability to achieve its objective with respect to such position. The Investment Manager's legal and compliance team (supported by professional external advisers) monitors regulatory changes on an ongoing basis and informs the Board of emerging risks. The Board and the Investment Manager maintain policies and procedures designed to prevent violations of applicable laws and regulations. The Board is provided with the Investment Manager's compliance manual and periodic updates thereto. The Board is apprised of any regulatory inquiries or material regulatory developments and receives quarterly updates from the Investment Manager's Chief Legal and Compliance Officer.

Risk	Description	Mitigating Factors
Key Personnel	The departure of Mr Ackman and Mr Israel or of a significant number of members of the investment team could have a material adverse effect on the Company's ability to achieve its investment objective.	To mitigate the risk of Mr Ackman's unforeseen departure, the Investment Manager appointed Ryan Israel, the longest-tenured member of the investment team, as Chief Investment Officer in August 2022. Physical security arrangements at the Investment Manager's premises and for key personnel have also been enhanced. The Investment Manager completed a reorganization of its ultimate ownership structure in 2024 such that future ownership changes, including with respect to Mr Ackman's ownership, will not be deemed to result in an assignment of the Investment Management Agreement ("IMA") or a change of control under the indentures governing the Bonds. The investment team and other senior personnel of the Investment Manager are experienced, longstanding employees, and there is limited turnover. While Mr Ackman has ultimate discretion with respect to all investment decisions, each member of the investment team plays a material role in the construction and management of the portfolio. The Investment Manager has structured the incentive compensation of key personnel to promote their retention and contribute to the long-term success of the Company. Sound corporate governance principles and segregation of duties are well established and effectively practiced. The Investment Manager maintains a contingency plan to facilitate an orderly transition in the management of the Company's affairs and communications to shareholders upon the occurrence of Mr Ackman's death or permanent disability.
Tax Risk	The Company may conduct its affairs in a way that places its tax status at risk. Changes to the tax laws of, or practice in a tax jurisdiction affecting the Company could adversely affect the value of the Company's investments and decrease the post-tax returns to shareholders. Investments in the Company may not be tax efficient for certain shareholders. The Investment Manager may make an investment or trading decision which takes into account tax consequences for some investors and/or is tax efficient for some shareholders, but which may result in adverse tax or economic consequences for other shareholders.	The Company aims to avoid adverse tax consequences and engages experienced tax advisers as appropriate.

Risk	Description	Mitigating Factors
Market Risk	Adverse changes affecting the global financial markets and global economy may have a material negative impact on the performance of the Company's investments or may cause the prices of financial and derivative instruments in which the Company invests to be highly volatile. The Board and the Investment Manager have identified changes in U.S. trade and immigration policy as emerging risks to the stability of global financial markets.	The Investment Manager monitors emerging risks to global markets as part of its portfolio management process and seeks to build a portfolio that has limited exposure to changing market conditions. While the Company is not committed to maintaining market hedges at any time, the Investment Manager may seek to opportunistically invest in hedges to protect the Company's portfolio against specific macroeconomic risks and capitalize on market volatility. In order to mitigate market-related downside risk, the Company may acquire put options, short market indices or baskets of securities and/or purchase index or single-name credit default swaps, interest rate or currency hedges, or engage in other hedging strategies.
Information Security	An information security breach results in the disclosure of the Company's sensitive information and/or access to core systems being disrupted or denied.	The Company's sensitive information is primarily maintained by the Investment Manager and the Administrator, which have implemented robust information security controls, frequent testing, periodic assessments and advanced monitoring of cybersecurity threats. The Investment Manager maintains real-time backups of file data and daily backups of servers. The Investment Manager reviews the information security controls of service providers with access to sensitive Company information to ensure appropriate protections are in place. All core operating systems are regularly backed up. The Investment Manager assesses emerging threats to its information security, including the heightened risk posed by ransomware and other types of cyber attacks and has implemented additional monitoring of network traffic and integrated AI into its monitoring of user activity and phishing campaigns. The Information Security Committee of the Investment Manager meets semi-annually or more frequently as needed to evaluate information security risks and to review the effectiveness of the Investment Manager's information security controls. The Investment Manager has retained an experienced Chief Technology Officer for best-in-class leadership in this area. The Board receives quarterly updates on information security and a periodic overview of the Investment Manager's information security program.

Risk	Description	Mitigating Factors
Service Providers	Key service providers perform inadequately or expose the Company to risk. An external incident (e.g. pandemic, natural disaster, cyber attack) significantly disrupts key service providers.	The Investment Manager has adopted a vendor supervision policy and performs due diligence on service providers, including information security and business continuity reviews, in accordance with its assessment of their risk to the Company. The Investment Manager's business continuity and incident response planning includes plans for disruptions to key service providers. The Investment Manager monitors key service providers through frequent contact and reports to the Board as needed. The Board advises on the engagement of service providers as appropriate and the Management Engagement Committee reviews key service providers at least annually.
Insurance	The Company is liable for claims due to the failure of an insurance underwriter or inadequate insurance coverage.	The Company and the Investment Manager maintain insurance policies with reputable insurance underwriters. Insurance arrangements and limits are reviewed annually by the Board to ensure they remain appropriate.
Public Relations	Adverse media coverage or social media of the Investment Manager or its personnel causes reputational damage to the Company.	The Investment Manager has retained an in-house Director of Communications, outside public relations firms and a specialist law firm to monitor media coverage, advise on strategy and actively engage with media sources as needed, including pursuing corrections to inaccurate or unfair coverage. The Company does not use X or social media and communicates with shareholders via press releases and at investor calls/meetings. Announcements (other than routine or portfolio-related) are approved by the Chairman or Senior Independent Director prior to release. PSCM's social media accounts are used only for business-related communications that have been reviewed by internal legal counsel. The personal X account of the Investment Manager's CEO is monitored for any regulatory compliance issues. The Board receives quarterly updates on any material public relations issues affecting the Investment Manager or the Company.

Directors

RUPERT MORLEY

Independent Director

Chairman of the Board

Chairman of the Nomination and Management Engagement Committees

Mr Morley, a UK resident, has been an independent Director of the Company since April 2021. Mr Morley is a trustee of Comic Relief and chair of its investment advisory group. He previously served as chairman of the board of Bremont Watch Company and CEO of Sterling Relocation, Hamptons estate agency and Propertyfinder.co.uk and managing director of Swan Hellenic Cruises. He also previously served as operations director of Brierley Investments Limited, a non-executive director of Thistle Hotels, English Welsh & Scottish Railways and Graham-Field Health Products and president of the Fédération Internationale des Déménageurs Internationaux (FIDI).

He has a degree in economics from Cambridge University and an MBA from Harvard Business School where he was a Kennedy Scholar.

HALIT COUSSIN

Director

Ms Coussin, a U.S. resident, has been a Director of the Company since November 2024 and serves as the Chief Legal Officer and Chief Compliance Officer of the Investment Manager. She is also a director of Pershing Square Holdco GP, LLC.

Prior to joining the Investment Manager, Ms Coussin served as an associate attorney at Schulte Roth & Zabel, where her practice focused on advising hedge fund managers on a variety of regulatory and compliance matters.

Ms Coussin received her LL.M. from New York University in 2000 and her LL.B. *magna cum laude* from Tel Aviv University in 1998.

CHARLOTTE DENTON

Senior Independent Director

Chairman of the Remuneration Committee

Ms Denton, a Guernsey resident, has been an independent Director of the Company since May 2024. She has served on boards for nearly twenty years in both regulated and non-regulated businesses (including listed funds) in both executive and non-executive capacities.

Since 2019 she has been a non-executive director of various entities including the GP boards of Private Equity group Hitec as well as other private companies. She is currently the chair of Achilles Investment Company and audit chair for Starwood European Real Estate Finance, both of which are listed in London. During Ms Denton's executive career she worked in various locations through roles in diverse organizations, including KPMG, Rothschild, Northern Trust, a property development startup and a privately held financial services group.

Ms Denton holds a degree in politics from Durham University. She is a Fellow of the Institute of Chartered Accountants in England and Wales, a Chartered Director and a Fellow of the Institute of Directors as well as a member of the Society of Trust and Estate Practitioners.

ANDREW HENTON

Independent Director

Chairman of the Audit and Risk Committees

Mr Henton, a Guernsey resident, has been an independent Director of the Company since September 2020. Mr Henton has wide board experience of both regulated and non-regulated businesses (including listed funds) in both executive and non-executive capacities. He is a director of Bank of NT Butterfield & Son (listed on the New York Stock Exchange) and chairs the board of Onward Opportunities (a UK listed investment company). Mr Henton also currently serves on the boards of several private entities, including SW7 Holdings Limited and Longview Partners (Guernsey) Limited.

Between 2002 and 2011, Mr Henton held various positions at Close Brothers Group plc, latterly acting as Head of Offshore Businesses. During this time, he led the creation of Close Private Bank, which provided asset management, banking, and administration services to high net worth and institutional clients. Mr Henton previously spent four years working in HSBC's Corporate Finance division and three years as a fund manager with Baring Private Equity Partners.

He graduated from Oxford University in 1991 and subsequently qualified as a Chartered Accountant with PricewaterhouseCoopers in London, specializing as a corporate tax consultant.

BILGE OGUT

Independent Director

Ms Ogut, a resident of Zurich, Switzerland, has been an independent Director of the Company since August 2025. Ms Ogut has over 25 years of industry experience and currently serves as an investment partner at Groupe Bruxelles Lambert, a publicly listed investment holding company on Euronext Brussels.

Ms Ogut served as an advisory partner to Partners Group throughout 2025, concluding this role at the end of the year. From 2013 to 2024, she held several senior leadership roles at the firm, including Head of Technology Investing and Head of Private Equity Europe. After joining the firm, she led a number of strategic investments and played a key role in developing the firm's technology investing strategy. During her tenure, she served on the Private Equity Investment Committee, the Global Investment Committee, and chaired the Technology Specialist Investment Committee.

She served on the boards of Forterro and Unit4, and previously held board roles at Civica, CPA Global, and Vermaat. She also served as an independent board member of PartnerRe, a global reinsurance business.

Earlier in her career, Ms Ogut was a Managing Director at Warburg Pincus, focusing on the TMT sector. She co-led Standard Bank's private equity business and began her career in Goldman Sachs' TMT group, gaining foundational experience in principal investing and capital markets.

She holds an MBA from Harvard Business School and bachelor's degrees from the University of Pennsylvania's Wharton School and College of Arts and Sciences.

JEAN-BAPTISTE WAUTIER

Independent Director

Mr Wautier, a resident of London, has been an independent Director of the Company since May 2025. Mr Wautier is an investor and philanthropist, and co-founder of the Wautier Family Office, which was established in 2024. He is currently chairman of luxury fashion house GEDEBE and a non-executive director at the architectural practice Studio Razavi + Partners, as well as chair of the investment committee at Sci Ventures and chairman of Aspire. He became a director of Howard Hughes Holdings, Inc. in May 2025. Mr Wautier is also a Senior Lecturer at Sciences Po University in Paris and an Executive Fellow at Adam Smith's Panmure House.

Mr Wautier began his career at Arthur Andersen before moving to Morgan Stanley. He then joined private equity firm IK Partners in 2000, before moving to BC Partners in 2004, where he served as chairman of the investment committee and chief investment officer in the United Kingdom between 2013 and 2023. He also served as a member of the management committee in the United Kingdom between 2018 and 2023, before leaving BC Partners in 2024.

Mr Wautier holds a Master's (Political Science and Government) and a Master of Science (Industrial Organization) from Sciences Po and Université Sorbonne Paris Nord, respectively.

Report of the Directors

We present the Annual Report and Financial Statements of the Company for the year ended December 31, 2025.

PRINCIPAL ACTIVITY

The Company was incorporated in Guernsey, Channel Islands on February 2, 2012. It became a registered open-ended investment scheme under Guernsey law on June 27, 2012, and commenced operations on December 31, 2012. On October 1, 2014, the Guernsey Financial Services Commission ("GFSC") approved the conversion of the Company into a registered closed-ended investment scheme.

Please refer to Note 11 for further information on the various classes of shares (any reference to "Note" herein shall refer to the Notes to the Financial Statements).

INVESTMENT POLICY

The Company's investment objective is to preserve capital and seek maximum, long-term capital appreciation commensurate with reasonable risk. For these purposes, risk is defined as the probability of permanent loss of capital, rather than price volatility.

In its value approach to investing, the Company seeks to invest in long (and occasionally short) investment opportunities that the Investment Manager believes exhibit significant valuation discrepancies between current trading prices and intrinsic business (or net asset) value, often with a catalyst for value recognition.

The Investment Manager may also seek short sale investments that offer absolute return opportunities. In addition, the Investment Manager may short individual securities to hedge or reduce long exposures.

The Company will not make an initial investment in the equity of companies whose securities are not publicly traded (i.e., private equity) but may invest in privately placed securities of public issuers and publicly traded securities of private issuers. Notwithstanding the foregoing, it is possible that, in limited circumstances, public companies in which the Company has invested may later be taken private, and we may make additional investments in the equity or debt of such companies. The Company may make investments in the debt securities of a private company, provided that there is an observable market price for such debt securities.

The Company may invest in long and short positions in equity or debt securities of U.S. and non-U.S. issuers (including securities convertible into equity or debt securities); distressed securities, rights, options and warrants; bonds, notes and equity and debt indices; swaps (including equity, foreign exchange, interest rate, commodity and credit default swaps), swaptions, and other derivatives; instruments such as futures contracts, foreign currency, forward contracts on stock indices and structured equity or fixed-income products (including without limitation, asset-backed securities, mortgage-backed securities, mezzanine loans, commercial loans, mortgages and bank debt); exchange traded funds and any other financial instruments the Investment Manager believes will achieve the Company's investment objective. The Company may invest in securities sold pursuant to initial public offerings. Investments in options on financial indices may be used to establish or increase long or short positions or to hedge the Company's investments. In order to mitigate market-related downside risk, the Company may acquire put options, short market indices, baskets of securities and/or purchase credit default swaps, but is not committed to maintaining market hedges at any time.

A substantial majority of the Company's portfolio is typically allocated to 8 to 12 core holdings usually comprised of liquid, listed mid-to-large capitalization North American companies.

So long as the Company relies on certain exemptions from investment company status under the U.S. Investment Company Act of 1940, as amended, the Company will not purchase more than 3% of the outstanding voting securities of any SEC-registered investment company. The Company will not invest more than 10%, in aggregate, of its total assets in other UK-listed closed-ended investment funds. In addition, investments by the Company in, or giving exposure to, the securities of any one issuer may not, in the aggregate, represent more than 25% of the Company's gross assets, measured at the time the investment is made.

To date, the Company has generally implemented substantially similar investment objectives, policies and strategies as the other investment funds managed by the Investment Manager and its affiliates. Allocation of investment opportunities and rebalancing or internal "cross" transactions are typically made on a pro-rata basis. However, the Investment Manager may abstain from effecting a cross transaction or only effect a partial cross transaction if it determines, in its sole discretion, that a cross transaction, or a portion thereof, is not in the best interests of a fund (for example, because a security or financial instrument is held by such fund in the appropriate ratio relative to its adjusted net asset value, or because a security or financial instrument should be divested, in whole or in part, by the other funds) or as a result of tax, regulatory, risk or other considerations.

The Company may hold its assets in cash, cash equivalents and/or U.S. Treasurys pending the identification of new investment opportunities by the Investment Manager. There is no limit on the amount of the Company's assets that may be held in cash or cash equivalent investments at any time.

The Board has adopted a policy pursuant to which the borrowing ratio of the Company, defined for this purpose as the ratio of the aggregate principal amount of all borrowed money (including margin loans) to total assets (pursuant to the latest annual or semi-annual Financial Statements of the Company), shall in no event exceed 50% at the time of incurrence of any borrowing or its drawdown (e.g. a borrowing under a line of credit). The Board may amend the Company's borrowing policy from time to time, although the Board may not increase or decrease the Company's maximum borrowing ratio without the prior consent of the Investment Manager. This borrowing policy does not apply to and does not limit the leverage inherent in the use of derivative instruments.

The Company may use derivatives, including equity options, in order to obtain security-specific, non-recourse leverage in an effort to reduce the capital commitment to a specific investment, while potentially enhancing the returns on the capital invested in that investment.

The Company may also use derivatives, such as equity and credit derivatives and put options, to achieve a synthetic short position in a company without exposing the Company to some of the typical risks of short selling, which include the possibility of unlimited losses and the risks associated with maintaining a stock borrow. The Company generally does not use total return swaps to obtain leverage, but rather to manage regulatory, tax, legal or other issues.

Material changes to the Company's Investment Policy require approval by a special resolution of the holders of Public Shares.

RESULTS AND NAV

The Company had a gain attributable to all shareholders for the year ended December 31, 2025 of $2.53 billion (December 31, 2024: gain of $1.17 billion). The net assets attributable to all shareholders at December 31, 2025 were $15.05 billion (December 31, 2024: $13.01 billion). For the Company's performance returns, please see the Company Performance and Financial Highlights sections on pages 2 and 116, respectively.

The Company announces the weekly and monthly NAV and investment performance of its Public Shares to the LSE and publishes this information on the Company's website (www.pershingsquareholdings.com). In addition, monthly transparency reports created by the Administrator and the Company's fact sheets are published on the Company's website.

The Company released semi-annual financial statements on August 20, 2025 relating to the first half of 2025. The Company intends to release semi-annual financial statements for the first half of 2026 in the third quarter.

DISCOUNT TO NAV

The Board monitors the discount to NAV at which the Company's Public Shares trade closely and seeks opportunities to narrow it. The discount narrowed over the course of 2025 from 31.2% at the beginning of the year to 24.1% as of December 31, 2025. The discount has further narrowed slightly since year end to 22.5% as of February 10, 2026. The Board and the Investment Manager continue to believe that the Public Shares are undervalued and remain focused on delivering positive performance and attracting long-term investors to narrow the discount.

The Company has taken a variety of actions to better position the Public Shares as an attractive investment opportunity to potential investors in the UK and internationally.

The Company has transitioned its trading to the LSE over time, adding a listing on the Main Market of the LSE (2017) and a USD denominated LSE quotation (2018). The Company was admitted to the FTSE 100 in December 2020 and was the 57th largest company on the LSE by market capitalization as of February 10, 2026. As the majority of the Company's liquidity moved to the LSE, the Company consolidated all trading on the LSE and the Public Shares were de-listed from Euronext Amsterdam as of January 31, 2025.

In November 2024, the Board approved the publication of a modified UK Key Information Document ("KID") and European MiFID Template ("EMT") with "0" cost disclosures. The Board believes this approach, taken as a whole with the Company's expense disclosures in this Annual Report, more accurately reflects the reality that the Company's ongoing costs are not directly charged or attributable to shareholders. This approach also avoids other investment firms, which buy the Company's shares for inclusion in client portfolios, having to double-count the Company's costs in their own fee disclosures.

In February 2024, the Investment Manager and the Board expanded the performance fee offset provisions in the Company's IMA, which would reduce the Company's performance fees as the Investment Manager launches new funds. Under the previous arrangement, the Company received a fee reduction of 20% of performance fees earned by the Investment Manager on current and certain future non-PSH funds only once the Investment Manager recovered costs it incurred in connection with PSH's initial public offering. The amendment eliminated the Investment Manager's right to receive the outstanding $36 million of unrecovered costs, and expanded the fee reduction to also include 20% of any management fees earned from any non-PSH Pershing Square funds that invest in public securities (specifically including those that do not have performance fees, which had hitherto been excluded).

In August 2025, the Investment Manager and the Board further amended the Company's IMA to reduce the management fees otherwise payable by the Company with respect to its holding of common stock in Howard Hughes Holdings, Inc. ("HHH"). The reduction will be an amount equal to the fees payable to the Investment Manager by HHH that are attributable to the HHH common stock held by the Company.

In January 2022, the Company moved to the North American investment sector of the Association of Investment Companies from the Hedge Fund sector, which more accurately reflects the Company's investment focus. The Company also amended its dividend policy in 2022 such that dividends increase with the Company's NAV. As a result, the Company's 2025 quarterly dividend increased to $0.1646 per Public Share from $0.1456 per Public Share in 2024. The Company also engaged Cadarn Capital Ltd. ("Cadarn Capital") and LodeRock Advisors Inc. ("LodeRock") in June and September 2023, respectively, to provide strategic marketing advice and develop shareholder engagement strategies over a wider geographic focus.

The Company announced share buyback programs in June and November of 2025 (the "2025 Shares Buyback Programs") of $200 million or for up to 10 million of the Company's outstanding Public Shares, and $100 million or for up to 5 million of the Company's outstanding Public Shares, respectively. The Company repurchased 3,652,119 shares for $220 million as of December 31, 2025 at an average discount of 28.8%, representing 73.3% of the 2025 Share Buyback Programs. Since the Company's first buyback program in May 2017 through December 31, 2025, including the Company's May 2018 tender offer, the Company has repurchased a total of 73,572,630 Public Shares for $1.8 billion at an average discount of 29.3%.

The Company intends to propose that shareholders renew the Company's general share buyback authority at the Company's 2026 Annual General Meeting to allow the Company to engage in share buybacks up to a maximum of 14.99% of the Public Shares outstanding. If approved by shareholders, the Board may decide to utilize the share buyback authority to make further acquisitions of Public Shares in the market if it and the Investment Manager determine it is likely to be an effective use of capital and in the best long-term interests of shareholders after taking into consideration the discount at which shares would be repurchased, unencumbered cash, investment opportunities, current portfolio holdings, leverage and other factors.

The Board continues to be satisfied that the interests of PSH shareholders and the Investment Manager are closely aligned. Affiliates and affiliated entities of the Investment Manager beneficially owned 28% of the Company at December 31, 2025 (December 31, 2024: 27%). The Board believes the investment in the Company by the Investment Manager's team has created a strong incentive for the Investment Manager to generate positive investment performance, which the Board believes will increase the Company's share price and reduce the discount to NAV over the long term.

BONDS

On July 25, 2019, the Company closed on a fully committed private placement of $400 million Senior Notes at par with a coupon rate of 4.95%, maturing on July 15, 2039 (the "2039 $400m Bonds").

On August 26, 2020, the Company closed on a fully committed private placement of $200 million Senior Notes at par with a coupon rate of 3.00%, maturing on July 15, 2032 (the "2032 $200m Bonds").

On November 2, 2020, the Company issued $500 million of Senior Notes at par with a coupon rate of 3.25%, maturing on November 15, 2030 (the "2030 $500m Bonds").

On October 1, 2021, the Company issued $700 million of Senior Notes at 99.670% of par with a coupon rate of 3.25%, maturing on October 1, 2031 (the "2031 $700m Bonds"). On October 1, 2021, the Company also issued €500 million of Senior Notes at 99.869% of par with a coupon rate of 1.375%, maturing on October 1, 2027 (the "2027 €500m Bonds").

On April 29, 2025, the Company issued €650 million of Senior Notes at 99.890% of par with a coupon rate of 4.25%, maturing on April 29, 2030 (the "2030 €650m Bonds")

On October 28, 2025, the Company issued $500 million of Senior Notes at 99.805% of par with a coupon rate of 5.50%, maturing on October 28, 2032 (the "2032 $500m Bonds" and collectively with the 2027 €500m Bonds, 2030 €650m Bonds, 2030 $500m Bonds, 2031 $700m Bonds, 2032 $200m Bonds and 2039 $400m Bonds, the "Bonds").

The Bonds rank equally in right of payment and contain substantially the same covenants. The Bonds' coupons are paid semi-annually, with the exception of the 2027 €500m Bonds and 2030 €650m Bonds, which are paid annually. The Bonds are listed on Euronext Dublin under the symbol of PSHNA.

DIVIDENDS

The Company pays a quarterly dividend in an amount determined by multiplying the Company's average NAV per Public Share for all trading days in December of the prior year by 0.25%, subject to a cap on the total dividends paid for the year of 125% of the average of the total dividends paid in each of the previous three years. Once the dividend is set for a specific year, the Company does not intend to decrease the dividend in future years, even if the NAV per Public Share were to decline. On January 20, 2025, the Company announced a quarterly dividend of $0.1646 per Public Share for 2025. On January 26, 2026, the Company announced a quarterly dividend of $0.1837 per Public Share for 2026.

The Special Voting Share (see Note 11) receives a proportionate quarterly dividend based on its respective NAV per share, which is contributed to charity. Dividends will be paid in USD unless a shareholder elects to be paid in GBP. Shareholders may also elect to reinvest cash dividends into Public Shares through a dividend reinvestment program ("DRIP") administered by an affiliate of MUFG Corporate Markets (Guernsey) Limited ("MUFG", and previously Link Market Services), the Company's registrar. Further information regarding the dividend, including the anticipated 2026 dividend payment schedule and how to make these elections, is available at www.pershingsquareholdings.com/psh-dividend-information.

Each dividend is subject to a determination that, after the payment of the dividend, the Company will meet solvency requirements under Guernsey law, and that, in accordance with the indentures governing the Bonds, the Company's total indebtedness will be less than one third of the Company's total capital. The Board may determine to modify or cease paying the dividend in the future.

In the year ended December 31, 2025, the Company distributed dividends of $118,119,801, a net increase of $10,953,119 from the amount it distributed in 2024 due to the increase in the Company's dividend per Public Share.

DIRECTORS

The present members of the Board, all of whom are non-executive Directors, are listed on pages 30-32. Further information regarding the Board is provided in the Corporate Governance Report.

The Company maintains directors' and officers' liability insurance in relation to the actions of the Directors on behalf of the Company. Information regarding Directors' remuneration and ownership in the Company is set out in the Directors' Remuneration Report on pages 44-46.

MATERIAL CONTRACTS

The Company's material contracts are with:

- PSCM, the Investment Manager to the Company. PSCM receives a quarterly management fee and may receive a performance fee from the Company as described more fully in Note 15.
- Northern Trust International Fund Administration Services (Guernsey) Limited ("Northern Trust"), the Company's Administrator and Company Secretary. The Administrator provides the Company with administration services, including, among other things, the computation of the Company's NAV and the maintenance of the Company's accounting and statutory records.

- MUFG, the Company's registrar. The Company has also engaged an affiliate of MUFG to administer the Company's DRIP.
- Goldman Sachs & Co. LLC and UBS Securities LLC, the Company's Prime Brokers and custodians.
- The Bank of New York Mellon, the Company's bond indenture trustee, custodian and securities intermediary for derivatives subject to uncleared margin rules.
- Jefferies International Limited ("Jefferies"), the Company's corporate broker and buyback agent. Jefferies also previously served as the adviser for the Company's share tender offer and was the Company's sponsor in connection with its LSE listing.
- Cadarn Capital and LodeRock, investor relations advisers to the Company based in the UK and Canada, respectively.
- Although the Investment Manager is authorized to engage service providers on behalf of the Company, the Board is advised of and given the opportunity to review and execute material contracts.

The Board and, where appropriate, the Investment Manager monitor the performance of these service providers throughout the year, and the Management Engagement Committee conducts a formal review annually. For further details of the review conducted by the Management Engagement Committee of these and other service providers to the Company, please see "Management Engagement Committee" in the Corporate Governance Report.

The Board has reviewed the recommendations of the Management Engagement Committee with respect to the engagement of the Investment Manager and the Company's other material service providers and agrees with the Committee's conclusion that their continued appointment is in the interests of the Company's shareholders as a whole. The Board will continue to monitor their performance closely.

ESG

As an investment company without employees or physical operations, the Company does not directly engage in activities that impact the environment or the community. Although the Board has delegated the responsibility for making individual investment decisions to the Investment Manager, the Board has encouraged the Investment Manager to consider ESG best practices, including the risks and impact of climate change, within its own organization, and to actively engage on these issues with its portfolio companies when appropriate.

As further described in the Investment Manager's ESG Statement, available on the Company's website, the Investment Manager has integrated ESG into its investment selection, risk management and stewardship processes, and has embedded ESG considerations into its operations as a firm. The Investment Manager analyzes the exposure of a business to ESG risks and its approach to ESG at the time of its initial investment and as part of its ongoing stewardship by performing extensive diligence on the business, the industry sector and the context in which the business operates. A business that has not addressed material ESG risks or that has unsustainable business practices will generally not meet the Investment Manager's investment criteria unless the Investment Manager's intent is to use its influence to actively address these issues. As highlighted in "Public Company Engagement Since Inception," the Investment Manager continues to be an engaged investor on the Company's behalf, and it considers many of the Company's current portfolio companies to be active engagements. The Investment Manager has formal representation on the boards of HHH and SEG, and an ongoing informal dialogue with representatives of other portfolio companies.

The Investment Manager provides a detailed portfolio review to the Board at each quarterly Board meeting and discusses any material ESG issues at each portfolio company as part of its report. Topics discussed in 2025 meetings included the nutritional content of fast food, the ethical implications of deterministic AI software implementations and governance changes at several portfolio companies. In addition, the Investment Manager's Portfolio Update on pages 12-22 incorporates material ESG-related developments at each portfolio company where appropriate. The Board has been pleased to note that all of the Company's portfolio companies address ESG issues and sustainability as part of their strategic planning, including by adopting environmental stewardship programs, community initiatives, public advocacy and by measuring their progress toward sustainability targets. Links to their ESG practices are available in the Investment Manager's ESG Statement on the Company's website. The Board will continue to monitor the Investment Manager's integration of ESG issues into investment decisions to ensure its approach promotes the long-term success of the Company and the sustainability of the Company's business model.

The Investment Manager continues to cultivate a diverse team of high-performance professionals and seeks meaningful ways to promote a collaborative work environment, care for its employees and contribute to community projects. In addition, the CEO of the Investment Manager is co-Trustee of the Pershing Square Foundation, which together with its affiliate entities has committed more than $1 billion in grants and social investments since its inception in target areas including health and life sciences, economic opportunity, social innovation, education, arts and urban development.

MODERN SLAVERY ACT 2015

Although the Company does not fall within the scope of the UK Modern Slavery Act 2015, it has assessed its supply chains for potential sources of modern slavery or human trafficking. The Company has minimal contact with countries and sectors most likely to have a risk of modern slavery or human trafficking. The Company's major suppliers are providers of professional services, including the Investment Manager, Administrator, auditor and other legal and financial advisors. These suppliers operate in the United States, United Kingdom, Western Europe, and other countries that are generally regarded as low risk. Prior to engaging a supplier with higher-risk attributes, the Company will perform additional due diligence on the supplier's employment practices to ensure that it is not engaged in modern slavery or human trafficking.

SECTION 172(1) STATEMENT

The Directors have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to its stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006, in the decisions taken during the year ended December 31, 2025 as described in this Report of the Directors.

The following are some examples of how the Directors have discharged their section 172 duties during the year:

- The Board approved an amendment to the Company's IMA that reduces the management fees otherwise payable by the Company with respect to its holding of common stock in HHH. The amendment is discussed in "Discount to NAV" on pages 35-36.
- In line with the Company's dividend policy, the Board authorized a quarterly dividend of $0.1646 per Public Share for 2025, an increase of 13% from the 2024 dividend. The dividend policy is described in "Dividends" on page 37.
- The Board has identified shareholders as key stakeholders and actively sought to engage with them. As a closed-ended investment company, PSH has no employees or operations, and its shareholders are both customers and investors. The Board's approach to engagement with its stakeholders is discussed further in "Shareholder Engagement."

- The Board has maintained close relationships with its major suppliers of services – the Investment Manager, Administrator, auditor, and its other professional service providers.
- The share buyback programs authorized by the Board permitted the Company to repurchase 6,573,519 Public Shares at an average discount of 29.3% for the benefit of shareholders in 2025.
- The Board continued to responsibly manage and ladder the maturities of the Company's debt obligations by approving the issuance of the 2030 €650m Bonds and the 2032 $500m Bonds, which the Board believes will contribute to the Company's returns over the long-term. As was the case for prior Bond issuances, the majority of the co-managers for the 2030 €650m Bonds and the 2032 $500m Bonds were female and minority owned banks, continuing to demonstrate the Board and Investment Manager's engagement on diversity and inclusion.
- The election of Jean-Baptiste Wautier and appointment of Bilge Ogut to replace Tope Lawani and Bronwyn Curtis facilitated a smooth transition of the Board membership and planning for future succession.
- The Board continues to monitor the Investment Manager's approach to ESG issues to ensure that the Company's investment activities are consistent with the long-term success of the Company and for the benefit of the Company's stakeholders. The Board's approach and examples of how the Investment Manager has practically applied its principles are discussed further in "ESG" on pages 38-39.

Further details regarding the processes by which the Board has considered the requirements of section 172(1) in its decision-making are included in "The Board's Processes" in the Corporate Governance Report.

SHAREHOLDER ENGAGEMENT

As the Company's shareholders are also its customers, the Board recognizes the importance of soliciting shareholder feedback to understand shareholders' issues and to address their concerns regarding the Company.

The Directors report to shareholders throughout the year on a formal basis with the publication of the annual and semi-annual reports. Shareholders also receive a live update from the Chairman of the Board and the Investment Manager at the Company's annual investor event. The 2026 annual investor event was held in-person and webcast simultaneously on February 11, 2026, providing accessibility to shareholders unable to attend in person and eliminating the cost and environmental impact of travel. The event's format, including an extended question and answer session, is designed to provide the Board a meaningful opportunity to engage with and hear from shareholders directly. Attendance at this event continues to grow annually and it has become an important "investor outreach" forum, with 456 shareholders registered to attend in person and 430 shareholders registered to attend virtually (excluding affiliate ownership). In addition to the annual investor event, the Chairman and other Directors are available for meetings with shareholders as their schedules permit. Shareholders may contact the Directors in writing at the Company's registered office or by email at PSHDirectors@ntrs.com.

The Board regularly assesses the nature and quality of its and the Investment Manager's engagement with shareholders. To ensure the Board remains apprised of shareholder requests and feedback, the Board and the Investment Manager have adopted procedures governing interactions with shareholders. In addition, Company announcements, other than routine or portfolio-related announcements, are approved by the Chairman or the Senior Independent Director prior to their release. The Board receives quarterly updates from the Investment Manager regarding investor contact during the quarter, which include, among other items, a summary of common discussion topics, meeting highlights, and metrics regarding the number, type, location and investment timeframe of shareholders contacted.

To understand the views of the Company's key stakeholders, and to assist the Board's consideration of shareholder interests, the Investment Manager maintains regular contact with shareholders via quarterly communications, including semi-annual investor calls and letters to shareholders, the annual investor presentation, the publication of weekly and monthly NAV estimates, and on an ad-hoc basis when queries from shareholders arise. Over the course of 2025, the Investment Manager conducted several hundred shareholder calls and meetings, thereby engaging with holders of a majority of the Company's Public Shares including several of the Company's largest shareholders. A representative of the investor relations team is present for the substantial majority of most Board meetings.

Jefferies continues to act as corporate broker to the Company to support communications with shareholders and advise the Company on shareholder sentiment. The Company continues to engage Cadarn Capital and LodeRock to raise the Company's profile and cultivate demand from institutional investors and retail platforms in key international jurisdictions. Their activities include advising on the Company's marketing strategy, identifying potential investors and liaising with their respective target markets, organizing one-to-one investor meetings and sharing shareholder insights. The Company continues to see increased interest and growth in its shareholder register from these regions. Investor feedback from meetings conducted by Jefferies, Cadarn Capital and LodeRock is reported to the Board on a regular basis.

GOING CONCERN

Risks associated with the Company's investment activities, together with existing and emerging risks likely to affect its future development, performance and position are set out in Principal Risks and Uncertainties on pages 24-29 and in Note 13.

The Board has considered the financial prospects of the Company through March 31, 2027 and made an assessment of the Company's ability to continue as a going concern. In assessing the going concern status of the Company, the Directors have considered:

- The Company's net assets attributable to all shareholders at December 31, 2025 of $15,049,406,887;
- The liquidity of the Company's assets (at December 31, 2025, 98.6% of its assets comprised of cash and cash equivalents and Level 1 assets);
- The Company's total indebtedness to total capital ratio of 19.5% at December 31, 2025;
- The liquidity of the Company's assets relative to the future interest and redemption obligations of the Bonds; and
- The low level of fixed operating expenses relative to net assets, such expenses approximating 2.3% for the year ended December 31, 2025.

After making reasonable enquiries, and assessing all data relating to the Company's liquidity, particularly its cash holdings and Level 1 assets, the Directors and the Investment Manager believe the Company is well placed to manage its business risks. Furthermore, the Directors confirm they have a reasonable expectation that the Company will continue to operate and meet its liabilities as they fall due for the foreseeable future and do not consider there to be any threat to the going concern status of the Company. For these reasons, the Directors have adopted the going concern basis in preparing the Financial Statements.

VIABILITY STATEMENT

In accordance with Principle 33 of the Association of Investment Companies ("AIC") Code, the Board has carefully considered the existing and emerging risks set out in Principal Risks and Uncertainties alongside the measures in place to mitigate those risks — both at the Investment Manager level and the Company level. It has determined that those controls are sufficient such that the risks will not likely impair the long-term viability of the business. The Board has made this assessment with respect to the upcoming three-year period ending December 31, 2028.

The Board has also evaluated the sustainability of the Company's business model, taking into account its investment objectives, sources of capital and strategy. The Board believes the Company's closed-ended structure and Investment Policy position it to invest over the long-term, and provide the Company with the flexibility to meet its investment objective in a variety of market conditions. In addition, the 2024 amendments to the performance fee offset provisions and the 2025 amendments to the management fee provisions in the Company's IMA have the potential to meaningfully reduce the fees paid to the Investment Manager over time and improve the Company's NAV per share performance.

The Board has also evaluated quantitative data as of December 31, 2025 including net assets attributable to shareholders, the liquidity of the Company's assets, and the Company's total liabilities. It has also considered projections of expected net cash outflows for the next three years. The Board believes a three-year timeframe is appropriate given the general business conditions affecting the Company's portfolio positions, the typical duration of equity positions taken by the Company and the regulatory environment in which the Company operates. The Board is confident these projections can be relied upon to form a conclusion as to the viability of the Company with a reasonable degree of accuracy over the three-year timeframe.

On the basis of these projections and the considerations described above, the Board has determined that the Company will remain viable for the upcoming three-year period. This assessment is conducted annually by the Board.

KEY INFORMATION DOCUMENT

The Company voluntarily prepares a standardized KID. The KID is available on the Company's website (www.pershingsquareholdings.com/corporate).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Report of the Directors and the Financial Statements in accordance with applicable laws and regulations. The Companies (Guernsey) Law, 2008 requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of the profit or loss of the Company for that year. In preparing those Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the Financial Statements comply with the Companies (Guernsey) Law, 2008, Protection of Investors (Bailiwick of Guernsey) Law, 2020, the listing requirements of the UK Listing Authority, the Company's governing documents and applicable regulations under English law. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors confirms to the best of her or his knowledge and belief that:

- the Financial Statements, prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties faced.

The Directors further confirm that they have complied with the above requirements, and that this Annual Report and these Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each of the Directors is aware, there is no information relevant to the audit of which the Company's auditor is unaware, and each has taken all steps he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board.

/s/ Rupert Morley	/s/ Andrew Henton
Rupert Morley	Andrew Henton
Chairman of the Board	Chairman of the Audit Committee
February 18, 2026	February 18, 2026

Directors’ Remuneration Report

The Board aims to compensate the Directors in a manner that promotes the strategy and long-term success of the Company, and has formed a Remuneration Committee to ensure that the Company maintains fair and appropriate remuneration policies and controls. The Remuneration Committee has been delegated responsibility for determining the remuneration of the Chairman and recommending remuneration for the non-executive Directors of the Company. The Committee is encouraged to exercise independent judgment when considering the remuneration of each Director.

The Remuneration Committee consists of Ms Denton, Ms Ogut and Mr Wautier. Ms Curtis and Mr Lawani were members of the Committee until their retirement from the Board. Mr Henton and Mr Wautier were appointed to the Committee on May 1, 2025. Mr Henton was later replaced by Ms Ogut upon her appointment to the committee on August 5, 2025. Ms Denton is the Chairman of the Remuneration Committee.

The Directors, other than Ms Coussin, are all independent non-executive Directors. The Directors are the only officers of the Company. Each Director has executed an appointment letter setting forth his or her responsibilities. Copies of the Directors’ letters of appointment are available upon request from the Company Secretary, and will be available for inspection at the annual general meeting.

DIRECTOR REMUNERATION POLICY

The Directors shall be paid such remuneration for their services as determined by the Board, save that, unless otherwise approved by ordinary resolution, each Director’s remuneration shall not exceed £150,000 per annum, the limit set in the Company’s Articles of Incorporation. All Directors are entitled to be reimbursed for all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties. At the recommendation of the Remuneration Committee, the Board has adopted a travel and expense policy to ensure business expenditures are appropriate and cost-effective.

The Remuneration Committee, in making its recommendations, will take into account the Company’s performance, the time commitments and responsibilities of the Directors, overall market conditions, remuneration paid by companies of similar size and complexity, and any other factors the Committee determines are relevant. The Remuneration Committee may recommend that additional remuneration be paid, from time to time, on a time spent basis to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company. The Committee’s review may not result in any changes to previous recommendations to the Board.

Only Directors unaffiliated with the Investment Manager will receive fees for their services. Directors are not eligible for bonuses, share options, long-term incentive schemes or other performance-related benefits. No Director will be involved in deciding their own remuneration.

The Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities arising out of any claims made against them in connection with the performance of their duties as a Director of the Company.

All Directors are required to submit themselves for re-election by shareholders at each annual general meeting in accordance with the Articles of Incorporation of the Company. On termination of the appointment, Directors are entitled to fees accrued through the date of termination, together with reimbursement of expenses incurred prior to that date. The Company does not pay any remuneration to the Directors for loss of office.

ANNUAL REPORT ON REMUNERATION

Service Contract Obligations and Payment on Loss of Office

No Director has a service contract with the Company and, as such, no Director is entitled to compensation payments upon termination of their appointment or loss of office.

Total Remuneration Paid to Each Director

The total remuneration of the Directors for the years ended December 31, 2025 and December 31, 2024 was as follows:

Director	2025	2024
Nicholas Botta [1]	—	—
Halit Coussin	—	—
Bronwyn Curtis [2]	£30,000	£90,000
Charlotte Denton [3]	£86,250	£53,448
Anne Farlow [4]	—	£45,780
Andrew Henton	£90,000	£90,000
Tope Lawani [2]	£25,000	£75,000
Rupert Morley [5]	£140,000	£113,273
Bilge Ogut [6]	£33,488	—
Jean-Baptiste Wautier [7]	£51,956	—

(1) Retired as a Director on November 15, 2024.
(2) Retired as a Director on May 1, 2025.
(3) Elected as a Director on May 8, 2024.
(4) Retired as a Chairman on May 8, 2024.
(5) Replaced Anne Farlow as Chairman on May 8, 2024.
(6) Joined as a Director on August 5, 2025.
(7) Elected as a Director on May 1, 2025.

The Chairman of the Board, the Chairman of the Audit Committee and the Senior Independent Director received higher fees to reflect the additional responsibilities required of these roles. Members of the Audit Committee received an additional £7,500 for their oversight of the audit process. Mr Botta and Ms Coussin did not receive fees for their services as Directors.

All of the above remuneration relates to fixed annual fees. There are no pension arrangements in place for the Directors of the Company. Accordingly, there were no other items in the nature of remuneration, pension entitlements or incentive scheme arrangements which were paid or accrued to the Directors during the year.

The Remuneration Committee reviewed the Directors' remuneration in January 2026. The Committee did not recommend making any changes to the Director's 2026 remuneration at the present time, but did recommended engaging an external compensation consultant to support the fee benchmarking process.

The Board has accepted the recommendation of the Remuneration Committee and expects to engage a compensation consultant in 2026.

The Directors will receive the following remuneration for 2026:

Directorship	2026
Chairman of the Board	£140,000
Chairman of the Audit Committee	£90,000
Senior Independent Director	£82,500
Non-Executive Directors	£75,000

Members of the Audit Committee (with the exception of the Chairman of that Committee) will continue to receive additional remuneration of £7,500.

The Remuneration Committee intends to review the Directors' remuneration following a review by the external remuneration consultant.

Directors' Shareholdings in the Company

Directors are not required under the Company's Articles of Incorporation or letters of appointment to hold shares in the Company. At December 31, 2025, the Directors' interests in the Company were as follows:

Director	Class of Shares Held	Number of Shares
Halit Coussin	Public Shares	109,758
Charlotte Denton	Public Shares	2,675
Andrew Henton	Public Shares	4,775
Rupert Morley	Public Shares	6,389
Bilge Ogut	Public Shares	3,007
Jean-Baptiste Wautier	Public Shares	23,300

There have been no changes in the interests of the Directors between December 31, 2025 and the date of signing of this report.

Corporate Governance Report

The Company is a member of the AIC and reports against the AIC Code of Corporate Governance published in August 2024 (the "AIC Code"). The AIC Code provides a framework of corporate governance best practices for investment companies.

As an entity authorized and regulated by the Guernsey Financial Services Commission (the "GFSC"), the Company is subject to the GFSC's "Finance Sector Code of Corporate Governance" (the "Guernsey Code"). By reason of the Public Shares' listing on the LSE, the Company is also required by the UK Listing Rules of the Financial Conduct Authority to report on how it has applied the UK Corporate Governance Code (the "UK Code"). The Company is deemed to meet its reporting obligations under the Guernsey Code and the UK Code by reporting against the AIC Code. The AIC Code addresses all of the principles set out in the Guernsey Code and closely reflects the UK Code. In addition, the AIC Code contains additional principles and recommendations on issues that are of specific relevance to investment companies. Accordingly, the Board believes that applying the AIC Code provides the appropriate corporate governance framework for the Company and reporting for its shareholders.

The AIC Code is available on the AIC's website, www.theaic.co.uk. The UK Code is available on the UK Financial Reporting Council's website, www.frc.org.uk.

The Company's compliance with the AIC Code is explained in this Corporate Governance Report, the Report of the Directors, the Directors' Remuneration Report and the Report of the Audit Committee. As set forth in these reports, the Company has complied with the principles and recommendations of the AIC Code and the relevant provisions of the UK Code.

The Board strongly believes that its focus on maintaining high standards of corporate governance contributes to the Company's success, as described throughout this report and the reports of its committees.

THE BOARD COMPOSITION AND DELEGATION OF FUNCTIONS AND ACTIVITIES

The Board consists of six non-executive Directors, five of whom are independent. Ms Coussin, as the Chief Legal Officer and Chief Compliance Officer of the Investment Manager, is deemed not to be an independent Director of the Company. Mr Morley, Ms Denton and Mr Henton serve as Chairman of the Board, Senior Independent Director and Chairman of the Audit Committee, respectively.

Bronwyn Curtis and Tope Lawani retired at the Company's Annual General Meeting on May 1, 2025 and did not offer themselves up for re-election, having served on the board since 2018 and 2021, respectively. Mr Wautier was elected as a new Director at the Company's Annual General Meeting on May 1, 2025 and Ms Ogut was appointed as a new Director on August 5, 2025.

The Company has no executive directors or employees, and has engaged external parties to undertake the daily management, operational and administrative activities of the Company. In particular, the Directors have delegated the function of managing the assets comprising the Company's portfolio to the Investment Manager, which is not required to, and generally will not, submit individual investment decisions for the approval of the Board. In each case where the Board has delegated certain functions to an external party, the delegation has been clearly documented in contractual arrangements between the Company and the external party. The Board retains accountability for the various functions it delegates. Further information is provided in the Report of the Audit Committee.

COMPANY CULTURE

While the Company does not have employees, the Board and the Investment Manager believe that it is important to the Company's success to promote a culture of high ethical and professional values, engage in prudent risk management and utilize effective control processes and systems. The Company has adopted an investment policy, which describes the Company's investment objective, the instruments in which the Company may invest and the types of opportunities the Investment Manager seeks on the Company's behalf. Risk management is integrated into the Investment Manager's investment process and operations. The Investment Manager creates strong operational systems by maintaining a robust compliance function, continually seeking to enhance its infrastructure and controls, and incentivizing personnel to collaborate and act with professional integrity.

The Board periodically receives reports on the Investment Manager's culture and is exposed to that culture through its close contact with the Investment Manager's management team and support personnel. The Board continues to believe that the Investment Manager's experienced, high-performance team and its lean, investment-centric business model have contributed to the success of the Company.

DIVERSITY

The Directors recognize that the diversity of the Board and its committees contribute to the success of the Company by enhancing the Board's effectiveness through good corporate governance. In accordance with the AIC Code, the Board regards its own diversity as an important mechanism by which to balance the necessary mix of skills, experience, independence, opinions and knowledge appropriate for the Company.

The Board is committed to appointing the best possible applicant for any open Board positions, taking into account the composition and needs of the Board at the time of the appointment. Both appointments and succession planning will be based on merit and objective criteria. Within this context, it is the intention of the Board that Board members include Directors representing diversity in all its forms, including diverse genders, abilities, ethnicities and socioeconomic backgrounds, who bring together a mix of cognitive and personal strengths, knowledge and experience. It is the goal of the Board that the composition of Board committees reflects the overall diversity of the Board where consistent with the skills, knowledge and experience required to be an effective member of the committee.

The Nominations Committee will be responsible for recommending the appointment of new Directors to the Board. When evaluating candidates, the Nomination Committee will give full consideration to the aspects that distinguish each Director candidate, including those described above, in the context of the composition and diversity of the current Board and its committees, the challenges and opportunities facing the Company, the need for orderly succession planning and with a view to ensuring that the Board has the combination of skills, knowledge and experience needed to be effective in the future. The Nomination Committee will also give consideration to the length of service of the Board as a whole and the need for membership to be refreshed regularly. Where appropriate, the Nomination Committee may retain external search consultants to assist in securing a diverse pool of candidates for open board positions.

The Board acknowledges the three targets regarding board diversity set by UK Listing Rule 6.6.6R (9) and notes that it met two of these targets as of December 31, 2025 (the reference date that the Company uses for these purposes). As of December 31, 2025:

- the Board was comprised of 50% women; and
- the Senior Independent Director was a woman.

The Board did not comprise any directors from an ethnic minority background. The Board endeavors to meet all three targets to the extent consistent with its aim that the Board reflects the balance of skills, experience, length of service and knowledge appropriate for the Company. The Company obtained the information presented in the two tables below through inquiries made of the Directors.

Gender as of December 31, 2025	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board (CEO, CFO, SID and Chairman)[1,2]
Men	3	50%	1
Women	3	50%	1
Not specified / Prefer not to say	—	—	—

Ethnicity as of December 31, 2025	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board (CEO, CFO, SID and Chairman)[1,2]
White British or other White (including minority white groups)	6	100%	2
Mixed / Multiple ethnic groups	—	—	—
Asian / Asian British	—	—	—
Black / African / Caribbean / Black British	—	—	—
Other ethnic group, including Arab	—	—	—
Not specified / Prefer not to say	—	—	—

(1) As the Company is externally managed by the Investment Manager, it does not have the roles of CEO or CFO and so only two of the four roles specified by the UK Listing Rules are applicable to it.
(2) As the Company is externally managed by the Investment Manager, it does not have executive management and therefore, as permitted by UK Listing Rule 11.4.23, the requirement to include data regarding the number and percentage of executive management in each table is inapplicable and is not displayed here.

The Investment Manager's approach to diversity is discussed in its ESG Statement available on the Company's website.

BOARD TENURE AND SUCCESSION PLANNING

All Directors are required to submit themselves to re-election by shareholders at each annual general meeting, and any Director appointed in accordance with the Articles of Incorporation will hold office only until the next following annual general meeting and will then stand for re-election. In accordance with the AIC Code, if and when any Director, including the Chairman, has been in office (or upon re-election would at the end of that term, be in office) for more than nine years, the Board will consider whether there is a risk that such Director might reasonably be deemed to have lost independence through long service. The Board believes that this policy will provide for its regular refreshment while allowing it the flexibility to maintain the proper balance of skills, experience and independence that will contribute to the Company's success.

Ms Curtis and Mr Lawani retired at the Company's Annual General Meeting on May 1, 2025 and did not offer themselves up for re-election, having served on the board since 2018 and 2021, respectively. Mr Wautier was elected as a new Director at the Company's Annual General Meeting on May 1, 2025 and Ms Ogut was appointed as a new director on August 5, 2025.

Further details regarding the selection of Ms Ogut and Mr Wautier and other succession planning undertaken by the Nomination Committee are provided under "Nomination Committee" on pages 52-53.

THE BOARD'S PROCESSES

The content and culture of board meetings are a critical means by which the Board's governance contributes to the Company's success. The Board meets regularly throughout the year, at least on a quarterly basis. Board meetings prioritize open discussion and debate. The Board's decision-making actively considers the likely consequences of any decision in the long term, reputational risks to the Company and the need to consider the interests of shareholders as a whole.

The Chairman maintains regular contact with the Investment Manager to identify information that should be provided to the Directors, and invites Director comments on meeting agendas. At the beginning of every Board meeting, Directors disclose their potential conflicts, including ownership in the Company, personal interests in the business to be transacted at the meeting, and potential appointments to other public companies. The Chairman is actively involved in all aspects of Board decision making, seeks input from other Directors, and encourages their participation in matters involving their expertise. Minutes of meetings reflect any Director's concerns voiced at Board meetings.

At each quarterly Board meeting, the Board receives updates regarding the Investment Manager's operations and investor relations activities during the quarter. The Board also reviews the Company's investments, share price performance, and the premium/discount to NAV at which the Company's Public Shares are trading, and receives an update on litigation and regulatory matters. The Board conducts a comprehensive review of the Company's expenses semi-annually or more frequently, as needed.

In order to perform these reviews in an informed and effective manner, the Board receives formal reports from the Investment Manager at each quarterly Board meeting. The Board may also request focused reports to review the Investment Manager's controls in certain operational areas such as information security, regulatory compliance or media relations, and may request enhanced operational controls as appropriate. In between meetings, the Board maintains regular contact with the Investment Manager, the Company Secretary and the Administrator, and is informed in a timely manner of investments and other matters relevant to the operation of the Company that would be expected to be brought to the Board's attention.

An induction program, including training and information about the Company and the Investment Manager, is provided to Directors upon their election or appointment to the Board. Each Director is encouraged to consider their own training needs on an ongoing basis, and the Chairman also assesses the individual training requirements for each Director. Directors, where necessary in the furtherance of their duties, also have access to independent professional advice at the Company's expense.

BOARD ATTENDANCE

All Board members are expected to attend each Board meeting and to arrange their schedules accordingly, although non-attendance may be unavoidable in certain circumstances. The following table details the number of Board meetings attended by each Director in the year ended December 31, 2025:

	Scheduled Quarterly Board Meetings (Attended/Eligible)	Ad-hoc Board and Subcommittee Meetings (Attended/Eligible)
Halit Coussin	4/4	7/7
Bronwyn Curtis [1]	1/1	3/3
Charlotte Denton	4/4	6/7
Andrew Henton	4/4	6/7
Tope Lawani [1]	1/1	3/3
Rupert Morley	4/4	7/7
Bilge Ogut [2]	2/2	3/4
Jean-Baptiste Wautier [3]	3/3	3/4

(1) Retired as a Director on May 1, 2025.
(2) Joined as a Director on August 5, 2025.
(3) Elected as a Director on May 1, 2025.

The Board meets formally four times a year. Ad-hoc Board meetings may be convened at short notice to discuss time-sensitive matters arising in between scheduled meetings and require a quorum of two Directors.

COMMITTEES OF THE BOARD

The Board has established an Audit Committee, a Remuneration Committee, a Management Engagement Committee, a Nomination Committee and a Risk Committee. Committee membership is further described in the report of each Committee.

Audit Committee

Further details as to the composition and role of the Audit Committee are provided in the Report of the Audit Committee.

Remuneration Committee

The Remuneration Committee consists of Ms Denton, Ms Ogut and Mr Wautier. Ms Curtis and Mr Lawani were members of the Committee until their retirement from the Board. Mr Henton and Mr Wautier were appointed to the Committee on May 1, 2025. Mr Henton was later replaced by Ms Ogut upon her appointment to the committee on August 5, 2025. Ms Denton is the Chairman of the Remuneration Committee.

The Remuneration Committee reviews the remuneration of the Company's Chairman and non-executive Directors and seeks to ensure that the Company maintains fair and appropriate remuneration policies and controls. Further details regarding the Directors' remuneration are provided in the Directors' Remuneration Report.

The written terms of reference of the Remuneration Committee are available on the Company's website or, on request, from the Company Secretary.

The Remuneration Committee did not formally convene during the year ended December 31, 2025.

Management Engagement Committee

The Management Engagement Committee consists of the independent Directors of the Company who are not affiliated with the Investment Manager. Mr Morley is the Chairman of the Management Engagement Committee. The Management Engagement Committee reviews the performance of the Investment Manager in the management of the Company's affairs and the terms of engagement and performance of the Company's other key service providers, and then reports and makes recommendations to the full Board.

Below is a summary of Director attendance at the Management Engagement Committee meetings in the year ended December 31, 2025:

	Management Engagement Committee Meetings (Attended/Eligible)
Bronwyn Curtis [1]	0/0
Charlotte Denton	1/1
Andrew Henton	1/1
Tope Lawani [1]	0/0
Rupert Morley	1/1
Bilge Ogut [2]	0/0
Jean-Baptiste Wautier [3]	1/1

(1) Left the Management Engagement Committee on May 1, 2025.
(2) Joined the Management Engagement Committee on August 5, 2025.
(3) Joined the Management Engagement Committee on May 1, 2025.

The written terms of reference of the Management Engagement Committee are available on the Company's website or, on request, from the Company Secretary.

The Management Engagement Committee reviewed the performance of and fees paid to the Company's key service providers for 2024 and the first quarter of 2025, including the Investment Manager, in May 2025. The review also included the Investment Manager's risk assessment of each service provider and a summary of the diligence the Investment Manager performs. The Committee made certain recommendations to the Board and the Investment Manager based on its assessment of each service provider's performance.

The Committee's review of the Investment Manager during the year, which included a visit to its premises and meeting with operational personnel, found that it had successfully managed strategic initiatives while maintaining strong NAV performance and remaining responsive to the Board and shareholders. The Committee also reviewed the fees earned by the Investment Manager and confirmed they were calculated in accordance with the terms of the IMA. Although the management fee paid by the Company is higher than many UK investment trusts, it is comparable to other "alternative" investment funds that use complex hedging strategies. This notwithstanding, the 2024 amendments to the performance fee offset provisions in the IMA and the 2025 amendments to the management fee provisions agreed with the Board should reduce the level of fees over time. The Committee believes that competitive remuneration is critical to the Investment Manager's ability to recruit and retain the personnel who contribute to the long-term success of the Company. The Investment Manager has also implemented a long-term equity program to retain key personnel. Furthermore, the significant investment in the Company by the Investment Manager's team has closely aligned its interests with those of the Company.

For the above reasons, the Committee found PSCM's engagement to be in the long-term best interest of the Company and recommended that the Board continue to engage PSCM as the Investment Manager. The Committee will complete its next formal review of the Investment Manager in May 2026.

Nomination Committee

The Nomination Committee consists of Mr Henton, Mr Morley and Mr Wautier. Mr Wautier and Mr Henton were appointed to the Committee on May 1, 2025 and August 5, 2025, respectively. Mr Wautier replaced Mr Lawani, who retired from the Board on May 1, 2025. Mr Henton replaced Ms Coussin in order to have the committee consist solely of independent Directors of the Company. Mr Morley is the Chairman of the Nomination Committee. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, succession planning for Director departures and identifying and nominating suitable candidates to fill vacancies, taking into account the challenges and opportunities facing the Company and the skills, knowledge and experience needed on the Board. The Committee reports its recommendations to the full Board. It is the policy of the Board that if the Chairman of the Board is a member of the Nomination Committee, the full Board will consider the matter of the succession to the chairmanship of the Board.

The Nomination Committee also reviews the commitments of the Directors to confirm that they continue to have sufficient time to meet their responsibilities to the Company and that their other commitments do not create any conflicts of interest. To ensure that Directors continue to have sufficient time to be effective contributors to the Company, Directors are limited in the number and type of directorship appointments they may hold in accordance with overboarding guidelines, and seek the approval of the Board prior to accepting new appointments. In considering whether to grant approval, the Board will assess any impact the appointment may have on the time the Director is able to devote to the Company, any impact on the Director's independence, and relevant guidelines on overboarding. Various appointments were approved by the Board in 2025 in accordance with these considerations.

In anticipation of the retirement of Ms Curtis and Mr Lawani from the Board, the Nomination Committee engaged Egon Zehnder, a global leadership advisory firm with no other connection to the Company, to identify a range of candidates to fill the Board vacancies. The Committee also considered candidates proposed by members of the Board and the Investment Manager. The Committee, noting the Company's investment strategy and the benefits of expanding the diversity of the Board, actively sought to identify candidates with private equity and business experience, as well as diverse backgrounds. Committee members and representatives of the Investment Manager conducted interviews with a number of qualified candidates. The Nomination Committee recommended that the Board submit Mr Wautier for shareholder approval at the 2025 Annual General Meeting as an independent non-executive Director of the Company, and he was elected by shareholders on May 1, 2025. The Committee continued to interview qualified candidates and in August recommended that the Board appoint Ms Ogut as an additional independent non-executive Director of the Company.

The Committee believes that the addition of Ms Ogut and Mr Wautier to the Board meaningfully broadened the Board's skills and experience. In particular, their deep global investing experience complements the Board's existing expertise.

Below is a summary of Director attendance at Nomination Committee meetings in the year ended December 31, 2025:

	Nomination Committee Meetings (Attended/Eligible)
Halit Coussin [1]	1/1
Andrew Henton [2]	1/1
Tope Lawani [3]	1/1
Rupert Morley	2/2
Jean-Baptiste Wautier [4]	1/1

(1) Left the Nomination Committee on August 5, 2025.
(2) Joined the Nomination Committee on August 5, 2025.
(3) Left the Nomination Committee on May 1, 2025.
(4) Joined the Nomination Committee on May 1, 2025.

The written terms of reference of the Nomination Committee are available on the Company's website or, on request, from the Company Secretary.

Risk Committee

The Risk Committee consists of all Directors of the Company. Mr Henton is the Chairman of the Risk Committee. The Risk Committee is responsible for reviewing the Company's risk profile, as described in the Company's Investment Policy, borrowing policy and other risk disclosures; identifying, evaluating and reporting to the Board any emerging risks to the Company; ensuring that appropriate controls and reporting are in place to allow for the identification, monitoring and management of key risks to the Company's business; conducting and submitting to the Board an annual assessment of the material risks applicable to the Company's business; making recommendations to the Board regarding risk mitigation; and reviewing and recommending for approval by the Board all applicable risk reporting for regulatory purpose.

The written terms of reference of the Risk Committee are available on the Company's website or, on request, from the Company Secretary.

Below is a summary of Director attendance at the Risk Committee meetings in the year ended December 31, 2025:

	Risk Committee Meetings (Attended/Eligible)
Halit Coussin	2/2
Bronwyn Curtis [1]	1/1
Charlotte Denton	2/2
Andrew Henton	2/2
Tope Lawani [1]	1/1
Rupert Morley	2/2
Bilge Ogut [2]	1/1
Jean-Baptiste Wautier [3]	1/1

(1) Left the Risk Committee on May 1, 2025.
(2) Joined the Risk Committee on August 5, 2025.
(3) Joined the Risk Committee on May 1, 2025.

The Risk Committee conducted its annual business risk assessment in January 2026 and identified 45 risks relevant to the Company's business. These risks consist of risks arising from the Company's investment activities, structure and operations as well as risks relating to shareholder engagement and regulatory compliance.

The Risk Committee has considered the cause of each risk and has assigned each risk a rating based on the likelihood of the risk occurring and the severity of the impact on the Company if the risk occurs. An integral element of the risk identification process is the assessment of associated mitigating controls. Risk ratings are graded before and after considering the controls in place to mitigate them. Risks with the highest residual risk have been included in "Principal Risks and Uncertainties".

The Risk Committee continued to monitor the development and impact of artificial intelligence on the Company's portfolio investments as an emerging risk. The Committee also identified potential changes to U.S. trade policy and geopolitical tensions as additional emerging risks. The Board, as part of the Investment Manager's quarterly portfolio updates, has reviewed the Investment Manager's approach to integrating these risks into its portfolio management process and the Committee believes that appropriate controls are in place. The Committee also confirmed that the Investment Manager has the appropriate investment and operational personnel and processes in place to support the launch of new products without impacting the quality of services provided to the Company.

COMMITTEES OF THE INVESTMENT MANAGER

The Investment Manager has a Conflicts Committee, which meets no less frequently than annually and on an as-needed basis; a Best Execution Committee, which meet no less frequently than quarterly and on an as-needed basis; and Information Security, Valuation and Disclosure Committees, which meet no less frequently than semi-annually, and on an as-needed basis. The meeting minutes are presented to the Board at the quarterly Board meetings, or sooner if necessary.

BOARD PERFORMANCE

The performance of the Board and that of each individual Director is evaluated annually.

The Board engaged Egon Zehnder as an independent external adviser to facilitate the evaluation of its 2025 performance. The external adviser assessed the effectiveness of the Board on key indicators of performance, including the Board's composition and diversity, the Board's agenda, governance, division of responsibility with its committees, inter-personal dynamics, the Board's understanding of its role, risk management, succession planning, stakeholder engagement and culture. The assessment was based on (i) a review of key Board documents, (ii) a series of interviews with Board members, the Company Secretary and Investment Manager personnel, (iii) a questionnaire survey of Board members and the Company Secretary, and (iv) an observation of a quarterly Board meeting.

The Board evaluation demonstrated that the Board continues to perform highly and is well run. The assessment noted that the Board comprises members with a diverse mix of skills and experiences, which enhances discussions and decision-making. It was observed that the Board has a strong culture of engagement and collaboration, proactive governance and transparency. Directors were considered to work constructively as a team and with the Investment Manager, demonstrating a strong understanding of their role and the Company's strategy. No material weaknesses in performance were identified in the assessment, and the Board has concluded that it operated effectively in 2025.

The Board will use the findings of its assessment to build on its existing strengths in the coming year. The next external review will be completed for 2028.

/s/ Rupert Morley
Rupert Morley
Chairman of the Board
February 18, 2026

Report of the Audit Committee

The Audit Committee consists of Ms Denton, Mr Henton and Ms Ogut. Mr Henton is the Chairman of the Audit Committee. Ms Denton and Mr Henton are chartered accountants and have previously served on audit committees of private and listed companies. Ms Ogut has extensive experience in the financial sector and as a non-executive director for listed investment companies. The Board has considered the qualifications of the members of the Audit Committee and has determined that the Audit Committee has the relevant experience to successfully perform its duties.

Below is a summary of Director attendance at Audit Committee meetings in the year ended December 31, 2025:

	Audit Committee Meetings (Attended/Eligible)
Bronwyn Curtis [1]	2/2
Charlotte Denton	5/5
Andrew Henton	5/5
Bilge Ogut [2]	3/3
Jean-Baptiste Wautier [3]	0/0

(1) Left the Audit Committee on May 1, 2025.
(2) Joined the Audit Committee on August 5, 2025.
(3) Joined the Audit Committee on May 1, 2025 and left the Audit Committee on August 5, 2025.

The Audit Committee has written terms of reference with formally delegated duties and responsibilities. The terms of reference of the Audit Committee are available on the Company's website or, on request, from the Company Secretary.

The Audit Committee considers the appointment, independence and remuneration of the auditor and reviews the annual accounts and semi-annual reports. Where non-audit services are to be provided by the auditor, the Audit Committee reviews the scope and terms of the engagement and considers financial and other implications on the independence of the auditor.

The principal duties of the Audit Committee are to monitor the integrity of the Financial Statements of the Company, including its annual and semi-annual reports and formal announcements relating to the Company's financial performance, and reviewing and reporting to the Board on significant financial reporting issues and judgements communicated to the Committee by the auditor. In particular, the Audit Committee reviews and assesses, where necessary:

- The consistency of, and any changes to, significant accounting policies both on a year-on-year basis and across the Company;
- The methods used to account for significant or unusual transactions where different approaches are possible;
- Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- The clarity of disclosure in the Company's financial reports and the context in which statements are made;
- All material information presented with the Financial Report such as the Chairman's Statement, Investment Manager's Report, Principal Risks and Uncertainties, Report of the Directors, Directors' Remuneration Report and the Corporate Governance Report; and
- The content of the Annual Report and Financial Statements, and advises the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

PREPARATION OF FINANCIAL STATEMENTS

The Audit Committee takes an active role in the planning and preparation for the audit. The Audit Committee's November 2025 meeting was devoted to discussing the audit plan and timelines, including the extensive coordination undertaken by the Investment Manager and the Administrator to ensure an efficient audit process. In addition to meetings of the Audit Committee during the audit, the Chairman of the Board and the Chairman of the Audit Committee were in regular contact with the Investment Manager, Administrator and auditor throughout the audit process. This contact, which builds on other interactions with the Investment Manager and Administrator throughout the year, enabled the Audit Committee to assess both processes and control environments in relation to the production of the Financial Statements.

The Audit Committee used its own experience with the Company, and the Investment Manager's and Administrator's knowledge to determine the overall fairness, balance and understandability of the Annual Report and Financial Statements, and carefully reviewed their content prior to final approval by the Board. This allowed the Audit Committee and the Board to be satisfied that the Annual Report and Financial Statements taken as a whole are fair, balanced and understandable.

SIGNIFICANT REPORTING MATTERS

As part of the year-end audit, the Audit Committee reviewed and discussed the most relevant issues for the Company. In discharging its responsibilities, the Audit Committee made the following assessments during the year:

- The Audit Committee noted the complexity of calculating the Company's performance fee and the 2025 amendments to the management fee provisions in the IMA. The Audit Committee reviewed the auditors' process for confirming the Investment Manager's calculations and the disclosure regarding the performance fee in Note 15. The performance fee is independently calculated by the Company's Administrator as part of its calculation of the Company's NAV, and 1% of the total performance fee is held back by the Company to allow for adjustments, if any, that arise from the Company's audit. The Audit Committee is satisfied with the controls in place for the calculation of the performance fee and has determined that the disclosure is consistent with the relevant accounting standards.
- The Audit Committee has confirmed that where the Investment Manager has fair valued Level 2 or Level 3 assets, including the Company's investment in SPARC Sponsor and the SPARC Committed FPA, the Investment Manager has obtained pricing from an independent service or valuation agent, or otherwise uses a valuation methodology that has been reviewed by the auditor and found to be appropriate for the investment, free of management bias and consistent with the requirements of IFRS. The Audit Committee also reviewed the input assumptions associated with Level 3 assets, this being an area that requires management judgement.
- The Audit Committee reviewed the completeness and accuracy of the disclosures in the Annual Report and Financial Statements, and satisfied itself that the disclosures appropriately reflected the risks facing the Company and its financial results.
- The Audit Committee reviewed the report of the Risk Committee and the Board's procedures regarding the identification, management, and monitoring of risks that could affect the Company. The Audit Committee is satisfied that the Risk Committee and the Board are engaged on an ongoing basis in the process of identifying, evaluating and managing (where possible) the principal and emerging risks facing the Company as described in Principal Risks and Uncertainties on pages 24-29. The Audit Committee also has access to personnel of the Investment Manager responsible for implementing and maintaining controls to address these risks.

- The Audit Committee confirms that the Board and Investment Manager have monitored the Company's compliance with applicable regulations, listing requirements and corporate governance standards.

After considering the audit process and various discussions with the auditor, Investment Manager and Administrator, the Audit Committee is satisfied that the audit was undertaken in an effective manner and addressed the main risks.

INTERNAL CONTROLS

The Audit Committee has examined the effectiveness of the Company's internal control systems at managing the risks to which the Company is exposed and has not identified any material weaknesses.

The Board is ultimately responsible for the Company's system of internal controls, and for assessing its effectiveness at managing the operational risks to which the Company is exposed. The internal control systems are designed to manage, rather than eliminate, the operational risk of failure to achieve business objectives, and by their nature can only provide reasonable and not absolute assurance against misstatement and loss. The Board confirms there is an ongoing process for identifying, evaluating and managing the significant operational risks faced by the Company, and that this process was in place for the year ended December 31, 2025, and has been in place up to the date of the approval of the Annual Report and Financial Statements. This is done in accordance with relevant best practices detailed in the Financial Reporting Council's ("FRC") guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The Risk Committee, at the direction of the Board, conducts an annual risk assessment to identify the material risks applicable to the Company's business, the likelihood of a risk occurring, and the severity of the impact on the Company, and reviews the controls and reporting in place to monitor and mitigate these risks. Deficiencies and recommendations are provided to the Board. The assessment of risk exposures on a gross (before taking account of mitigating controls) and net basis serves to highlight those controls on which greatest reliance is placed. The Investment Manager's operational controls are reviewed by the Board as part of an operational update provided by the Investment Manager at each quarterly Board meeting.

Neither the Company nor the Investment Manager have an internal audit department. All of the Company's management functions are delegated to independent third parties, and the Board therefore believes that an internal audit function for the Company is not necessary or required. The Board, and where appropriate the Investment Manager, has familiarized itself with the internal control systems of its material service providers, which report regularly to the Board. The Board is satisfied that the controls employed by these service providers adequately manage the operational risks to which the Company is exposed.

AUDITOR

It is the duty of the Audit Committee, among other things, to:

- Consider and make recommendations to the Board in respect of the Company's external auditor that are to be approved by shareholders at the annual general meeting;
- Discuss and agree with the external auditor the nature and scope of the audit;
- Keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditor; and
- Review the external auditor's letter of engagement, audit plan and management representation letter.

Ernst & Young LLP ("EY") has acted as the Company's auditor since it was appointed to audit the Company's first financial statements, for the period of December 31, 2012. The Audit Committee last completed a formal audit tender process in 2022 and EY's audit partner rotated from Jersey to Guernsey for the 2022 audit year, which was an important consideration when the Audit Committee concluded that the auditor was able to evidence continued independence.

The Audit Committee also reviewed the scope of the audit and the fee proposal set out by EY in its audit planning report and discussed these with EY at the Audit Committee meeting held on November 6, 2025. The Company regularly undertakes market surveys of auditors' fees and has found EY's fees to be in line with the market. The Audit Committee recommended to the Board that it accept EY's proposed fee of $301,500 (2024 Actual: $265,100) for the audit of the Annual Report and Financial Statements. During the year ended December 31, 2025, the Company also paid $81,700 (2024: $80,000) for fees related to the semi-annual review.

The Audit Committee understands the importance of auditor independence. Each year, the Audit Committee reviews the scope and results of the audit, its cost effectiveness, and the independence and objectivity of the external auditor. As part of this review, the Audit Committee receives a report from the external auditor confirming its independence and the controls it has in place to ensure its independence is not compromised.

The table below summarizes the amounts expensed and/or amortized for non-audit fees, excluding the semi-annual review, during the years ended December 31, 2025 and December 31, 2024.

	Year Ended 2025		Year Ended 2024	
Tax Services	$	—	$	—
Other Services		488,049		—
Total Non-Audit Fees	$	488,049	$	—

Any engagement of the auditor to provide non-audit services to the Company must also receive the prior approval of the Audit Committee. In considering whether to approve such engagement, the Audit Committee assesses (i) the nature of the non-audit service and whether the auditor is the most appropriate party to provide such service; (ii) the proposed fee for the service and whether it is reasonable; and (iii) whether the engagement will constitute a threat to the objectivity and independence of the conduct of the audit. The Audit Committee may take into account the expertise of the auditor, the potential time and cost savings to the Company, and any other factors it believes relevant to its determination.

EY was engaged to provide non-audit services to the Company in connection with the issuance of the 2030 €650m Bonds and 2032 $500m Bonds, including a comfort letter for 2022, 2023 and 2024 financial statements and the 2024 and 2025 unaudited semi-annual financial statements included in the offering documents. Prior to approving the engagement, the Audit Committee concluded that no firm other than EY could provide the services in the expedited timetable required for the bond issuances. Furthermore, because of EY's prior audit of these financial statements and expertise in the matters for which it was engaged, EY was assessed as being able to perform the non-audit services more efficiently than another accounting firm, resulting in substantial cost efficiencies for the Company.

The Audit Committee has reviewed the fees paid for the non-audit services. The Audit Committee does not consider the fees to be excessive or a threat to objectivity and independence in the conduct of the audit and considers EY to be independent of the Company.

To fulfill its responsibility regarding the independence of the external auditor, the Audit Committee considers:

- Discussions with or reports from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and

- The nature of non-audit services provided by the external auditor.

To assess the effectiveness of the external auditor, the Audit Committee reviews:

- The external auditor's fulfillment of the agreed audit plan and variations from it;
- Discussions or reports highlighting the major issues that arose during the course of the audit; and
- Feedback from other service providers evaluating the performance of the audit team.

The Audit Committee meets with the auditor independently of the Investment Manager and is satisfied with EY's effectiveness and independence as external auditor having considered the degree of diligence and professional skepticism demonstrated by them. The Audit Committee has also considered the FRC's Audit Quality Review of EY's previous audit work.

Having carried out the review described above and satisfied itself that the external auditor remains independent and effective, the Audit Committee has recommended to the Board that EY be reappointed as external auditor for the year ending December 31, 2026. A resolution to re-appoint EY as auditor will be proposed at the 2026 Annual General Meeting.

Shareholders should note that the primary framework for the Company's audit is International Standards on Auditing (UK); the auditor's report thereunder is set out on pages 61-68. The Annual Report also includes on pages 69-70 a report from the auditor to the Directors in accordance with U.S. Generally Accepted Auditing Standards in order to satisfy various U.S. regulatory requirements.

/s/ Andrew Henton

Andrew Henton
Chairman of the Audit Committee
February 18, 2026

Report of Independent Auditor

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERSHING SQUARE HOLDINGS, LTD.

Opinion

We have audited the Financial Statements of Pershing Square Holdings, Ltd. (the "Company") for the year ended December 31, 2025 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related Notes 1 to 20, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

In our opinion, the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

Conclusions Relating to Going Concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of the Directors' going concern assessment process for the Company by engaging with the Directors and Investment Manager early in the audit process to ensure all key factors were considered in its assessment;
- Obtaining the Investment Manager's going concern assessment for the Company which comprised a cashflow forecast and bond covenant reverse stress test, acknowledging the liquidity of the investment portfolio, the significant net asset position and cash balances which are significantly in excess of current liabilities, and testing for arithmetical accuracy;

- We challenged the appropriateness of the Investment Manager's forecasts by applying downside sensitivity analysis and applying further sensitivities to understand the impact on the liquidity of the Company;
- Holding discussions with the Investment Manager and the Directors on whether events or conditions exist that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern;
- Assessing the assumptions used in the going concern assessment prepared by the Investment Manager and considering whether the methods utilised were appropriate for the Company; and
- Reading the going concern disclosures included in the Annual Report and Financial Statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for a period to March 31, 2027.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company’s ability to continue as a going concern.

Overview of Our Audit Approach

Key audit matters	Misstatement of the valuation of the Company’s level 1 investments
Materiality	Overall materiality of $150m which represents 1% of Total Equity

An Overview of the Scope of our Audit

Tailoring The Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the Financial Statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, changes in the business environment and the potential impact of climate change when assessing the level of work to be performed.

Climate Change

The Company has explained climate-related risks in the “ESG” section of the Report of the Directors and forms part of the “Other Information”, rather than the audited Financial Statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the Financial Statements, or our knowledge obtained in the course of the audit, or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company’s disclosures in the Financial Statements as set out in Note 7 and the conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing as required by IFRS.

Based on our work we have not identified the impact of climate change on the Financial Statements to be a key audit matter or to impact a key audit matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Misstatement of the valuation of the Company's level 1 investments (2025 – assets: $17,951 million and liabilities: nil; 2024 – assets: $15,077 million and liabilities: nil) Refer to the Report of the Audit Committee (pages 56-60); Accounting policies (pages 78 -83); and Note 7 of the Financial Statements (pages 86-89) The fair value of investments may be misstated due to the application of inappropriate methodologies or inputs to the valuations. The valuation of the Company's investments is a key driver of the Company's net asset value and total return. Misstatements to investment valuation could have a significant impact on the net asset value of the Company and the total return generated for shareholders. There has been no change in this risk from the previous year.	Updated our understanding of the investment valuation process through a review of the SOC 1 report of the Company's Administrator, performed a walkthrough and evaluated the design of controls in this area. We obtained values for all level 1 investments from independent sources and agreed these to management's proposed values. We tested the existence of all of the level 1 investments as at December 31, 2025 by agreeing investment holdings to independent custodian confirmations. We assessed whether the valuation determined is in accordance with IFRS by comparing the valuation methodology to the requirements of IFRS 13.	We confirmed that there were no material instances of use of inappropriate policies or methodologies and that the valuation of the investments was not materially misstated. We also confirmed that there were no material matters arising from our audit work on the valuation of financial instruments, in accordance with IFRS, that we wanted to bring to the attention of the Audit Committee.

In the prior year, our auditor's report included a key audit matter in relation to "Misstatement of the valuation of the Company's level 2 investments". In the current year, this has been removed from key audit matters as it is not material as at December 31, 2025.

Our Application of Materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be $150 million (2024: $130 million), which is 1% (2024: 1%) of Total Equity. We believe that Total Equity provides us with the best measure of materiality as the Company's primary performance measures for internal and external reporting are based on Total Equity.

During the course of our audit, we reassessed initial materiality and updated its calculation to align with the year-end Total Equity figure.

Performance Materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely $112.5 million (2024: $97.5 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected. Our objective in adopting this approach was to ensure that total uncorrected and undetected audit differences in the Financial Statements did not exceed our materiality level.

Reporting Threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $7.5 million (2024: $6.5 million), which is set at 5% (2024: 5%) of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluated any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other Information

The Other Information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the Other Information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Financial Statements are not in agreement with the Company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Report relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Report is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 41
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate, set out on pages 41-42;
- Directors' statement on fair, balanced and understandable Financial Statements, set out on page 43;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities, set out on page 41;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 54;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems, set out on page 58; and
- The section describing the work of the Audit Committee, set out on pages 56-60.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 42-43, the Directors are responsible for the preparation of the Financial Statements, and for being satisfied that they give a true and fair view, and for such internal controls as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

Explanation as to What Extent the Audit was Considered Capable of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies (Guernsey) Law, 2008, the 2024 UK Corporate Governance Code, AIC Code of Corporate Governance published in August 2024, the listing requirements of the UK Listing Authority and the Protection of Investors (Bailiwick of Guernsey) Law, 2020.
- We understood how the Company is complying with those frameworks by making enquiries of the Investment Manager and those charged with governance regarding:
    - their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the Financial Statements;
    - the Company's methods of enforcing and monitoring non-compliance with such policies;
    - management's process for identifying and responding to fraud risks, including programs and controls the Company has established to address risks identified by the Company, or that otherwise prevent, deter and detect fraud; and
    - how management monitors those programs and controls.
- Administration and maintenance of the Company’s books and records is performed by Northern Trust International Fund Administration Services (Guernsey) Limited whom are a regulated firm, independent of the Investment Manager. We corroborated our enquiries through our review of Board minutes and any correspondence received from regulatory bodies. We also obtained their SOC 1 controls report and reviewed it for findings relevant to the Company and evaluated the design of relevant controls. We noted no contradictory evidence during these procedures.
- We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by:

- obtaining an understanding of entity-level controls and considering the influence of the control environment;
- obtaining management's assessment of fraud risks including an understanding of the nature, extent and frequency of such assessment documented in the Board's risk matrix;
- making inquiries with those charged with governance as to how they exercise oversight of management's processes for identifying and responding to fraud risks and the controls established by management to mitigate specifically those risks the entity has identified, or that otherwise help to prevent, deter and detect fraud; and
- making inquiries with management and those charged with governance regarding how they identify related parties including circumstances related to the existence of a related party with dominant influence.

- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of Board minutes and inquiries of the Investment Manager and those charged with governance including:
    - through discussion, gaining an understanding of how those charged with governance, the Investment Manager and Administrator identify instances of non-compliance by the Company with relevant laws and regulations;
    - inspecting the relevant policies, processes and procedures to further our understanding;
    - Performed journal entry testing, with a focus on postings where we considered a heightened risk of fraud in key areas including the recognition of revenue arising from dividend income and the calculation of performance fees;
    - reviewing Board minutes and internal compliance reporting;
    - inspecting correspondence with regulators; and
    - obtaining relevant written representations from the Board of Directors.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other Matters We Are Required to Address

- Following the recommendation from the Audit Committee, we were appointed by the Company on April 5, 2013 to audit the Financial Statements for the year ended December 31, 2012 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 14 years, covering the years ending December 31, 2012 to December 31, 2025.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of Report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

/s/ Richard Geoffrey Le Tissier

Richard Geoffrey Le Tissier
For and on behalf of Ernst & Young LLP Guernsey
February 18, 2026

(1) The maintenance and integrity of the Pershing Square Holdings, Ltd. website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.
(2) Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF PERSHING SQUARE HOLDINGS, LTD.

Opinion

We have audited the financial statements of Pershing Square Holdings, Ltd. (the "Company"), which comprise the Statement of Financial Position as of December 31, 2025 and 2024, and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the years then ended, and the related notes (collectively referred to as the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Financial Statements that are free of material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Financial Statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Financial Statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Financial Statements as a whole. The accompanying Condensed Schedule of Investments, Financial Highlights and Certain Regulatory Disclosures are presented for purposes of additional analysis and are not a required part of the Financial Statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Financial Statements or to the Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the Financial Statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report set out on pages 1 to 60 and pages 117 to 123 but does not include the Financial Statements, Supplementary Information and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the Financial Statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

/s/ Ernst & Young LLP

Ernst & Young LLP
Guernsey, Channel Islands
February 18, 2026

Audited Financial Statements

STATEMENT OF FINANCIAL POSITION

As of December 31, 2025 and December 31, 2024
(Stated in United States Dollars)

	Notes		2025		2024
Assets					
Cash and cash equivalents	10	$	1,141,502,364	$	436,520,113
Due from brokers	13		176,327,860		1,107,529
Trade and other receivables	9		14,234,637		28,772,099
Financial assets at fair value through profit or loss					
Investments in securities	6,7		17,989,469,787		15,114,606,252
Derivative financial instruments	6,7,8		39,960,965		51,380,344
Total Assets		**$**	**19,361,495,613**	**$**	**15,632,386,337**
Liabilities					
Due to brokers	13	$	43,800,000	$	—
Trade and other payables	9		490,307,310		232,469,751
Deferred tax expense payables	19		74,777,696		67,885,195
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	6,7,8		34,093,323		—
Bonds	18		3,669,110,397		2,320,801,301
Total Liabilities		**$**	**4,312,088,726**	**$**	**2,621,156,247**
Equity					
Share capital	11	$	5,722,349,692	$	5,722,349,692
Treasury shares	11		(1,198,448,246)		(829,368,943)
Retained earnings			10,525,505,441		8,118,249,341
Total Equity			**15,049,406,887**		**13,011,230,090**
Total Liabilities and Equity		**$**	**19,361,495,613**	**$**	**15,632,386,337**
Net assets attributable to Public Shares		$	15,048,864,858	$	13,010,778,044
Public Shares outstanding			176,382,491		182,956,010
Net assets per Public Share		$	85.32	$	71.11
Net assets attributable to Special Voting Share		$	542,029	$	452,046
Special Voting Share outstanding			1		1
Net assets per Special Voting Share		$	542,029.13	$	452,046.08

The accompanying notes form an integral part of these Financial Statements.

These Financial Statements on pages 71-113 were approved by the Board of Directors on February 18, 2026, and were signed on its behalf by

/s/ Rupert Morley	/s/ Andrew Henton
Rupert Morley	Andrew Henton
Chairman of the Board	Chairman of the Audit Committee
February 18, 2026	February 18, 2026

STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31, 2025 and December 31, 2024
(Stated in United States Dollars)

	Notes	2025	2024
Investment gains and losses			
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		$ 3,307,266,164	$ 1,676,375,513
Net realized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of (2025: nil, 2024: nil))		—	(124,865,760)
Net change in unrealized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of (2025: nil, 2024: nil))		—	(129,552,453)
	6	3,307,266,164	1,421,957,300
Net gain/(loss) on currency translation of the Bonds	18	(93,964,036)	33,706,191
Income			
Dividend income		121,175,185	152,930,011
Interest income	12	45,604,029	85,936,817
Other income		—	35,932
		166,779,214	238,902,760
Expenses			
Performance fees	15	(489,198,531)	(226,588,185)
Management fees	15	(207,995,255)	(188,818,228)
Interest expense	12	(112,813,503)	(77,292,603)
Professional fees		(9,120,678)	(10,056,040)
Other expenses		(2,437,116)	(3,031,876)
		(821,565,083)	(505,786,932)
Profit/(loss) before tax attributable to equity shareholders		**2,558,516,259**	**1,188,779,319**
Taxes			
Withholding tax (dividends)		(26,247,858)	(32,025,140)
Deferred tax expense	19	(6,892,500)	16,941,739
		(33,140,358)	(15,083,401)
Profit/(loss) attributable to equity shareholders		**$ 2,525,375,901**	**$ 1,173,695,918**
Earnings per share (basic & diluted)[(1)]			
Public Shares	17	$ 14.08	$ 6.38
Special Voting Share	17	$ 88,762.34	$ 40,485.66

All the items in the above statement are derived from continuing operations. There is no other comprehensive income for the years ended December 31, 2025 and December 31, 2024.

(1) EPS is calculated using the profit/(loss) for the year attributable to equity shareholders divided by the weighted-average shares outstanding over the year as required under IFRS. See Note 17 for further details. All of the Company's share classes participate pro-rata in the profits and losses of the Company based upon the NAV of the share class (before any accrued performance fees) at the time of such allocation.

The accompanying notes form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the years ended December 31, 2025 and December 31, 2024
(Stated in United States Dollars)

	Share Capital	Treasury Shares	Retained Earnings	Total Equity
As of December 31, 2024	**$ 5,722,349,692**	**$ (829,368,943)**	**$ 8,118,249,341**	**$ 13,011,230,090**
Total profit/(loss) attributable to equity shareholders	—	—	2,525,375,901	2,525,375,901
Share buybacks(1)	—	(369,079,303)	—	(369,079,303)
Dividend distribution to equity shareholders	—	—	(118,119,801)	(118,119,801)
As of December 31, 2025	**$ 5,722,349,692**	**$ (1,198,448,246)**	**$ 10,525,505,441**	**$ 15,049,406,887**
As of December 31, 2023	**$ 5,722,349,692**	**$ (711,462,770)**	**$ 7,051,720,105**	**$ 12,062,607,027**
Total profit/(loss) attributable to equity shareholders	—	—	1,173,695,918	1,173,695,918
Share buybacks(1)	—	(117,906,173)	—	(117,906,173)
Dividend distribution to equity shareholders	—	—	(107,166,682)	(107,166,682)
As of December 31, 2024	**$ 5,722,349,692**	**$ (829,368,943)**	**$ 8,118,249,341**	**$ 13,011,230,090**

(1) During the years ended December 31, 2025 and December 31, 2024, the Company repurchased Public Shares. This amount includes the accretion relating to the repurchases that was allocated to the Public Shares and the Special Voting Share. All repurchased Public Shares are subsequently held in Treasury. As of December 31, 2025 and December 31, 2024, 34,574,259 and 28,000,740 Public Shares were held in Treasury, respectively. See Note 11 for further details.

The accompanying notes form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the years ended December 31, 2025 and December 31, 2024
(Stated in United States Dollars)

	Notes	2025	2024
Cash flows from operating activities			
Profit/(loss) for the year attributable to equity shareholders		$ 2,525,375,901	$ 1,173,695,918
Adjustments to reconcile changes in profit/(loss) for the year to net cash flows:			
Bond interest expense	18	103,268,815	75,087,943
Bond interest paid	18	(72,871,536)	(72,495,715)
Net (gain)/loss on currency translation of the Bonds	18	93,964,036	(33,706,191)
(Increase)/decrease in operating assets:			
Due from brokers	13	(175,220,331)	206,011,726
Trade and other receivables	9	14,537,462	(12,459,878)
Investments in securities	6,7	(2,874,863,535)	(2,413,202,260)
Derivative financial instruments	6,7,8	11,419,379	223,463,866
Increase/(decrease) in operating liabilities:			
Due to brokers	13	43,800,000	(276,260,000)
Trade and other payables	9	259,882,100	(86,829,160)
Deferred tax expense payables	19	6,892,501	(16,941,739)
Derivative financial instruments	6,7,8	34,093,323	(31,975,102)
Net cash provided by/(used in) operating activities		**(29,721,885)**	**(1,265,610,592)**
Cash flows from financing activities			
Purchase of Public Shares	11	(371,125,605)	(119,623,243)
Dividend distributions	11	(118,118,040)	(107,166,682)
Proceeds from issuance of Bonds	18	1,238,008,723	—
Expenses relating to issuance of Bonds	18	(14,060,942)	—
Net cash provided by/(used in) financing activities		**734,704,136**	**(226,789,925)**
Net change in cash and cash equivalents		704,982,251	(1,492,400,517)
Cash and cash equivalents at beginning of year		436,520,113	1,928,920,630
Cash and cash equivalents at end of year	10	**$ 1,141,502,364**	**$ 436,520,113**
Supplemental disclosure of cash flow information and non-cash activities			
Cash paid during the year for interest		$ 81,847,101	$ 75,618,209
Cash received during the year for interest		$ 44,491,622	$ 89,186,341
Cash received during the year for dividends		$ 128,876,353	$ 145,671,679
Cash deducted during the year for withholding taxes		$ 28,513,636	$ 29,872,536
Equity securities received from the distribution in-kind of PS VII Master, L.P.(1)		$ —	$ 272,060,600

(1) Refer to Note 16 for further details on the distribution in-kind from PS VII Master, L.P.

The accompanying notes form an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Organization

The Company was incorporated with limited liability under the laws of the Bailiwick of Guernsey on February 2, 2012. It became a registered open-ended investment scheme under Guernsey law on June 27, 2012 and commenced operations on December 31, 2012. On October 1, 2014, the GFSC approved the conversion of the Company into a registered closed-ended investment scheme. The Company's registered office is at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, Channel Islands.

A copy of the Prospectus of the Company is available from the Company's registered office and on the Company's website (www.pershingsquareholdings.com).

The latest traded price of the Public Shares is available on Reuters, Bloomberg and the LSE.

Investment Policy

Please refer to "Investment Policy" in the Report of the Directors for the Investment Policy of the Company.

Bonds

On July 25, 2019, the Company closed on a fully committed private placement of $400 million Senior Notes at par with a coupon rate of 4.95%, maturing on July 15, 2039 (the "2039 $400m Bonds").

On August 26, 2020, the Company closed on a fully committed private placement of $200 million Senior Notes at par with a coupon rate of 3.00%, maturing on July 15, 2032 (the "2032 $200m Bonds").

On November 2, 2020, the Company issued $500 million of Senior Notes at par with a coupon rate of 3.25%, maturing on November 15, 2030 (the "2030 $500m Bonds").

On October 1, 2021, the Company issued $700 million of Senior Notes at 99.670% of par with a coupon rate of 3.25%, maturing on October 1, 2031 (the "2031 $700m Bonds"). On October 1, 2021, the Company also issued €500 million of Senior Notes at 99.869% of par with a coupon rate of 1.375%, maturing on October 1, 2027 (the "2027 €500m Bonds").

On April 29, 2025, the Company issued €650 million of Senior Notes at 99.890% of par with a coupon rate of 4.25%, maturing on April 29, 2030 (the "2030 €650m Bonds")

On October 28, 2025, the Company issued $500 million of Senior Notes at 99.805% of par with a coupon rate of 5.50%, maturing on October 28, 2032 (the "2032 $500m Bonds" and collectively with the 2027 €500m Bonds, 2030 €650m Bonds, 2030 $500m Bonds, 2031 $700m Bonds, 2032 $200m Bonds and 2039 $400m Bonds, the "Bonds").

The Bonds rank equally in right of payment and contain substantially the same covenants. The Bonds' coupons are paid semi-annually, with the exception of the 2027 €500m Bonds and 2030 €650m Bonds, which are paid annually. The Bonds are listed on Euronext Dublin under the symbol of PSHNA.

Investment Manager

The Company has appointed PSCM as its investment manager pursuant to the Investment Management Agreement (the "IMA"). The Investment Manager has responsibility, subject to the overall supervision of the Board of Directors, for the investment of the Company's assets in accordance with the Investment Policy of the Company. The Company delegates certain administrative functions relating to the management of the Company to PSCM.

PSCM completed an internal reorganization of its ownership structure in July 2024. As a result of the reorganization, PSCM and its general partner are indirectly controlled by PS Holdco GP Managing Member, LLC, a Delaware limited liability company controlled by senior management of PSCM, including William A. Ackman as the largest owner. The reorganization resulted in a deemed assignment of the Company's IMA for purposes of the U.S. Investment Advisers Act of 1940, which was approved by the Board of Directors in accordance with the terms of the IMA and the Company's Articles of Incorporation. The reorganization did not have any effect on PSCM's management team or PSCM's role in managing the Company, and PSCM's obligations under the IMA are unchanged by the reorganization.

Board of Directors

The Company's Board of Directors is comprised of Halit Coussin, Charlotte Denton, Andrew Henton, Rupert Morley, Bilge Ogut and Jean-Baptiste Wautier, all of whom are non-executive Directors. All Directors other than Ms Coussin, who is the Chief Legal Officer and Chief Compliance Officer of the Investment Manager, are considered independent.

Jean-Baptiste Wautier was elected at the 2025 Annual General Meeting of the Company (the "2025 AGM") as a new Director. Bronwyn Curtis and Tope Lawani retired as Directors at the 2025 AGM, having served since 2018 and 2021, respectively. Bilge Ogut joined the board in August 2025.

Committees of the Board

The Board has established an Audit Committee, a Management Engagement Committee, a Remuneration Committee, a Risk Committee and a Nomination Committee. Ms Coussin is a member of the Risk Committee. The other committees are comprised solely of independent Directors of the Company who are not affiliated with the Investment Manager. Further details as to the composition and role of the Audit Committee are provided in the Report of the Audit Committee; further details as to the composition and role of the Management Engagement, Remuneration, Risk and Nomination Committees are provided in the Corporate Governance Report.

Prime Brokers

Goldman Sachs & Co. LLC and UBS Securities LLC (the "Prime Brokers") both serve as custodians and primary clearing brokers for the Company.

Administrator

Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") is the administrator and Company Secretary. The Administrator provides certain administrative and accounting services, including the maintenance of the Company's accounting and statutory records, and receives customary fees, plus out of pocket expenses, based on the nature and extent of services provided.

Exchange Listings

The Company's Public Shares trade on the LSE in USD and Sterling. The Company's Public Shares also traded on Euronext Amsterdam until they were delisted from the exchange on January 31, 2025 at the Company's request.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The Financial Statements have been prepared on a historical-cost basis, except for financial assets and financial liabilities at fair value through profit or loss that have been measured at fair value. The Company presents its statement of financial position with assets and liabilities listed in order of liquidity.

After making reasonable inquiries and assessing all data relating to the Company's liquidity, particularly its holding of cash and Level 1 assets in relation to its liabilities, the Investment Manager and the Board of Directors believe that the Company is well placed to manage its business risks and has adequate resources to continue in operational existence through March 31, 2027. The Board of Directors and the Investment Manager do not consider there to be any threat to the going concern status of the Company. For these reasons, the Company has adopted the going concern basis in preparing the Financial Statements.

Financial Instruments

Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities. A financial asset or financial liability is measured at fair value through profit or loss if it meets the definition of held for trading.

In applying that classification, a financial asset or financial liability is considered to be held for trading if: (a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, (b) on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial Assets

The Company classifies its financial assets as subsequently measured at fair value through profit or loss or measured at amortized cost based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets measured at fair value through profit or loss ("FVPL")

A financial asset is measured at fair value through profit or loss if any of the following apply:

1. Solely payments of principal and interest ("SPPI") test fails – contractual cash flows are not just principal and interest on specific dates.
2. Business model test fails – it is not held within a business model whose objective is either to collect contractual cash flows (e.g. interest and principal), or to both collect contractual cash flows and sell.
3. Voluntary designation – at initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

The Company classifies its investments in securities and derivative financial instruments at FVPL as their cash flows are not limited to SPPI.

Financial assets measured at amortized cost

A debt instrument is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including cash collateral posted on derivative contracts and other receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the asset have expired.

Financial Liabilities

Financial liabilities measured at fair value through profit or loss

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading. This category would include derivative contracts in a liability position and equity instruments sold short since they are classified as held for trading.

Financial liabilities measured at amortized cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category its Bonds and other short-term payables.

Derecognition of financial liabilities

The Company will derecognize a financial liability when the obligation under the liability is discharged, canceled or expired.

Bonds at Amortized Cost

(i) Classification

The Company classifies its Bonds, as discussed in Note 1 and Note 18, at amortized cost.

(ii) Recognition

The Company recognizes its Bonds upon the date of their issuance.

(iii) Initial Measurement

Bonds are initially measured at their par values minus the original issue discount, if any, and any transaction costs directly attributable to their issuance, which is representative of their fair value at that time.

(iv) Subsequent Measurement

After initial measurement, the Company measures the Bonds at amortized cost using the effective interest method. Interest expense relating to the Bonds is calculated using the effective interest method allocated over the relevant period and is recognized in the statement of comprehensive income accordingly. The interest expense relating to the Bonds includes the amortization of coupon interest, the original issue discount, if any, and the transaction costs attributable to their issuance.

(v) Derecognition

The Company will derecognize its liability associated with each of the Bonds upon maturity, tender, or in the event that the Company exercises its prepayment option for all or some of the Bonds, in which case all or some of the liability would be derecognized at the settlement date.

Fair Value Measurement

The Company measures its investments in financial instruments, such as equities, options and other derivatives, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company values equity securities listed on a securities exchange at the official closing price reported by the exchange on which the securities are primarily traded on the date of determination. In the event that the date of determination is not a day on which the relevant exchange is open for business, such securities are valued at the official closing price reported by the exchange on the most recent business day prior to the date of determination. Where the primary exchange does not report an official closing price and the composite price is available, equity securities will be valued at the composite price. Exchange-traded options and securities listed on a securities exchange for which the exchange does not report an official closing price on the date of determination (other than because the relevant exchange was closed on such date) are valued at the average of the most recent "bid" and "ask" prices.

Over the counter ("OTC") options (including commodity, currency, equity and flex options), OTC currency forwards and OTC interest rate swaptions will generally be valued using a third-party pricing service that obtains quotes from multiple dealers to calculate fair value, or if not readily available, in accordance with procedures adopted by the Investment Manager. OTC equity forwards and swaps will be valued by reference to the price of the underlying security, index or other asset, as applicable, and other relevant factors (e.g., fixed and variable financing rates).

Cleared credit default swaps (including index credit default swaps) will generally be valued using pricing obtained from the clearing house that clears the majority of the volume of such swap and/or as necessary, the value of a third-party pricing service if a single clearing house does not clear the majority of such swap. Uncleared credit default swaps will generally be valued using a third-party pricing service that obtains quotes from multiple dealers to calculate fair value.

Other securities that are not listed on an exchange (including derivatives of both equity and debt) but for which external pricing sources (such as dealer quotes or other independent pricing services) may be available are valued by the Investment Manager after considering, among other factors, such external pricing sources, recent trading activity or other information that, in the opinion of the Investment Manager, may not have been reflected in pricing obtained from external sources. When dealer quotes are being used to assess the value of a holding, an attempt is made to obtain several independent quotes. The practical application of quoted market prices to portfolio positions is a function of the quoted differential in bid/offer spreads. Long and short positions generally are marked to mid-market (subject to the Investment Manager's discretion to mark such positions differently if and when deemed appropriate).

Investments that have unobservable inputs are fair valued using valuation methodologies determined by the Investment Manager. The Investment Manager may choose to employ an independent third-party valuation firm to conduct valuations.

The valuation committee of the Investment Manager considers the appropriateness of the valuation methods and inputs, including information obtained after the close of markets, and may request that alternative valuation methods be applied to support the valuation arising from the methods discussed. Any material changes in valuation methods are discussed and agreed with the Board of Directors.

Offsetting of Financial Instruments

Financial assets and financial liabilities are reported gross by counterparty in the statement of financial position. It is not the Company's intention to settle financial assets and financial liabilities net of the collateral pledged to or received from counterparties.

The Company's derivative assets and liabilities reported by counterparty, showing the effect of netting financial assets and financial liabilities against collateral pledged to or received from the same relevant counterparties, are presented in Note 8.

Functional and Presentation Currency

The Company's functional currency is USD, which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated, and its liquidity is managed, in USD. Therefore, USD is considered the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The presentation currency of the Company's Financial Statements is USD.

Foreign Currency Translations

Assets and liabilities denominated in non-U.S. currencies are translated into USD at the prevailing exchange rates at the reporting date. Transactions in non-U.S. currencies are translated into USD at the prevailing exchange rates at the time of the transaction.

The Company includes the portion of gains and losses on investments due to changes in foreign exchange rates with the portion due to changes in market prices of the investments based on the classification of the underlying investment in the statement of comprehensive income.

The portion of gains and losses related to the Bonds' liability (including the interest expense liability) due to changes in foreign exchange rates is included in net gain/(loss) on currency translation of the Bonds in the statement of comprehensive income.

Amounts Due To and Due From Brokers

Due from brokers consists of cash held at the Company's Prime Brokers, cash and securities pledged in connection with derivative contracts and amounts receivable for securities transactions that have not settled at the reporting date, if any. Due to brokers consists of cash received from counterparties to collateralize the Company's derivative contracts and amounts payable for securities transactions that have not settled at the reporting date, if any.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments with a maturity of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents in the statement of financial position is comprised of U.S. Treasury Bills and/or money market funds which are invested in U.S. Treasury obligations.

Investment Income/Expense

Dividend income is recognized on the date on which the investments are quoted ex-dividend and presented gross of withholding taxes, which are disclosed separately in the statement of comprehensive income. Interest income and expense related to cash and cash equivalents and collateral cash received/posted by the Company are recognized when earned/incurred.

Net Gain or Loss on Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

The Company records its security transactions and the related revenue and expenses on a trade date basis.

Unrealized gains and losses are comprised of (i) changes in the fair value of financial instruments for the year and (ii) the reversal of prior years' unrealized gains and losses for financial instruments which were realized in the reporting period.

Realized gains and losses on disposals of financial instruments classified at fair value through profit or loss are calculated using the highest cost relief method (specific identification). These gains or losses represent the differences between an instrument's initial carrying amount and disposal amount.

Professional Fees

Professional fees include, but are not limited to, expenses relating to accounting, investment valuation, administrative services, auditing, tax preparation expenses, legal fees and expenses, fees of investment bankers, advisers, appraisers, public and government relations firms and other consultants and experts, and investment-related fees and expenses including research, but excluding investment transaction costs.

Other Expenses

Other expenses include, but are not limited to, printing and postage expenses, bank service fees, insurance expenses, listing-related fees and expenses relating to corporate engagement, regulatory filings and registrations in connection with the Company's business and investment activities.

Taxes

The Company is a tax-exempt Guernsey entity under The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989, (as amended). The Company is subject to withholding taxes applicable to certain investment income, such as dividends.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. See Note 19 for further details.

Management Fees and Performance Fees

The Company recognizes management fees and performance fees in the period in which they are incurred in accordance with the terms of the IMA. Refer to Note 15 for detailed information regarding the calculation of both fees.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognized in the Financial Statements and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant effect on the amounts recognized in the Financial Statements:

Assessment of the Company's investments as structured entities

The Company assessed whether PS VII Master, L.P. ("PS VII Master") and Pershing Square SPARC Sponsor, LLC ("SPARC Sponsor") are structured entities under IFRS 12. IFRS 12 defines a structured entity as an entity that has been designed so that voting or other similar rights of the investors are not the dominant factor in deciding who controls the entity.

PS VII Master, an affiliated investment fund, operated as a co-investment vehicle that invested primarily in securities of Universal Music Group N.V. ("UMG"). PS VII Master commenced operations on August 9, 2021 and ceased operations as of December 31, 2024 (the "Cessation Date"). The Company held an investment in PS VII Master from its commencement until the Cessation Date.

The Company assessed whether PS VII Master should be classified as a structured entity. The Company considered the terms of the investment management agreement between PS VII Master and the Investment Manager along with the voting and redemption rights of the other PS VII Master investors, including their rights to remove the Investment Manager, and determined that the dominant factor of control of PS VII Master is PS VII Master's contractual agreement with the Investment Manager. The Company, therefore, concluded that PS VII Master was a structured entity during its operation.

The Company, Pershing Square, L.P. ("PSLP") and Pershing Square International, Ltd. ("PSINTL" and together with the Company and PSLP, the "Pershing Square Funds") wholly own SPARC Sponsor, a Delaware limited liability company, as non-managing members and are its only source of funding. The business and affairs of SPARC Sponsor are managed exclusively by its non-member manager, PSCM. SPARC Sponsor is the sponsor entity for Pershing Square SPARC Holdings, Ltd. ("SPARC"), a Delaware corporation, which is a company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. SPARC's initial Form S-1 Registration Statement ("SPARC S-1") was filed with the Securities and Exchange Commission ("SEC") on November 24, 2021 and became effective on September 29, 2023 ("SPARC Prospectus"). As of December 31, 2025 and December 31, 2024, the Company held an investment in SPARC Sponsor. This investment is reflected under financial assets at fair value through profit or loss in the statement of financial position.

The Company assessed whether SPARC Sponsor should be classified as a structured entity. The Company considered the terms of the limited liability company agreement of SPARC Sponsor and determined that the dominant factor of control is PSCM's role as non-member manager. The Company concluded that SPARC Sponsor is a structured entity.

Although both PS VII Master and SPARC Sponsor (together, the "Structured Entities") meet the definition of structured entities under IFRS 12, the Company determined that it does not have power over the relevant activities of either entity, nor does it have rights that would provide significant influence. Accordingly, the Company does not consolidate these entities or apply the equity method, but instead accounts for its interests as financial assets at fair value through profit or loss in accordance with IFRS 9. All realized and unrealized gains and losses from the Company's investments in the Structured Entities are reflected in the statement of comprehensive income for the years ended 2025 and 2024, as applicable. See Note 7 for the discussion on the fair value measurement and Note 16 for related-party transactions regarding the Company's investments in the Structured Entities.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair Value of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined by the Investment Manager using prices obtained from counterparties or independent third-party pricing services/valuation agents. The independent third-party pricing services/valuation agents utilize proprietary models to determine fair value. The valuation agents' modeling may consider, but is not limited to, the following inputs: amount and timing of cash flows, probability assessments, volatility of the underlying securities' stock price, comparable transaction data, dividend yields and/or interest rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. The models are calibrated regularly and tested for validity using prices from observable current market transactions in the same instrument (without modification or repackaging) or based on available observable market data. Refer to Note 7 for the sensitivity analysis performed on significant unobservable inputs used in the valuation of Level 3 investments.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The Company has assessed the impact of amendments in 2025 made to IAS 21 and has determined that they do not affect the Company's Financial Statements. The Company has assessed the impact of IFRS 18, which has been issued but is not yet effective. While the presentation of the statement of comprehensive income will change on implementation, the valuation and measurement of balances will not be impacted. The Company will continue to assess the impact of IFRS 18 as additional guidance is released prior to implementation. No other standards that have been issued but are not yet effective are likely to materially affect the Company's Financial Statements.

New Pronouncement	Effective Date
Amendments to IFRS 9 and IFRS 7 – *Classification and Measurement of Financial Instruments*	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – *Contracts Referencing Nature-dependent Electricity*	January 1, 2026
Volume 11 – *Annual Improvements to IFRS Accounting Standards*	January 1, 2026
IFRS 18 – *Presentation and Disclosure in Financial Statements*	January 1, 2027
IFRS 19 – *Subsidiaries without Public Accountability: Disclosures*	January 1, 2027
Amendments to IAS 21 – *Translation to a Hyperinflationary Presentation Currency*	January 1, 2027

5. SEGMENT INFORMATION

In accordance with IFRS 8: Operating Segments, it is mandatory for the Company to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board in order to assess each segment's performance.

Management information for the Company as a whole is provided internally to the Directors for decision-making purposes. The Board's decisions are based on a single integrated strategy and the Company's performance is evaluated on an overall basis. The Company has a portfolio of long investments that the Board and Investment Manager believe exhibit significant valuation discrepancies between current trading prices and intrinsic business value, often with a catalyst for value recognition. Therefore, the Directors are of the opinion that the Company is engaged in a single economic segment of business for all decision-making purposes. The financial results of this segment are equivalent to the results of the Company as a whole.

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table is a breakdown of the financial assets and financial liabilities at fair value through profit or loss:

As of December 31		2025		2024
Financial assets				
Investments in securities	$	17,989,469,787	$	15,114,606,252
Derivative financial instruments		39,960,965		51,380,344
Financial assets at fair value through profit or loss	**$**	**18,029,430,752**	**$**	**15,165,986,596**

As of December 31		2025		2024
Financial liabilities				
Derivative financial instruments	$	34,093,323	$	—
Financial liabilities at fair value through profit or loss	**$**	**34,093,323**	**$**	**—**

The following table is a breakdown of the net changes in fair value of financial assets and financial liabilities through profit or loss:

	Year Ended 2025			Year Ended 2024		
	Realized	Unrealized	Total Gains/(Losses)	Realized	Unrealized	Total Gains/(Losses)
Investments in securities (assets)	$ 1,927,839,563	$ 1,786,937,479	**$ 3,714,777,042**	$ 1,621,833,721	$ (59,477,997)	**$ 1,562,355,724**
Derivative financial instruments	(361,998,176)	(45,512,702)	**(407,510,878)**	(152,266,145)	11,867,721	**(140,398,424)**
Net changes in fair value	$ 1,565,841,387	$ 1,741,424,777	**$ 3,307,266,164**	$ 1,469,567,576	$ (47,610,276)	**$ 1,421,957,300**

7. FAIR VALUE OF ASSETS AND LIABILITIES

Fair Value Hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgment and considers factors specific to the asset or liability. Financial instruments are recognized at fair value and categorized in the following table based on the following:

Level 1 – Inputs are unadjusted quoted prices in active markets.

Level 2 – Inputs (other than quoted prices included in Level 1) are obtained directly or indirectly from observable market data at the measurement date.

Level 3 – Inputs, including significant unobservable inputs, reflect the Company's best estimate of what market participants would use in pricing the assets and liabilities at the measurement date.

Recurring Fair Value Measurement of Assets and Liabilities

(in thousands)

As of December 31	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Equity Securities:								
Common Stock:								
Consumer Products	$ —	$ —	$ —	$ —	$ 1,282,901	$ —	$ —	$ 1,282,901
Consumer Services	2,286,774	—	—	2,286,774	—	—	—	—
Financial Services	4,475,163	—	—	4,475,163	2,408,327	—	—	2,408,327
Hospitality	790,248	—	—	790,248	1,198,012	—	—	1,198,012
Leisure & Hospitality	87,028	—	—	87,028	123,036	—	—	123,036
Media	1,936,368	—	—	1,936,368	3,007,457	—	—	3,007,457
Real Estate Development & Operating	1,317,706	—	—	1,317,706	1,270,627	—	—	1,270,627
Restaurant	1,422,708	—	—	1,422,708	2,685,426	—	—	2,685,426
Technology	5,523,978	—	—	5,523,978	1,967,033	—	—	1,967,033
Transportation	—	—	—	—	1,001,874	—	—	1,001,874
Preferred Stock:								
Financial Services	110,620	—	—	110,620	132,374	—	—	132,374
Investment in Affiliated Entity:								
Special Purpose Acquisition Rights Company	—	—	38,877 [1]	38,877	—	—	37,540 [1]	37,540
Derivative Contracts:								
Currency Forwards	—	—	—	—	—	51,380 [2]	—	51,380
Forward Purchase Agreement:								
Special Purpose Acquisition Rights Company [4]	—	—	—	—	—	—	—	—
Total Return Swaps	—	39,961 [3]	—	39,961	—	—	—	—
Total	**$ 17,950,593**	**$ 39,961**	**$ 38,877**	**$ 18,029,431**	**$ 15,077,067**	**$ 51,380**	**$ 37,540**	**$ 15,165,987**

As of December 31	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities:								
Derivative Contracts:								
Total Return Swaps	$ —	$ 34,093 (3)	$ —	$ 34,093	$ —	$ —	$ —	$ —
Total	**$ –**	**$ 34,093**	**$ –**	**$ 34,093**	**$ –**	**$ –**	**$ –**	**$ –**

(1) Figure relates to the Company's investment in Pershing Square SPARC Sponsor, LLC. Refer to Note 16 for further details.
(2) Currency forwards are fair valued by the Investment Manager. The fair values of these financial instruments may reflect, but are not limited to, the following inputs: current market and contractual prices from market makers or dealers, volatilities of the underlying financial instruments, interest rates, and/or current foreign exchange forward and spot rates. The significant inputs are market observable and included within Level 2. The Investment Manager utilizes a third-party pricing service and its widely recognized valuation models to obtain fair values of these financial instruments.
(3) Total return swaps are fair valued by the Investment Manager using market observable inputs. The fair values of these financial instruments may reflect, but are not limited to, the following inputs: market price of the underlying security, notional amount, and/or fixed and floating interest rates.
(4) Refers to the Company's investment in the SPARC Committed Forward Purchase Agreement. Refer to Note 16 for further details.

The Company's cash and cash equivalents and short-term receivables and payables are recorded at carrying value which approximates fair value. The Bonds, which are not included in the table of Recurring Fair Value Measurement of Assets and Liabilities, are classified as Level 1 financial liabilities and the fair values of the Bonds are discussed further in Note 18.

Some of the Company's investments in Level 1 securities represent a significant portion of the Company's portfolio. If such investments were sold or covered in their entirety, it might not be possible to dispose of them at the quoted market price. IFRS does not permit adjustments to the fair value of these investments to account for a potential sale at a discount to quoted market price.

The Directors have considered the impact of climate change on the valuation of the Company's investments. In line with IFRS, the Company's investments are valued at fair value, which for substantially all of the Company's investments are, or incorporate, quoted prices for investments in active markets at December 31, 2025 and December 31, 2024 and therefore reflect market participants' view of climate change risk. Climate change risk does not have a material impact on the value of the Company's other investments.

Level 3 Transfers

Transfers between levels during the year are determined and deemed to have occurred at each financial statement reporting date. There were no transfers into or out of Level 3 fair value measurements since the last financial statement reporting date.

Level 3 Reconciliation

Level 3 investments are fair valued using valuation methodologies determined by the Investment Manager. In applying its valuation methods, the Investment Manager utilizes information including, but not limited to the following: amount and timing of cash flows, probability assessments, volatility of the underlying securities' stock price, comparable transaction data, dividend yields and/or interest rates. The Investment Manager engaged an independent third-party valuation firm to conduct valuations of the SPARC Committed FPA and of the SPARC Sponsor Shares and the SPARC Sponsor Warrants held by SPARC Sponsor (each as disclosed in Note 16). The independent third-party valuation firm provided the Investment Manager with a written report documenting their recommended valuations as of the determination date.

The following table summarizes the change in the carrying amounts associated with Level 3 investments for the years ended 2025 and 2024.

		SPARC Sponsor		SPARC Committed FPA		Total
Balance at December 31, 2024	$	37,540,131	$	—	$	37,540,131
Funding for Sponsor expenses		7,216		—		7,216
Net gain/(loss)		1,329,445		—		1,329,445
Balance at December 31, 2025	**$**	**38,876,792**	**$**	**–**	**$**	**38,876,792**

		SPARC Sponsor		SPARC Committed FPA		Total
Balance at December 31, 2023	$	35,372,728	$	—	$	35,372,728
Funding for Sponsor expenses		6,165		—		6,165
Net gain/(loss)		2,161,238		—		2,161,238
Balance at December 31, 2024	**$**	**37,540,131**	**$**	**–**	**$**	**37,540,131**

As a result of changes in the fair value of the SPARC Sponsor Warrants, the Company had net gains of $1,329,445 and $2,161,238 from Level 3 securities for the years ended December 31, 2025 and December 31, 2024, respectively. The fair value of the SPARC Sponsor Shares and the SPARC Committed FPA remained constant.

When the Investment Manager agrees to a SPARC transaction, the SPARC Sponsor Shares and the SPARC Sponsor Warrants will be valued with reference to the market valuation of the post-combination company. During the period before a SPARC transaction, the Investment Manager will value the SPARC Sponsor Warrants and Shares using assumptions determined in accordance with its valuation policy and applicable accounting standards.

Quantitative Information of Significant Unobservable Inputs – Level 3

The quantitative information about the significant unobservable inputs used in the fair value measurement by the Company for Level 3 investments as of December 31, 2025 and December 31, 2024 are listed below.

SPARC Sponsor

Description	December 31, 2025	December 31, 2024
Volatility	25.0%	25.0%
Probability of Not Completing a Deal	30.0%	30.0%
Expected Time to Complete a Deal	3.9 Years	4.4 Years
Probability of Warrant Renegotiation	30.0%	30.0%
Estimated Target Equity Value	$4.5 billion	$4.5 billion

The SPARC Sponsor Warrants held through the Company’s investment in SPARC Sponsor are valued using a Black-Scholes option pricing model, with the following significant unobservable inputs: (i) Volatility, (ii) Probability of Not Completing a Deal, (iii) Expected Time to Complete a Deal, (iv) Probability of Warrant Renegotiation and (v) Estimated Target Equity Value. The Volatility reflects the anticipated implied volatility of the potential target company from SPARC’s business combination over the SPARC Sponsor Warrants’ 10-year term based on comparable measures derived from past and existing investments. The Probability of Not Completing a Deal reflects a discount relating to SPARC’s deadline to complete its business combination prior to the expiration of its term. The Expected Time to Complete a Deal considers SPARC’s timeframe to consummate a business combination with all necessary shareholder and board approvals to be the midpoint of the remaining time until the 10-year deadline. The Probability of Warrant Renegotiation is a discount based on the probability that the SPARC Sponsor Warrants will be restructured at the time of SPARC's business combination. The discount is representative of the average restructuring of the sponsor incentive and founder stock forfeitures in completed blank check company transactions. The Estimated Target Equity Value is SPARC’s assumption of the total equity capital of the entity following its business combination. This assumption factors in SPARC's available capital at the time of the deal which is the estimated proceeds from the exercise of the subscription warrants and the forward purchase agreements, and applies a multiplier to SPARC's available capital based on its observation of the median multiple between historical blank check companies' available capital and the equity value of their eventual merger targets.

The significant unobservable input for the SPARC Sponsor Shares held through the Company's investment in SPARC Sponsor is the Probability of Not Completing a Deal.

SPARC Committed FPA

As described in more detail in Note 16, the Pershing Square Funds entered into the SPARC Committed FPA, obligating them to purchase at least $250 million and up to $1 billion of SPARC Public Shares, determined by the Final Exercise Price (as defined in Note 16). The fair value of the SPARC Committed FPA is mainly driven by SPARC's ability to execute on a business combination that is value-additive, meaning the intrinsic value exceeds the Final Exercise Price. After reviewing independent studies of value creation in business transactions, the valuation agent determined that there was no expected incremental value creation in a SPARC transaction. Based on this determination, the Final Exercise Price and the intrinsic value of the business combination would be equal, leaving all other unobservable inputs irrelevant to the fair value. This analysis will likely remain unchanged until SPARC's subscription warrants are quoted on the OTCQX marketplace of the OTC Markets Group Inc., which will not occur until after a business combination is announced.

Sensitivity Analysis to Significant Changes in Unobservable Inputs with Level 3 Hierarchy

The sensitivity analysis calculates the effect of a reasonably possible change of each significant unobservable input and its effect on the fair value with all other variables held constant as of December 31, 2025 and December 31, 2024.

As of December 31, 2025	Inputs	Sensitivity Used (+)	Effect on Fair Value	Sensitivity Used (-)	Effect on Fair Value
SPARC Sponsor Warrants					
Volatility	25.0%	5%	$ 4,140,188	5%	$ (4,153,556)
Probability of Not Completing a Deal	30.0%	5%	$ (2,592,277)	5%	$ 2,592,277
Expected Time to Complete a Deal	3.9 Years	1 Year	$ (1,293,334)	1 Year	$ 1,341,128
Probability of Warrant Renegotiation	30.0%	5%	$ (2,592,277)	5%	$ 2,592,277
Estimated Target Equity Value	$4.5 billion	5%	$ 1,814,594	5%	$ (1,814,594)
SPARC Sponsor Shares					
Probability of Not Completing a Deal	30.0%	5%	$ (184,637)	5%	$ 184,637

As of December 31, 2024	Inputs	Sensitivity Used (+)	Effect on Fair Value	Sensitivity Used (-)	Effect on Fair Value
SPARC Sponsor Warrants					
Volatility	25.0%	5%	$ 3,892,649	5%	$ (3,894,781)
Probability of Not Completing a Deal	30.0%	5%	$ (2,496,802)	5%	$ 2,496,802
Expected Time to Complete a Deal	4.4 Years	1 Year	$ (1,486,491)	1 Year	$ 1,552,511
Probability of Warrant Renegotiation	30.0%	5%	$ (2,496,802)	5%	$ 2,496,802
Estimated Target Equity Value	$4.5 billion	5%	$ 1,747,760	5%	$ (1,747,760)
SPARC Sponsor Shares					
Probability of Not Completing a Deal	30.0%	5%	$ (184,637)	5%	$ 184,637

8. DERIVATIVE CONTRACTS

In the normal course of business, the Company enters into derivative contracts for investment and hedging purposes. These instruments are subject to various risks, similar to non-derivative instruments, including market, credit and liquidity risk (see Note 13). The Company manages these risks on an aggregate basis along with other risks associated with its investing activities as part of its overall risk management strategy. All derivatives are reported at fair value (as described in Note 2) in the statement of financial position. Changes in fair value are reflected in the statement of comprehensive income. A description of the derivatives traded by the Company is below.

Currency Forwards

A currency forward contract is a commitment to purchase or sell a currency on a future date at a negotiated forward exchange rate. Currency forward contracts are used for trading purposes and may hedge the Company's exposure to changes in currency exchange rates on its portfolio investments.

Equity Forwards

An equity forward contract involves a commitment by the Company to purchase or sell equity securities for a predetermined price, with payment and delivery of the equity securities at a predetermined future date. An equity forward embeds a cost of carry (interest) charge payable by the Company (when the Company commits to purchase) or receivable by the Company (when the Company commits to sell) the underlying securities.

Options

Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or sell a specific amount of a financial instrument, commodity or currency at a contracted price, either at a fixed future date or at any time within a specified period.

The Company purchases and sells call and put options through regulated exchanges and OTC markets. Options purchased by the Company provide the Company with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option, depending on the option's style of exercise.

The Company is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value. Options written by the Company provide the purchaser (the party facing the Company) the opportunity to purchase from or sell to the Company the underlying asset at an agreed-upon value. In writing an option, the Company bears the market risk of an unfavorable change in the asset underlying the written option. The exercise by the purchaser of an option written by the Company could result in the Company buying or selling a financial instrument at a price higher or lower than the current market value, respectively. The maximum loss for written put options is limited to the number of contracts written and the related strike prices, and the maximum loss for written call options (which could be unlimited) is contingent upon the market price of the underlying asset at the exercise date.

Swaptions

A swaption is an option contract that provides its owner the right, but not the obligation, to enter into a previously agreed-upon swap on a future date or to cancel an existing swap in the future. A payer swaption is an option to enter into a swap as a fixed-rate payer and receive the floating rate. A receiver swaption is an option to enter into a swap as a fixed-rate receiver and pay the floating rate.

Total Return Swaps

A total return swap ("TRS") is a contractual agreement between two parties to exchange the total economic return of a reference financial instrument, which includes both income (e.g., dividends, interest) and capital appreciation or depreciation. The Company is either obligated to pay or entitled to receive the net change in the value of the underlying asset, measured from the inception of the swap to its termination or reset date. In addition to the return on the underlying instrument, TRS contracts typically include a financing charge based on an agreed upon spread and a floating interest rate. The party receiving the performance of the underlying instrument generally pays financing to the other counterparty.

Fair Value of Derivative Financial Instruments

The following table shows the fair values of derivative financial instruments recorded as assets or liabilities as of December 31, 2025 and December 31, 2024, together with their notional amounts which is indicative of the trading activity throughout the year. The notional amount, which is recorded on a gross basis, is the amount of a derivative's underlying asset, reference rate or index value, and is the basis upon which changes in the value of derivatives are measured.

As of December 31	2025		2024	
	Fair Value	Notional[1]	Fair Value	Notional[2]
Derivatives primarily held for trading purposes				
Assets				
Total Return Swaps	$ 39,960,965	$ 134,302,503	$ —	$ —
Total Assets	**$ 39,960,965**	**$ 134,302,503**	**$ —**	**$ —**
Liabilities				
Total Return Swaps	$ 34,093,323	$ 125,000,001	$ —	$ —
Total Liabilities	**$ 34,093,323**	**$ 125,000,001**	**$ —**	**$ —**
Derivatives primarily held for risk management purposes				
Assets				
Currency Forwards	$ —	$ —	$ 51,380,344	$ 2,156,603,377
Total Assets	**$ —**	**$ —**	**$ 51,380,344**	**$ 2,156,603,377**

(1) The Company also traded currency forwards and equity options during 2025 but did not hold these instruments as of December 31, 2025. The average notional amounts traded were $1.5 billion and $797.8 million, respectively.

(2) The Company also traded equity options, equity forwards, commodity options and interest rate swaptions during 2024 but did not hold these instruments as of December 31, 2024. The average notional amounts traded were $70.8 million, $773.1 million, $9.1 million and $1.5 billion, respectively.

The table below summarizes gains or losses from the Company's derivative trading for the years ended December 31, 2025 and December 31, 2024 that are included in investment gains and losses in the statement of comprehensive income.

Derivatives Trading	Year Ended 2025	Year Ended 2024
Commodity Options	$ —	$ (22,254,479)
Currency Forwards	(208,615,794)	123,973,565
Equity Forwards	—	(50,563,332)
Equity Options	(219,876,175)	40,609,556
Interest Rate Swaptions	—	(232,163,734)
Total Return Swaps	20,981,091	—
Total Net Gain/(Loss)	**$ (407,510,878)**	**$ (140,398,424)**

Offsetting of Derivative Assets and Liabilities

IFRS 7 requires an entity to disclose information about offsetting rights and related arrangements. The disclosures provide users with information to evaluate the effect of netting arrangements on an entity's financial position. The disclosures are required for all recognized financial instruments that could be offset in accordance with IAS 32 Financial Instruments Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with IAS 32.

The table below displays the amounts by which the fair values of derivative assets and liabilities could be offset in the statement of financial position as a result of counterparty netting. Collateral pledged/received represents amounts by which derivative assets and liabilities could have been further offset for financial statement presentation purposes if the Company did not include collateral amounts in due from/to brokers in the statement of financial position.

				Amounts Not Offset in the Statement of Financial Position		
As of December 31, 2025	Gross Amounts	Gross Amounts Offset in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position	Financial Instruments(1)	Collateral Pledged / (Received)(2,3)	Net Amount
Derivative Assets						
Counterparty A	$ 30,091,686	$ —	$ 30,091,686	$ —	$ (30,091,686)	$ —
Counterparty F	9,869,279	—	9,869,279	—	(9,869,279)	—
Counterparty H	—	—	—	—	82,768,921	82,768,921
Total	**$ 39,960,965**	**$ –**	**$ 39,960,965**	**$ –**	**$ 42,807,956**	**$ 82,768,921**
Derivative Liabilities						
Counterparty J	$ (34,093,323)	$ —	$ (34,093,323)	$ —	$ 34,093,323	$ —
Total	**$ (34,093,323)**	**$ –**	**$ (34,093,323)**	**$ –**	**$ 34,093,323**	**$ –**

(1) Amount of financial instruments subject to ISDA master netting agreements, determined by the Company to be legally enforceable in the event of default and if certain other criteria are met in accordance with applicable offsetting accounting guidance, but were not offset as it is not the Company's intention to settle on a net basis with its ISDA counterparties.

(2) Amounts of collateral subject to collateral agreements determined by the Company to be legally enforceable in the event of default, but were not offset as it is not the Company's intention to settle on a net basis with its ISDA counterparties. The collateral amounts may exceed the net amounts presented in the statement of financial position. Where this is the case, collateral pledged/received is limited to the net amounts of financial assets and liabilities with that counterparty. As of December 31, 2025, the Company received additional collateral of $3.8 million and posted additional collateral of $59.3 million related to independent amounts and/or valuation differences with the counterparty, not presented in the tables above.

(3) The Company is subject to Uncleared Margin Rules, requiring the Company to post initial margin to individual third-party accounts custodied at a bank separate from the counterparty with which the instruments are traded. The Company is subject to insolvency risk at the bank where these third-party accounts are custodied. The collateral posted to the Company's third-party accounts is represented by "Counterparty H".

As of December 31, 2024, the Company held derivative assets totaling $51,380,344, none of which could be offset in accordance with IAS 32 Financial Instruments Presentation or are subject to enforceable ISDA master netting arrangements.

9. TRADE AND OTHER RECEIVABLES/PAYABLES

The following is a breakdown of the Company's trade and other receivables/payables as reflected in the statement of financial position.

As of December 31	2025	2024
Trade and other receivables		
Dividends receivable	$ 9,717,602	$ 15,152,991
Interest receivable	2,884,642	1,772,235
Prepayments and other receivables	1,632,393	1,265,661
Receivable from PS VII Master, L.P.	—	10,581,212
	$ 14,234,637	**$ 28,772,099**

As of December 31	2025	2024
Trade and other payables		
Performance fees payable	$ 486,622,392	$ 225,356,173
Settlement of share buybacks	2,363,439	4,409,741
Other payables	1,181,804	2,666,827
Interest payable	139,675	37,010
	$ 490,307,310	**$ 232,469,751**

10. CASH AND CASH EQUIVALENTS

The following is a breakdown of the Company's cash and cash equivalents as reflected in the statement of financial position.

As of December 31	2025	2024
Cash and cash equivalents		
U.S. Treasury money market funds	$ 1,104,637,085	$ 436,520,113
U.S. Treasury Bills	36,865,279	—
	$ 1,141,502,364	**$ 436,520,113**

As of December 31, 2025, money market fund investments in Goldman Sachs Financial Square Treasury Instruments Fund and BlackRock Liquidity Funds Treasury Trust Fund had fair values of $687,011,385 (2024: $377,786,506) and $417,625,700 (2024: $58,733,607), respectively.

11. SHARE CAPITAL

Authorized and Issued Capital

The Board has general and unconditional authority to issue an unlimited number of shares (or options, warrants or other rights in respect of shares). All of the Company's share classes participate pro-rata in the profits and losses of the Company based upon the NAV of the share class (before any accrued performance fees) at the time of such allocation. The NAV of each share class is the proportion of the Company's NAV attributable to such share class at the relevant valuation date, taking into account the assets and liabilities of the Company specifically attributable to such class of shares.

The Company had 176,382,491 Public Shares (December 31, 2024: 182,956,010) and the Special Voting Share outstanding as of December 31, 2025. The Company also held 34,574,259 Public Shares in Treasury (December 31, 2024: 28,000,740) for a total of 210,956,750 Public Shares in issue (December 31, 2024: 210,956,750) as of December 31, 2025. The Company had no Management Shares outstanding as of December 31, 2025 and December 31, 2024.

The Company's Articles of Incorporation, in accordance with the UK Listing Rules, incorporate pre-emption rights in favor of existing shareholders on the issue or sale from treasury of new equity securities for cash (or to issue any rights to subscribe for or convert equity securities into ordinary shares of the Company). At the 2025 AGM, the Company proposed and shareholders passed a special resolution to approve the disapplication of the pre-emption rights contained in the Articles of Incorporation so that the Board has the authority to allot and issue (or sell from treasury) up to 18,028,400 Public Shares (equal to 10% of Public Shares outstanding as at the latest practicable date prior to the date of publication of the 2025 Notice of the Annual General Meeting). Such disapplication for issuances of 10% or less of outstanding equity is commonly requested by issuers listed on the LSE. The Company intends to propose the same special resolution at the 2026 Annual General Meeting.

In order to maintain the status of the Company as a foreign private issuer under U.S. securities law and regulations, the Company has issued a Special Voting Share to PS Holdings Independent Voting Company Limited ("VoteCo"), a Guernsey limited liability company. The Special Voting Share at all times carries 50.1% of the aggregate voting power in the Company (except for certain matters set forth in the UK Listing Rules on which it may not vote). VoteCo's organizational documents require it to vote in the interest of the Company's shareholders as a whole. The Investment Manager has no affiliation with VoteCo. The members of the VoteCo board of directors are independent from the Investment Manager and have no interest in the Company or the Investment Manager. VoteCo is wholly owned by a trust established for the benefit of one or more charitable organizations outside of the United States, currently the Breast Cancer Society of Canada.

Voting Rights

The holders of Public Shares have the right to receive notice of, attend and vote at general meetings of the Company. Public Shares held in Treasury do not have voting rights.

Each Public Share and Management Share, if any, carries such voting power so that the aggregate issued number of Public Shares and Management Shares carries 49.9% of the total voting power of the aggregate number of voting shares. Each Public Share carries one vote and each Management Share carries such voting power so that the total voting power of the Public Shares and Management Shares are pro-rated in accordance with their respective net asset values. The Special Voting Share carries 50.1% of the aggregate voting power in the Company. The Special Voting Share and the Management Shares may not vote on certain matters specified in the UK Listing Rules.

Specified Matters

The UK Listing Rules permit only holders of Public Shares to vote on certain matters (the "Specified Matters"). Each of the Specified Matters is set forth in the UK Listing Rules.

Distributions

The Board may at any time declare and pay dividends (or interim dividends) based upon the financial position of the Company. No dividends shall be paid in excess of the amounts permitted by the Companies (Guernsey) Law, 2008 and without the prior consent of the Board and the Investment Manager.

The Company's quarterly dividend is determined by multiplying the average NAV per Public Share of all trading days in December of the prior year by 0.25%, subject to a cap on the total dividends paid for the year of 125% of the average of the total dividends paid in each of the previous three years. Once the dividend is set for a specific year, the Company does not intend to decrease the dividend in future years, even if the NAV per Public Share were to decline. The quarterly dividend per Public Share for 2024 and 2025 was as follows:

Year	Announcement Date	Quarterly Dividend Amount
2024	January 11, 2024	$0.1456
2025	January 20, 2025	$0.1646

A proportionate quarterly dividend will be paid to the Special Voting Share, based on its net asset value on the ex-dividend date. Dividends will be paid in USD unless a shareholder elects to be paid in GBP. Shareholders may also elect to reinvest cash dividends into Public Shares through a DRIP administered by an affiliate of the Company's registrar. Further information regarding the dividend, including the anticipated payment schedule and how to make these elections, is available at www.pershingsquareholdings.com/psh-dividend-information.

Each dividend is subject to a determination that after the payment of the dividend the Company will continue to meet the solvency requirements under Guernsey law, and that, in accordance with the indentures governing the Bonds, the Company's total indebtedness will be less than one third of the Company's total capital. The Board may determine to modify or cease paying the dividend in the future.

In the year ended December 31, 2025, the Company distributed dividends of $118,119,801, a higher amount than it distributed in the year ended December 31, 2024 of $107,166,682 due to an increase in the quarterly dividend for 2025.

Winding-Up

The assets available for distribution upon the winding up of the Company, after payment of all creditors of the Company, shall be allocated among each class of shares then in issue in proportion to the NAV of such class of shares at the relevant winding-up date. Within each share class, the assets will be distributed among the shareholders of that class in proportion to the number of shares held at the winding-up date.

Capital Management

The Company's general objectives for managing capital are:

- To maximize its total return primarily through the capital appreciation of its investments;
- To minimize the risk of an overall permanent loss of capital; and
- To continue as a going concern

To the extent the Investment Manager deems it advisable and provided that there are no legal, tax or regulatory constraints, the Company is authorized to manage its capital through various methods, including, but not limited to: (i) repurchases of Public Shares and (ii) further issuances of shares, provided that the Board only intends to exercise its authority to issue new shares if such shares are issued at a value not less than the estimated prevailing NAV per share (or under certain other specified circumstances).

At the 2025 AGM, shareholders renewed the Company's authority to engage in share buybacks up to a maximum of 14.99% of the Public Shares then outstanding.

The Company announced a share buyback program in November of 2023 on the LSE and Euronext Amsterdam (the "2023 Share Buyback Program") of $250 million or for up to 10 million of the Company's outstanding Public Shares. Prior to its expiration on the date of the 2024 AGM, 3,099,543 shares had been repurchased for $136 million at an average discount of 31.2%, representing 54% of the 2023 Share Buyback Program.

The Company announced share buyback programs in November and December of 2024 on the LSE and Euronext Amsterdam (the "2024 Share Buyback Programs"), each of $100 million or for up to 5 million of the Company's outstanding Public Shares. The Company completed the 2024 Share Buyback Programs on April 4, 2025, repurchasing a total of 3,967,758 shares for $200 million at an average discount of 30.4%.

The Company announced a share buyback program in June of 2025 on the LSE (the "June 2025 Share Buyback Program") of $200 million or for up to 10 million of the Company's outstanding Public Shares. The Company announced an additional share buyback program in November of 2025 on the LSE (the "November 2025 Share Buyback Program" and together with the June 2025 Share Buyback Program, the "2025 Share Buyback Programs") of $100 million or for up to 5 million of the Company's outstanding Public Shares. The Company repurchased 3,652,119 shares for $220 million as of December 31, 2025 at an average discount of 28.8%, representing 73.3% of the 2025 Share Buyback Programs.

From the Company's first buyback program in May 2017 through December 31, 2025, including the Company's May 2018 tender offer, the Company has repurchased a total of 73,572,630 Public Shares for $1.8 billion at an average discount of 29.3%.

The Company intends to propose that shareholders renew its general share buyback authority at the 2026 Annual General Meeting to allow the Company to engage in share buybacks for up to a maximum of 14.99% of the Public Shares then outstanding. If approved by shareholders and depending on market conditions and the Company's available capital, the Company may decide to utilize the share buyback authority to make further acquisitions of Public Shares in the market.

Jefferies International Limited is the Company's buyback agent for its share buyback programs. Beginning on October 24, 2019, all Public Shares repurchased in the share buyback programs are held in Treasury.

The Public Shares, Special Voting Share and Treasury Shares transactions for the years ended December 31, 2025 and December 31, 2024 were as follows:

	Public Shares	Special Voting Share	Treasury Shares
As of December 31, 2023	**185,461,146**	**1**	**25,495,604**
Share Buybacks	(2,505,136)	—	2,505,136
As of December 31, 2024	**182,956,010**	**1**	**28,000,740**
Share Buybacks	(6,573,519)	—	6,573,519
As of December 31, 2025	**176,382,491**	**1**	**34,574,259**

12. INTEREST INCOME AND EXPENSE

The following is a breakdown of the Company's interest income and expense as reflected in the statement of comprehensive income.

Interest Income	Year Ended 2025	Year Ended 2024
U.S. Treasury Bills	$ 23,980,563	$ 29,162,532
U.S. Treasury money market funds	20,605,679	49,732,982
Bilateral collateral balances	1,004,913	6,920,485
Cash at prime brokers	12,874	120,818
	$ 45,604,029	**$ 85,936,817**

Interest Expense	Year Ended 2025	Year Ended 2024
Bonds coupon expense	$ 98,809,410	$ 72,106,453
Bilateral collateral balances	9,286,805	2,197,258
Amortization of Bonds issue costs incurred as finance costs	3,969,451	2,632,775
Amortization of Bonds original issue discount incurred as finance costs	489,954	348,715
Debit balance at prime brokers	257,883	7,402
	$ 112,813,503	**$ 77,292,603**

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

Risk Mitigation

The Investment Manager defines investment risk as the probability of a permanent loss of capital rather than price volatility. The Investment Manager does not use formulaic approaches to risk management. Instead, risk management is integrated into the portfolio management process. The primary risk management tool is extensive research completed by the Investment Manager prior to an initial investment. Factors considered by the Investment Manager in assessing long investment opportunities include, but are not limited to:

- The volatility/predictability of the business;
- Its correlation with macroeconomic factors;
- The company's financial leverage;
- The defensibility of the company's market position; and
- Its discount to intrinsic value

The Investment Manager seeks to invest the substantial majority of the Company's capital in high-quality, low-leverage, North American, large-cap companies. The Investment Manager does not have a formulaic approach in evaluating correlations between investments, but is mindful of sector and industry exposures and other fundamental correlations between the businesses in which the Company invests. Accordingly, the primary risks in the Company's portfolio are company-specific risks which are managed through investment selection and due diligence. The public nature of the investments in the portfolio and portfolio concentration allows the Investment Manager to monitor and evaluate every investment on a daily basis.

The Investment Manager seeks to limit the Company's exposure to risks that may be associated with the use of financial leverage and it believes that an important distinguishing factor about the Company's portfolio is that it does not generally use margin leverage.

At times, the Investment Manager has made investments that, due to the circumstances of the investment (e.g., the highly leveraged nature of the businesses or assets, the relative illiquidity of the investment, and/or the structure of the Company's investment), have a materially greater likelihood of a potential permanent loss of capital for the Company. In light of this greater risk, the Investment Manager generally requires the potential for a materially greater reward if successful, and sizes the investments appropriately.

Refer to Principal Risks and Uncertainties (which are explicitly incorporated by reference into these Notes to Financial Statements) for further information regarding principal risks faced by the Company.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

The Company's derivatives and investments held as of December 31, 2025 are presented in the Condensed Schedule of Investments on pages 114-115.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Generally, most financial assets decline in value when interest rates rise and increase in value when interest rates decline. While nearly every one of the Company's investments is exposed to the economy to some degree, the Investment Manager attempts to identify companies for which increases or decreases in interest rates are not particularly material to the investment thesis. The Company does not generally hedge its interest rate exposure as the Investment Manager does not believe that, absent the potential for asymmetric profits, hedging interest rate risk is a prudent use of capital. As of December 31, 2025 and December 31, 2024, the Company did not have an investment in any interest rate derivatives.

As of December 31, 2025 and December 31, 2024 cash and cash equivalents equaled $1,141,502,364 and $436,520,113, respectively. The majority of these holdings are in short-term, highly liquid instruments such as money market funds and short-dated U.S. Treasurys. The Company does not perform a sensitivity analysis on these instruments because they are not subject to material interest rate risk. Short-dated U.S. Treasurys are held to maturity and recorded at amortized cost, with interest accrued as a receivable, so fluctuations in interest rates do not impact the Company's net assets. Similarly, investments in money market funds are designed to maintain a stable net asset value and provide daily liquidity, such that changes in interest rates would not materially affect the value of these holdings.

The Bonds have no interest rate risk as the interest rates are fixed and they are carried at amortized cost.

Currency Risk

The Company invests in financial instruments and enters into transactions that are denominated in currencies other than USD. Consequently, the Company's financial assets or liabilities denominated in currencies other than USD are exposed to the risk that the exchange rate of USD relative to other currencies may change in a manner that has an adverse effect on their fair value. In addition, portfolio companies with foreign operations are also exposed to currency risk, which may adversely affect their valuation.

The Company primarily utilizes forward exchange contracts to hedge currency risk, and it may also invest in currency options if the Investment Manager identifies an investment opportunity with the potential for asymmetric profits.

The following tables show the currencies to which the Company had significant exposure at December 31, 2025 and December 31, 2024 on its financial assets and financial liabilities. The analysis calculates the effect on the Company's profit and loss due to a reasonably possible movement of the currency rate against USD with all other variables held constant.

Currency (2025)	Net Foreign Currency Exposure	Change in Currency Rate (+)	Effect on Profit/(Loss)	Change in Currency Rate (-)	Effect on Profit/(Loss)
CAD	$ 497,947,921	6%	$ 29,876,875	6%	$ (29,876,875)
EUR	$ (712,478,627)	7%	$ (49,873,504)	7%	$ 49,873,504

Currency (2024)	Net Foreign Currency Exposure	Change in Currency Rate (+)	Effect on Profit/(Loss)	Change in Currency Rate (-)	Effect on Profit/(Loss)
CAD	$ (103,043,519)	6%	$ (7,537,832)	6%	$ 7,537,832
EUR	$ (667,919,753)	7%	$ (44,298,841)	7%	$ 44,298,841

Equity Price Risk

The Company's portfolio is highly concentrated, with a significant proportion of its capital in a limited set of investments. A substantial majority of the Company's portfolio is typically allocated to 8 to 12 core holdings usually comprised of highly liquid, listed large cap North American companies. Because the portfolio is highly concentrated and primarily invested in public equities (or derivative instruments which reference public equities), fluctuations in equity prices are a significant risk to the portfolio. Refer to the Company Performance on page 2 and the Investment Manager's Portfolio Update on pages 12-22 for quantitative and qualitative discussion of the Company's portfolio.

The following table estimates the effect on the Company's net assets due to a possible change in equity prices with all other variables held constant.

Equity Prices	% Change in Equity Price (+)	Change in Net Assets	% Change in Equity Price (-)	Change in Net Assets
2025	11%	$ 2,004,498,751	11%	$ (2,004,498,751)
2024	10%	$ 1,507,706,607	10%	$ (1,507,706,607)

The following table analyzes the Company's concentration of equity price risk in the Company's equity portfolio by geographical distribution (based on issuer's place of primary listing or, if not listed, place of domicile).

As of December 31	2025	2024
North America	89%	80%
Europe	11%	20%
Total	**100%**	**100%**

The following table analyzes the Company's concentration of equity price risk in the Company's equity portfolio by industry sectors.

As of December 31	2025	2024
Technology	31%	13%
Financial Services	26%	17%
Consumer Services	13%	0%
Media	11%	20%
Restaurant	8%	18%
Real Estate Development and Operating	7%	8%
Hospitality	4%	8%
Consumer Products	—	8%
Transportation	—	7%
Leisure & Hospitality	—	1%
Special Purpose Acquisition Rights Company	—	—
Total	**100%**	**100%**

If the Company holds a short position, it represents obligations of the Company to deliver the specified securities and, thereby, creates a liability to purchase the security in the open market at prevailing prices. Accordingly, such transactions may result in additional risk as the amount needed to satisfy the Company's obligations may exceed the amount recognized in the statement of financial position. As of December 31, 2025 and December 31, 2024, the Company did not have an investment in any short equity positions.

Liquidity Risk

The Company's policy and the Investment Manager's approach to managing liquidity are to ensure, as much as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressful market conditions. The Company invests primarily in liquid, large-capitalization securities which, under normal market conditions, are readily convertible to cash. Less liquidity is tolerated in situations where the risk/reward trade-off is sufficiently attractive to justify a greater degree of illiquidity.

The Company's portfolio investments may be subject to contractual or regulatory restrictions on trading, or "trading windows" imposed with respect to certain issuers for which the Investment Manager has board representation or is otherwise restricted. However, these restrictions were not taken into consideration in the liquidity calculation below as the Investment Manager has been able to liquidate such securities successfully through block trades or automatic purchase/sale plans. The Investment Manager believes that the appropriate metric for assessing portfolio liquidity is to calculate how many days it would require to liquidate a position assuming the Investment Manager were able to capture 20% of the trailing 90-day average trading volume (the "Liquidation Period"). On a monthly basis, the Liquidation Period is applied to the existing portfolio to assess how long it will take to divest the Company (and the other PSCM-managed funds) of its portfolio positions.

The following tables summarize the liquidity profile of the Company's assets and liabilities based on the following assumptions:

- Financial assets and financial liabilities at fair value through profit or loss are disposed over their Liquidation Period;
- The receipt/disposition of all other assets and liabilities, including cash and cash equivalents, due to/from brokers, trade receivables and payables and Bonds is based on their contractual interest payments and maturities; and
- Cash flows are undiscounted.

As of December 31, 2025	Less than 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Over 1 Year	Total
Assets						
Cash and cash equivalents	$ 1,141,502,364	$ —	$ —	$ —	$ —	$ 1,141,502,364
Due from brokers	176,327,860	—	—	—	—	176,327,860
Trade and other receivables	14,234,637	—	—	—	—	14,234,637
Financial assets at fair value through profit or loss:						
Investments in securities	11,988,131,090	3,514,650,720	1,462,417,555	949,479,741	74,790,681	17,989,469,787
Derivative financial instruments*	26,579,845	13,381,120	—	—	—	39,960,965
Total Assets	**$ 13,346,775,796**	**$ 3,528,031,840**	**$ 1,462,417,555**	**$ 949,479,741**	**$ 74,790,681**	**$ 19,361,495,613**
Liabilities						
Due to brokers	$ 43,800,000	$ —	$ —	$ —	$ —	$ 43,800,000
Trade and other payables	490,307,310	—	—	—	—	490,307,310
Bonds	12,900,000	—	65,714,900	54,229,500	4,426,569,100	4,559,413,500
Financial liabilities at fair value through profit or loss:						
Derivative financial instruments*	22,677,011	11,416,312	—	—	—	34,093,323
Total Liabilities	**$ 569,684,321**	**$ 11,416,312**	**$ 65,714,900**	**$ 54,229,500**	**$ 4,426,569,100**	**$ 5,127,614,133**

As of December 31, 2024	Less than 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Over 1 Year	Total
Assets						
Cash and cash equivalents	$ 436,520,113	$ —	$ —	$ —	$ —	$ 436,520,113
Due from brokers	1,107,529	—	—	—	—	1,107,529
Trade and other receivables	28,772,099	—	—	—	—	28,772,099
Financial assets at fair value through profit or loss:						
Investments in securities	9,254,605,391	2,636,197,318	1,343,418,643	1,327,440,095	552,944,805	15,114,606,252
Derivative financial instruments*	51,380,344	—	—	—	—	51,380,344
Total Assets	**$ 9,772,385,476**	**$ 2,636,197,318**	**$ 1,343,418,643**	**$ 1,327,440,095**	**$ 552,944,805**	**$ 15,632,386,337**
Liabilities						
Trade and other payables	$ 232,469,751	$ —	$ —	$ —	$ —	$ 232,469,751
Bonds	12,900,000	—	19,500,000	39,521,469	2,869,117,937	2,941,039,406
Total Liabilities	**$ 245,369,751**	**$ —**	**$ 19,500,000**	**$ 39,521,469**	**$ 2,869,117,937**	**$ 3,173,509,157**

* In the case of derivatives that reference equity securities, the derivative terms provide that the counterparty, if directed, may terminate the derivative directly in the marketplace without requiring any upfront cash payment and such termination would follow the above liquidation time horizons.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that is entered into with the Company, resulting in a financial loss to the Company. It arises principally from derivative financial assets, cash and cash equivalents, and balances due from brokers.

In order to mitigate credit risk, the Company seeks to trade with only reputable counterparties that the Investment Manager believes to be creditworthy. On a weekly basis, the Investment Manager reviews the credit rating of its counterparties and notes any changes. The Company also monitors its counterparty exposure on a daily basis to ensure it is appropriately collateralized.

Certain of the Company's positions are subject to the Uncleared Margin Rules, which further mitigate the Company's counterparty risk by requiring both the Company and the counterparty to post initial margin to segregated custody accounts. In the event of a counterparty default, the initial margin posted by the counterparty will become accessible to the Company. The initial margin posted by the Company and its counterparties is custodied at Bank of New York Mellon in non-cash collateral and is not considered part of the custodian's balance sheet.

The Company maintains its cash and cash equivalents position at major financial institutions. At times, cash balances may exceed federally insured limits and, as such, the Company has credit risk associated with such financial institutions. The cash and cash equivalents balances are reflected in the statement of financial position. At December 31, 2025 and December 31, 2024, cash was primarily invested in U.S. Treasury money market funds and/or U.S. Treasury Bills with daily liquidity as disclosed in Note 10.

The Company's prime brokers are required to provide custody services for the Company's securities. The prime brokers are not permitted under U.S. law to lend out (or "re-hypothecate") the Company's securities if these securities are fully paid for unless the Company enters into a securities lending agreement. If the Company uses margin leverage, the prime brokers may lend out the Company's securities to fund the prime brokers' business, but are restricted under U.S. law; that is, the prime brokers may only lend out an amount of the Company's securities that is less than or equal to 140% of the debit balance that the prime broker extends to the Company as credit. The Company monitors its accounts to avoid running a debit balance. Additionally, the Company has processes in place that allow it to quickly move securities from its prime brokers into a regulated bank entity which is not legally permitted to re-hypothecate client securities.

The Company's gross maximum exposure to credit risk, which includes the Company's cash and cash equivalents, due from brokers and derivative financial assets, was $1,357,791,189 and $489,007,986 as of December 31, 2025 and December 31, 2024, respectively. Gross maximum exposure excludes the effect of collateral received and offsetting permitted under the Company's ISDA master netting agreements. The following table presents the allocation of the Company's gross maximum exposure to credit risk by analyzing the credit ratings of the underlying custodians and counterparties.

As of December 31	2025	2024
AAA	81%	89%
A	12%	11%
BBB	7%	—
Total	**100%**	**100%**

The following is a breakdown of the Company's due from and due to brokers as stated in the statement of financial position.

As of December 31		2025		2024
Due from brokers				
Collateral pledged bilaterally to counterparties for derivative contracts	$	93,380,000	$	—
Collateral pledged to third party accounts for derivative contracts		82,768,921		—
Cash held at prime brokers		178,939		1,107,529
	$	**176,327,860**	**$**	**1,107,529**

As of December 31		2025		2024
Due to brokers				
Collateral received bilaterally from counterparties for derivative contracts	$	43,800,000	$	—
	$	**43,800,000**	**$**	**–**

14. COMMITMENTS AND CONTINGENCIES

As of December 31, 2025, the Company had commitments related to the SPARC Committed FPA and the HHH Preferred (as defined below), as described on pages 109 and 105 of Note 16, respectively. As of December 31, 2024, the Company had a commitment related to the SPARC Committed FPA. No other commitments or contingencies existed as of December 31, 2025 and December 31, 2024.

15. INVESTMENT MANAGEMENT AGREEMENT — MANAGEMENT FEES, PERFORMANCE FEES AND TERMINATION

The Investment Manager receives management fees and performance fees, if any, from the Company pursuant to the IMA.

Management Fee

The Investment Manager receives a quarterly management fee payable in advance each quarter in an amount equal to 0.375% (1.5% per annum) of the net assets (before any accrued performance fee) attributable to fee-paying shares, subject to reduction by the HHH Reduction Amount, as described below. The fee-paying shares of the Company are the Public Shares and the Special Voting Share. Management Shares, if any, are not charged a management fee. Management fees paid by Public Shares held by PSCM employees, partners and certain of their affiliated entities are refunded to such shareholders by the Investment Manager.

In connection with the purchase of 9 million shares of Howard Hughes Holdings, Inc. ("HHH") common stock by the Investment Manager's parent company, Pershing Square Holdco, L.P. ("Holdco," and together with the Investment Manager, "Pershing Square") on May 5, 2025, HHH entered into a Services Agreement with the Investment Manager (as described in Note 16). Under the Services Agreement, HHH pays the Investment Manager a quarterly fee for investment advisory and other services. Pursuant to an amendment to the Company's IMA dated August 5, 2025, the management fees payable by the Company to the Investment Manager will be reduced by an amount equal to the fees payable to the Investment Manager by HHH that are attributable to the HHH common stock held by the Company (if any) (such amount, the "HHH Reduction Amount"). For the year ended December 31, 2025, the HHH Reduction Amount reduced management fees by $3,834,708.

For the years ended December 31, 2025 and December 31, 2024, the Investment Manager earned management fees from the Company of $207,995,255 and $188,818,228, respectively.

Performance Fee

On February 7, 2024, the Board approved amendments to the IMA's performance fee provisions. Prior to the amendment, the Company was entitled to receive a fee reduction of 20% of the performance fees earned by the Investment Manager from non-PSH funds that invest in public securities. However, the Company would not benefit from the potential fee reduction until the Investment Manager had first recovered $120 million of costs it incurred in connection with the Company's IPO in 2014. The amendment eliminated the Investment Manager's right to receive the outstanding unrecovered IPO costs (which had been reduced to $36 million as of the date of the amendment), and expanded the fee reduction to also include 20% of management fees earned from any non-PSH Pershing Square funds that invest in public securities and do not charge performance fees. As of December 31, 2025, there is no non-PSH fund that generates management fees and does not charge a performance fee.

Generally, the Investment Manager receives performance fees annually and upon payment of dividends in an amount equal to 16% of the NAV appreciation (before any accrued performance fees) attributable to the fee-paying shares of the Company above a high water mark (the "16% performance fee") minus the Additional Reduction (defined below). The 16% performance fees paid in connection with dividends are prorated to reflect the ratio of the dividend to the Company's NAV at the time the dividend is paid. The Company's payment of a dividend will reduce the high water mark by the percentage of NAV the dividend represents. These performance fees are defined as the "Variable Performance Fee" in the IMA. No Variable Performance Fee can be higher than the 16% performance fee, but it may, as a result of the Additional Reduction, be lower (although it can never be a negative amount).

The "Additional Reduction" is an amount equal to the lesser of the 16% performance fee and the Potential Reduction Amount (defined below).

The "Potential Reduction Amount" is equal to (i) 20% of the aggregate performance fees and allocations earned by the Investment Manager and its affiliates in respect of the same calculation period on the gains of current and certain future funds managed by the Investment Manager or any of its affiliates (collectively, the "Other Funds") plus (ii) solely with respect to such Other Funds that as part of their terms (and not due to performance) do not have performance fees or performance allocations, 20% of the dollar value of the management fees that the Investment Manager and its affiliates have earned on the assets of such Other Funds in respect of that period plus (iii) if the Potential Reduction Amount for the previous calculation period exceeded the 16% performance fee, the excess amount (which is in effect carried forward).

For the year ended December 31, 2025, the Investment Manager earned performance fees of $2,602,160 (December 31, 2024: $1,244,457) in connection with the payments of the quarterly dividends and an annual performance fee of $486,596,371 (December 31, 2024: $225,343,728) from the Company. For the year ended December 31, 2025, the Company's crystallized performance fees were reduced by a Potential Reduction Amount of $8,577,759 (December 31, 2024: $4,568,501) as a result of performance fees and allocations earned/accrued on current non-PSH funds. Since the 16% performance fee exceeded the Potential Reduction Amount in 2025 and 2024, no amount is carried forward to future periods.

Performance fees paid by Public Shares held by PSCM employees, partners and certain of their affiliated entities are refunded to such shareholders by the Investment Manager.

Termination

The IMA automatically renews annually, except that it may be terminated (a) as of December 31st of any year upon four months' prior written notice by either party, subject, in the case of termination by the Company, to approval by a 66 2/3% vote (by voting power) of the holders of the then outstanding voting shares of the Company, together with a 66 2/3% vote (by voting power) of the holders of the then outstanding Public Shares; and (b) in case of dissolution or liquidation of either party or if a receiver or provisional liquidator or administrator or similar officer is appointed over any of the assets of such party or if either party commits a material breach of its obligations under the IMA and such breach remains uncured for more than 30 calendar days after the notice thereof delivered to the party in breach by the other party in accordance with the IMA.

The termination of the IMA at any time will be a crystallization event, which will result in the Variable Performance Fee described above being payable.

16. RELATED PARTY DISCLOSURES

PSH Ownership

During the year ended December 31, 2025 and December 31, 2024, no related-party transactions of PSH shares occurred.

As of December 31, 2025 and December 31, 2024, William A. Ackman, Halit Coussin, other PSCM affiliates and their respective affiliated entities had total beneficial ownership of 28% and 27%, respectively, of the Company.

Director's Fees

For the year ended December 31, 2025, the Company's independent Directors' fees in relation to their services for the Company were $607,415 of which none were payable as of December 31, 2025. For the year ended December 31, 2024, the Company's independent Directors' fees in relation to their services for the Company were $598,102 of which none were payable as of December 31, 2024.

Management and Performance Fees

The relationship between the Company and the Investment Manager and the fees earned are disclosed in Note 15.

Howard Hughes Holdings Inc.

On May 5, 2025, Pershing Square announced an agreement with HHH to acquire 9 million newly issued HHH shares for $900 million. Following the transaction, Pershing Square and its affiliates collectively own 46.9% of HHH's outstanding shares, including a 27.8% stake held by the Company. Pershing Square has agreed to cap its voting power at 40% and its beneficial or economic ownership at 47% on a fully diluted basis.

As part of the terms of the transaction, HHH reimbursed Pershing Square for $25 million of its out-of-pocket costs, fees, and expenses incurred in connection with the negotiation and execution of the transaction.

William Ackman was appointed the executive chairman of HHH's board of directors. Ryan Israel, Pershing Square's Chief Investment Officer, was named HHH's Chief Investment Officer, a newly created role, and also joined the HHH board. Ben Hakim, Pershing Square's President, continued in his role as a non-executive director. Jean-Baptiste Wautier was appointed to the HHH board as a new independent director.

Pershing Square has the right to nominate a number of directors equal to 25% of the total number of HHH board members as long as it holds at least 17.5% of the fully diluted HHH shares; if Pershing Square holds less than 17.5% but at least 10% of the fully diluted HHH shares it has the right to nominate at least 10% of the total number of HHH board members; and if Pershing Square holds less than 10% of the fully diluted HHH shares it will no longer have the right to nominate directors.

HHH entered into a Services Agreement with the Investment Manager in connection with the transaction pursuant to which the Investment Manager will provide investment, advisory, and other ancillary services including corporate development, transaction execution and capital markets services. The Investment Manager will also assist HHH in identifying and hedging macro-related risks. HHH will pay the Investment Manager a quarterly base fee of $3.75 million (adjusted annually for inflation), plus a quarterly variable fee equal to 0.375% of the increase in the quarter-end stock price of the common stock of HHH over a reference price of $66.1453, multiplied by a reference share count of 59,393,938 shares (based on the shares outstanding post-transaction). The reference price is adjusted annually for inflation and may also be equitably adjusted for any dividend, stock split, spin-off transaction or other capital reorganization of HHH with similar effect. The reference share count is only subject to adjustment in the event of stock splits, reverse stock splits or other capital reorganization, reclassification or adjustment with similar effect and will not be adjusted for future HHH share issuances for raising capital, acquisitions or employee compensation. HHH will not provide any additional fees, cash compensation, or equity incentives to Pershing Square or its personnel.

Pursuant to an amendment to the Company's IMA dated August 5, 2025, the management fees payable by the Company to the Investment Manager will be reduced by the HHH Reduction Amount as described in Note 15.

HHH Preferred Stock Commitment

On December 18, 2025, the Company announced that it had entered into an equity commitment letter to subscribe for up to $1.0 billion of non-voting exchangeable perpetual preferred stock to be issued by HHH (the "HHH Preferred"). The investment is being made in connection with HHH's agreement to acquire Vantage Group Holdings, Ltd. ("Vantage"), a privately held specialty insurance and reinsurance company, for aggregate consideration of approximately $2.1 billion in cash.

The acquisition of Vantage is expected to be financed through a combination of HHH's existing cash resources and the issuance of the HHH Preferred. The aggregate amount of HHH Preferred to be subscribed by the Company will be determined by HHH at the closing of the Vantage acquisition, up to the $1.0 billion commitment. The HHH Preferred will be issued in 14 equal tranches. HHH will have the right to repurchase each tranche (up to all outstanding HHH Preferred) during a prescribed window following the end of each of the first seven fiscal years after the acquisition's closing.

The repurchase price for any tranche of the HHH Preferred will be the greater of (i) 1.5 times the most recent year-end or quarter-end book value of Vantage, multiplied by the ownership percentage represented by such tranche on an as-exchanged basis, and (ii) the original issue price of such tranche plus an annual increase of 4% through the date of repurchase.

If any portion of the HHH Preferred is not repurchased within 60 days following the end of the seventh fiscal year after issuance, the Company will have the right to exchange such HHH Preferred into common stock of Vantage. Absent approval by a majority of HHH's disinterested directors, the Company's ownership interest in Vantage will be capped at 49% of Vantage's outstanding common stock.

The HHH Preferred will generally rank pari passu with HHH's common stock and will not have a liquidation preference. However, it will be subject to mandatory repurchase upon the occurrence of certain events, including a change of control of HHH or Vantage. The HHH Preferred will also include customary protective provisions, including pre-emptive rights with respect to additional capital contributions to Vantage, consent rights over primary issuances of Vantage equity securities, and rights of first refusal in respect of proposed secondary transfers of Vantage equity.

In the event that the Company exercises its exchange rights and the HHH Preferred is not fully repurchased, the Company may require HHH and Vantage to use reasonable best efforts to pursue an IPO or direct listing of Vantage concurrently with such exchange.

HHH shall bear all reasonable and documented expenses incurred by the Company in connection with the purchase of the HHH Preferred for up to $4.5 million.

HHH's acquisition of Vantage is expected to close in the second quarter of 2026, subject to customary regulatory approvals and other closing conditions.

The investment in the HHH Preferred constitutes a related party transaction for the purposes of UKLR 8.2.1R as PSCM is a related party of the Company, and PSCM's parent company, Holdco, is able to exercise or control the exercise of 30% or more of the votes able to be cast at HHH's general meetings on all, or substantially all, matters of HHH.

The Company's Board (comprising for these purposes all directors with the exception of Ms Coussin and Mr Wautier) considered the investment to be fair and reasonable as far as shareholders of the Company are concerned and confirmed that the Board had been so advised by N.M. Rothschild & Sons Limited in its role as the Company's sponsor in connection with this investment.

Seaport Entertainment Group Inc.

On July 31, 2024, HHH separated into two independent publicly-traded companies by distributing one share of Seaport Entertainment Group Inc. ("SEG") common stock at no charge to HHH stockholders for every nine shares of HHH held by such stockholder. The Company received 1,835,424 shares of SEG common stock as part of this distribution.

HHH and SEG also announced that subsequent to the distribution of SEG common stock, SEG would conduct a rights offering by distributing subscription rights to SEG shareholders to purchase on a pro-rata basis up to 7,000,000 of SEG common stock at a price of $25.00 per share (the "Rights Offering"). Rights holders who fully exercised their subscription rights could also subscribe on a pro-rata basis for additional shares of SEG common stock that remained unsubscribed in the Rights Offering as a result of unexercised subscription rights ("Over-Subscription Right").

In connection with the Rights Offering, the Pershing Square Funds entered into a standby purchase agreement (the "Standby Purchase Agreement") with SEG on July 18, 2024, pursuant to which the Pershing Square Funds agreed, severally and not jointly, to (i) exercise their pro-rata subscription rights with respect to the Rights Offering and (ii) to purchase any and all shares not purchased in the Rights Offering at the Rights Offering price up to $175 million in the aggregate.

SEG commenced the Rights Offering on September 23, 2024. The Pershing Square Funds exercised their full basic subscription rights and their Over-Subscription Right, which resulted in the Pershing Square Funds receiving a total of 2,929,107 shares of

SEG common stock, of which the Company received 2,566,587 shares. Due to the outsized demand for the Rights Offering, the Pershing Square Funds did not receive any additional shares through the Standby Purchase Agreement.

Beneficial Ownership of Portfolio Companies

In the normal course of business, the Company and its affiliates make concentrated investments in portfolio companies where the aggregate beneficial holdings of the Company and its affiliates may be in excess of 10% of one or more portfolio companies' classes of outstanding securities. At such ownership levels, a variety of securities laws may, under certain circumstances, restrict or otherwise limit the timing, manner and volume of disposition of such securities. In addition, with respect to such securities, the Company and its affiliates may have disclosures or other public reporting obligations with respect to acquisitions and/or dispositions of such securities. Similar restrictions and/or obligations may apply where the Company and its affiliates have a representative on the board of a portfolio company.

As of December 31, 2025 and December 31, 2024, the Company and its affiliates beneficially owned greater than 10% of the outstanding common equity securities of HHH, SEG and SPARC.

Ben Hakim was elected as a non-executive director of HHH and William Ackman retired as the chairman of the HHH board of directors at the HHH annual general meeting on May 23, 2024. In connection with Pershing Square's purchase of HHH shares as described in "Howard Hughes Holdings Inc." in this Note, on May 5, 2025, William Ackman rejoined the HHH board as executive chairman and Ryan Israel became HHH's Chief Investment Officer and joined the HHH board.

On July 31, 2024, Anthony Massaro, a member of the PSCM investment team, joined the board of SEG as a non-executive director.

William Ackman served as a non-executive director of Universal Music Group N.V. ("UMG") until his resignation at UMG's annual general meeting on May 14, 2025.

Associates

As of December 31, 2025 and December 31, 2024, HHH and SEG were deemed to be associates of the Company under IFRS 12 due to the significant ownership of HHH and SEG by the Company.

As of December 31, 2025	HHH	SEG
Nature of the relationship with the Company	Portfolio Company	Portfolio Company
Principal place of business	United States	United States
Beneficial ownership	27.8%	34.6%
Fair value of the investment	$ 1,317,706,112	$ 87,027,757

As of December 31, 2024	HHH	SEG
Nature of the relationship with the Company	Portfolio Company	Portfolio Company
Principal place of business	United States	United States
Beneficial ownership	33.0%	34.6%
Fair value of the investment	$ 1,270,627,481	$ 123,036,207

Pershing Square SPARC Holdings, Ltd.

SPARC is a Delaware corporation formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. SPARC's Form S-1 was declared effective by the SEC on September 29, 2023.

SPARC distributed, at no cost, subscription warrants ("SPARs") to purchase SPARC Public Shares (defined below) at a future date to holders of Pershing Square Tontine Holdings, Ltd. ("PSTH") Class A Common Stock (ticker: PSTH) or PSTH warrants (ticker: PSTH.WS) as of the close of business on July 25, 2022 (the last date on which such instruments could have been redeemed or cancelled): one SPAR for every four shares of PSTH common stock and one SPAR for every two PSTH warrants. After SPARC has entered into a definitive agreement for its business combination and distributed to SPAR holders a prospectus, included in an effective registration statement that describes the proposed business combination, SPAR holders may elect to exercise their SPARs. SPARC intends that, at the time during which a holder may elect to exercise, the SPARs will be quoted on the OTCQX marketplace of the OTC Markets Group Inc. or other quotation service. The shares issuable upon the exercise of the SPARs (the "SPARC Public Shares") will be issued concurrently with the closing of SPARC's business combination. The SPARC Prospectus is available on the SEC's website.

Pershing Square SPARC Sponsor, LLC

SPARC Sponsor, a Delaware limited liability company, is the sponsor entity of SPARC. The Pershing Square Funds wholly own SPARC Sponsor as non-managing members and are its only source of funding. The business and affairs of SPARC Sponsor are managed exclusively by its non-member manager, PSCM.

From November 9, 2021 through April 18, 2023, the Pershing Square Funds made capital contributions of $4,225,330 to SPARC Sponsor to fund its acquisition of 422,533 shares of SPARC common stock ("SPARC Sponsor Shares") to pay various organizational and legal costs of SPARC, of which the Company paid $3,692,730.

For the year ended December 31, 2025, the Pershing Square Funds made capital contributions of $8,211 (December 31, 2024: $7,015) to SPARC Sponsor to pay for its expenses, of which the Company paid $7,216 (December 31, 2024: $6,165).

The SPARC Sponsor Shares, following the consummation of SPARC's business combination, will become SPARC Public Shares. If necessary, SPARC will carry out a reverse stock split of the SPARC Sponsor Shares at a ratio such that the effective purchase price per SPARC Sponsor Share equals the exercise price at which SPAR holders will purchase SPARC Public Shares (the "Final Exercise Price").

On July 28, 2023, the Pershing Square Funds made capital contributions of $35,892,480 to SPARC Sponsor to fund its acquisition of warrants from SPARC (the "SPARC Sponsor Warrants") in a private placement, of which the Company paid $31,555,612.

Pursuant to the SPARC Sponsor Warrants agreement filed as an exhibit to the SPARC Prospectus, the SPARC Sponsor Warrants will be exercisable, in the aggregate, for up to 4.95% of the SPARC Public Shares that are outstanding as of the time immediately following the consummation of the business combination, on a fully diluted basis, and at an exercise price equal to 120% of the Final Exercise Price. The SPARC Sponsor Warrants will have a term of 10 years from SPARC's business combination and will generally not be salable, transferable or exercisable until three years into their term.

As of December 31, 2025 and December 31, 2024, the Company had an economic ownership of 88% of SPARC Sponsor. Refer to Note 7 for the fair market value associated with the Company's investment in SPARC Sponsor as of December 31, 2025 and December 31, 2024.

SPARC Forward Purchase Agreement

The Pershing Square Funds entered into a forward purchase agreement (the "SPARC Committed FPA") with SPARC on September 29, 2023. Pursuant to the SPARC Committed FPA filed as an exhibit to the SPARC Prospectus, the Pershing Square Funds agreed to purchase at least $250 million of SPARC Public Shares if the Final Exercise Price is $10 per share, and a proportionally higher amount at a higher Final Exercise Price, up to a maximum of $1 billion at a Final Exercise Price of $40 per share or more (the "SPARC Forward Purchase Shares"). The SPARC Committed FPA may not be transferred to any other parties.

Each Pershing Square Fund's obligation to purchase SPARC Forward Purchase Shares will be determined by multiplying the aggregate amount of SPARC Forward Purchase Shares by a fraction, (x) the numerator of which is the gross assets under management of such Pershing Square Fund as of the last day of the month prior to such date of determination, and (y) the denominator of which is the gross assets under management of the Pershing Square Funds in the aggregate as of the last day of the month prior to such date of determination, adjusted in each case for future capital activity, including but not limited to anticipated redemptions, as deemed necessary.

The purchase of the SPARC Forward Purchase Shares will take place in one or more private placements. The closing of any such private placement will occur simultaneously with the closing of SPARC's business combination. The SPARC Public Shares purchased pursuant to the SPARC Committed FPA will be subject to certain transfer restrictions and will have registration rights.

The Pershing Square Funds' obligation under the SPARC Committed FPA is contingent upon SPARC's ability to consummate a business combination within its 10-year term, which expires on September 30, 2033.

Refer to Note 7 for the fair market value associated with the Company's investment in the SPARC Committed FPA as of December 31, 2025 and December 31, 2024.

Rebalancing Transactions

The Investment Manager may seek to effect rebalancing transactions from time to time pursuant to policies that are intended to result in the Company and the other Pershing Square Funds managed by the Investment Manager generally holding investment positions on a proportionate basis relating to their respective adjusted net asset values, which are equal to each of the entities' net asset values plus any accrued (but not crystallized) performance fees and the amount of any outstanding long-term debt, including the current portion thereof (which in the case of the Company, includes the gross proceeds from the Bonds as further discussed in Note 18). Rebalancing transactions involve either the Company purchasing or selling securities or other financial instruments held by/to one or more Pershing Square Funds.

Rebalancing transactions are subject to a number of considerations including, but not limited to, cash balances and liquidity needs, tax, regulatory, risk and other considerations, which may preclude these transactions from occurring or limit their scope at the time of the transactions. The Investment Manager effects rebalancing transactions based on independent market prices, and consistent with the valuation procedures established by the Investment Manager. Neither the Investment Manager nor any of the Pershing Square Funds receive any compensation in connection with rebalancing transactions. In addition, rebalancing transactions are generally effected without brokerage commissions being charged. To the extent that rebalancing transactions may be viewed as principal transactions due to the ownership interests in the Pershing Square Funds by the Investment Manager and its personnel, the Investment Manager will either not effect such transactions or comply with the requirements of Section 206(3) of the U.S. Investment Advisers Act of 1940, as amended, including that the Investment

Manager will notify the relevant entity (or an independent representative of that entity) in writing of the transaction and obtain the consent of that entity (or an independent representative of that entity), and any other applicable law or regulation.

No rebalancing transactions occurred during the year ended December 31, 2025. During the year ended December 31, 2024, the Investment Manager effected one rebalancing transaction between the Company and PSINTL with a fair value of $38,099,020.

PS VII Master, L.P.

PS VII Master, an affiliated investment fund that commenced operations on August 9, 2021, operated as a co-investment vehicle invested primarily in securities of UMG. The Company held an investment in PS VII Master from its inception until December 31, 2024 (the "Cessation Date").

In connection with the wind-down of the fund, PSVII Master's general partner elected to distribute each limited partner's pro-rata share of UMG stock and cash, subject to a 1% holdback. Immediately prior to the Cessation Date, the Company held a 28% economic interest in PS VII Master. PS VII Master distributed to the Company 10,624,789 shares of UMG, valued at $272,060,600 as of the Cessation Date, along with $10,601,403 in cash. The Company was not subject to any management or performance fees in connection with its investment in PS VII Master.

17. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") is calculated by dividing the profit/(loss) for the year attributable to the Public Shares and the Special Voting Share over the weighted average number of Public Shares and the Special Voting Share outstanding, respectively. In accordance with IFRS, the weighted average shares outstanding for the Public Shares and the Special Voting Share were 179,390,137 and 1, respectively for the year ended December 31, 2025, and 184,022,638 and 1, respectively for the year ended December 31, 2024. Accretion from share buybacks is not included in the calculation of EPS. The Company's share buybacks provided accretion to the Public Shares of $0.85 and $0.28 per share during the years ended December 31, 2025 and December 31, 2024, respectively.

18. BONDS

The Company has the following Senior Notes issued and outstanding, which are listed on Euronext Dublin with a symbol of PSHNA.

Bond	Date of Issuance	Bond Face		Price of Bonds at Issuance (of Par)	Fixed Rate Coupon (per annum)	Coupon Payment	Maturity Date
2027 €500m Bonds	October 1, 2021	€	500,000,000	99.869%	1.375%	Annual	October 1, 2027
2030 €650m Bonds	April 29, 2025	€	650,000,000	99.890%	4.250%	Annual	April 29, 2030
2030 $500m Bonds	November 2, 2020	$	500,000,000	100%	3.250%	Semi-Annual	November 15, 2030
2031 $700m Bonds	October 1, 2021	$	700,000,000	99.670%	3.250%	Semi-Annual	October 1, 2031
2032 $200m Bonds	August 26, 2020	$	200,000,000	100%	3.000%	Semi-Annual	July 15, 2032
2032 $500m Bonds	October 28, 2025	$	500,000,000	99.805%	5.500%	Semi-Annual	October 28, 2032
2039 $400m Bonds	July 25, 2019	$	400,000,000	100%	4.950%	Semi-Annual	July 15, 2039

The Company generally uses the net proceeds of the offerings for general corporate purposes, including to make investments or hold assets in accordance with the Company's Investment Policy.

The Bonds rank equally in right of payment with each other and contain substantially the same covenants. Each of the Bonds is callable at par plus a customary make whole premium until a certain date (the "Par Call Date") and thereafter becomes callable at 100% of Par. The Par Call Date for each of these Bonds is as follows:

Bond	Par Call Date
2027 €500m Bonds	August 1, 2027
2030 €650m Bonds	March 29, 2030
2030 $500m Bonds	August 15, 2030
2031 $700m Bonds	July 1, 2031
2032 $200m Bonds	July 15, 2030
2032 $500m Bonds	August 28, 2032
2039 $400m Bonds	July 15, 2034

If a key man event (Mr Ackman's death, permanent disability or withdrawal as managing member of the general partner to the Investment Manager) occurs, the specified debt to capital ratio in the Bonds' debt covenants is reduced from 1.0 to 3.0 to 1.0 to 4.0. If, at the time of the key man event, the Company's debt to capital ratio is above 1.0 to 4.0, the Company will be required to either reduce its debt or issue additional equity within 180 days. In the event the Company elects to reduce its debt, the Bonds become callable at 101% of par plus accrued interest in the amount necessary to achieve the required debt to capital ratio and the Company may select which Bonds to redeem.

The fair value of the Bonds as of December 31, 2025 and December 31, 2024 is summarized in the table below:

As of December 31		2025		2024
2027 €500m Bonds	$	572,739,596	$	486,393,726
2030 €650m Bonds		775,254,173		—
2030 $500m Bonds		464,310,000		432,975,000
2031 $700m Bonds		633,514,000		579,719,000
2032 $200m Bonds		171,496,000		150,078,000
2032 $500m Bonds		500,655,000		—
2039 $400m Bonds		361,244,000		330,424,000
Total Fair Value	**$**	**3,479,212,769**	**$**	**1,979,589,726**

In accordance with IFRS 9, the Bonds' carrying value on the statement of financial position as of December 31, 2025 and December 31, 2024, is $3,669,110,397 and $2,320,801,301, respectively. The carrying value includes the original issue discount and capitalized transaction costs, which are amortized over the life of the Bonds using the effective interest method.

		2025
At December 31, 2024	$	**2,320,801,301**
2030 €650m Bonds principal		739,797,500
2030 €650m Bonds issue costs		(8,408,171)
2030 €650m Bonds original issue discount		(813,777)
2032 $500m Bonds principal		500,000,000
2032 $500m Bonds issue costs		(5,662,624)
2032 $500m Bonds original issue discount		(975,000)
Unrealized currency (gain)/loss on translation		93,973,889
Finance costs		103,268,815
Bonds coupon payments		(72,871,536)
At December 31, 2025	$	**3,669,110,397**
Finance costs for the year:		
Bonds coupon expense	$	98,809,410
Amortization of Bonds issue costs incurred as finance costs		3,969,451
Amortization of Bonds original issue discount incurred as finance costs		489,954
	$	**103,268,815**

		2024
At December 31, 2023	$	**2,351,915,264**
Unrealized currency (gain)/loss on translation		(33,706,191)
Finance costs		75,087,943
Bonds coupon payments		(72,495,715)
At December 31, 2024	$	**2,320,801,301**
Finance costs for the year:		
Bonds coupon expense	$	72,106,453
Amortization of Bonds issue costs incurred as finance costs		2,632,775
Amortization of Bonds original issue discount incurred as finance costs		348,715
	$	**75,087,943**

19. DEFERRED TAX EXPENSE

As a foreign corporation holding a beneficial ownership in a U.S. real property interest, the Company will be subject to the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA") income tax withholding upon disposition of such investment. Foreign corporations purchasing U.S. real property interests are required to pay the U.S. corporate tax rate (currently 21%) on the gains realized upon disposition. The Company's investments in HHH and SEG are classified as U.S. real property interests. To accrue for this potential withholding, the Company assesses an expense equal to 21% of the unrealized gains on the stock of HHH and SEG.

In 2025, the stock price of HHH increased, leading to an unrealized gain for the Company that surpassed the unrealized loss recognized in SEG. Consequently, the Company recorded a deferred tax expense on the statement of comprehensive income totaling $6,892,500 for the year ended December 31, 2025.

In 2024, the stock price of HHH declined, leading to an unrealized loss for the Company that surpassed the unrealized gain recognized in SEG. Consequently, the deferred tax expense had a positive impact on the statement of comprehensive income totaling $16,941,739 for the year ended December 31, 2024.

As of December 31, 2025, the deferred tax expense payable on the statement of financial position was $74,777,696 (December 31, 2024: $67,885,195).

20. EVENTS AFTER THE REPORTING PERIOD

The Investment Manager has evaluated the need for disclosures and/or adjustments resulting from subsequent events during the period between the end of the reporting period and the date of authorization of the Financial Statements. This evaluation together with the Directors' review thereof did not result in any additional subsequent events that necessitated disclosures and/or adjustments, except as follows.

Non-Adjusting Subsequent Events

On January 26, 2026, the Company announced that it will pay a quarterly dividend of $0.1837 per Public Share for the calendar year 2026. A proportionate quarterly dividend will be paid to the Special Voting Share, based on its net asset value.

Adjusting Subsequent Events

The Company did not have any subsequent events after the reporting period requiring adjustments to the Financial Statements.

Supplemental U.S. GAAP Disclosures

(Stated in United States Dollars)

CONDENSED SCHEDULE OF INVESTMENTS

Description/Name	Shares	Fair Value	Percentage of Net Assets
Investments in Securities			
Equity Securities			
Common Stock			
Canada:			
Financial Services:			
Brookfield Corporation	54,984,738	$ 2,523,249,627	16.77 %
Restaurant:			
Restaurant Brands International Inc.	20,710,238	1,413,059,539	9.39
Restaurant Brands International Limited Partnership	140,873	9,648,808	0.06
Total Canada (cost $2,401,470,958)		3,945,957,974	26.22
Netherlands:			
Media:			
Universal Music Group N.V.	74,120,204	1,936,367,797	12.87
Total Netherlands (cost $1,625,302,149)		1,936,367,797	12.87
United States:			
Consumer Services:			
Uber Technologies, Inc.	27,127,458	2,216,584,593	14.73
Other		70,189,342	0.47
Financial Services:			
Federal Home Loan Mortgage Corporation	90,166,769	914,291,038	6.08
Federal National Mortgage Association	96,702,880	1,037,621,902	6.89
Hospitality:			
Hilton Worldwide Holdings Inc.	2,751,081	790,248,017	5.25
Leisure & Hospitality		87,027,757	0.58
Real Estate Development and Operating:			
Howard Hughes Holdings Inc.	16,518,818	1,317,706,112	8.76
Technology:			
Alphabet Inc. - Class C	6,163,871	1,934,222,720	12.85
Amazon.com, Inc.	8,661,904	1,999,340,681	13.29
Meta Platforms, Inc.	2,409,391	1,590,414,905	10.57
Total United States (cost $7,069,243,630)		11,957,647,067	79.47
Total Common Stock (cost $11,096,016,737)		$ 17,839,972,838	118.56 %

Description/Name	Shares	Fair Value	Percentage of Net Assets
Preferred Stock			
United States:			
Financial Services:			
Federal Home Loan Mortgage Corporation Series B Preferred 0%	273,499	$ 5,141,781	0.03 %
Federal Home Loan Mortgage Corporation Series F Preferred 5%	3,167	71,226	—
Federal Home Loan Mortgage Corporation Series M Preferred 0%	4,325	82,175	—
Federal Home Loan Mortgage Corporation Series P Preferred 6%	11,481	276,922	—
Federal Home Loan Mortgage Corporation Series Q Preferred 0%	364,253	7,066,508	0.05
Federal Home Loan Mortgage Corporation Series W Preferred 5.66%	641,340	8,786,358	0.06
Federal Home Loan Mortgage Corporation Series X Preferred 6.02%	24,812	317,594	—
Federal Home Loan Mortgage Corporation Series Z Preferred 8.375%	3,683,188	53,037,907	0.35
Federal National Mortgage Association Series F Preferred 0%	2,184	50,865	—
Federal National Mortgage Association Series P Preferred Floating	240,600	3,130,206	0.02
Federal National Mortgage Association Series Q Preferred 6.75%	716,918	9,499,164	0.06
Federal National Mortgage Association Series S Preferred 8.25%	747,357	11,382,247	0.08
Federal National Mortgage Association Series T Preferred 8.25%	844,244	11,777,204	0.08
Total Preferred Stock (cost $30,744,171)		110,620,157	0.73
Total Equity Securities (cost $11,126,760,908)		17,950,592,995	119.29
Investment in Affiliated Entity			
United States:			
Special Purpose Acquisition Rights Company:			
Pershing Square SPARC Sponsor, LLC		38,876,792	0.26
Total Investment in Affiliated Entity (cost $35,272,705)		38,876,792	0.26
Total Investments in Securities (cost $11,162,033,613)		**17,989,469,787**	**119.55**
Derivative Assets			
Forward Purchase Agreement			
SPARC Committed FPA		—	—
Total Return Swaps			
United States:			
Consumer Services		39,960,965	0.27
Total Derivative Assets (cost $0)		**39,960,965**	**0.27**
Derivative Liabilities			
Total Return Swaps			
United States:			
Consumer Services		(34,093,323)	(0.23)
Total Derivative Liabilities (cost $0)		**$ (34,093,323)**	**(0.23)%**

FINANCIAL HIGHLIGHTS

For the year ended 2025		Public Shares
Per share operating performance		
Beginning net asset value at January 1, 2025	$	71.11
Net gain/(loss) on currency translation of the Bonds		(0.52)
Change in net assets resulting from financing:		
Share buyback accretion		0.85
Dividends paid		(0.66)
Net change in net assets resulting from financing		0.19
Change in net assets resulting from operations:		
Net investment loss		(1.07)
Net gain/(loss) from investments and derivatives[1]		18.33
Performance fees		(2.72)
Net change in net assets resulting from operations		14.54
Ending net asset value at December 31, 2025	$	85.32
Total return prior to performance fees		24.78 %
Performance fees		(3.88)
Total return after performance fees		20.90 %
Ratios to average net assets		
Expenses before performance fees		(2.30)%
Performance fees		(3.38)
Expenses after performance fees		(5.68)%
Net investment income/(loss)[2]		(4.71)%

(1) Net gain from investments and derivatives includes deferred tax expense. See Note 19 for further details.

(2) Net investment income/(loss) ratio includes dividend income, interest income, performance fees (if any), management fees, interest expense, professional fees, other expenses and withholding tax (dividends) as shown on the statement of comprehensive income.

Certain Regulatory Disclosures

1. None of the Company's assets are subject to special arrangements arising from an illiquid nature.

2. There have been no material changes to the Company's risk profile and risk management system as disclosed in the Prospectus of the Company dated October 2, 2014.

3. a) There have been no changes to the maximum amount of leverage which the Investment Manager may employ on behalf of the Company since the Company's inception. The terms of the Company's Bonds restrict the Company from incurring indebtedness beyond a total debt-to-capital ratio of 33.3%. If a key man event occurs, the terms of the Bonds reduce the Company's permitted total debt-to-capital ratio to 25%.

   Articles 7 and 8 of the Level 2 Regulations of the Alternative Investment Fund Managers Directive (the "Directive") set forth the methodology of calculating the leverage of the Company in accordance with the gross method and the commitment method. Leverage is expressed as the exposure of the Company. Exposures are calculated using the sum of the absolute values of all positions valued in accordance with Article 19 of the Directive and all delegated acts adopted pursuant to Article 19. For derivatives, exposures are calculated using the conversion methodology set forth in Annex II to the Level 2 Regulations. For all other securities, exposures are calculated using market values. The gross method excludes cash and cash equivalents held in the Company's base currency as per Article 7. The commitment method includes cash and cash equivalents and employs netting and hedging arrangements as per Article 8. As of December 31, 2025, the total amount of leverage employed by the Company as per the gross method and the commitment method was $18,368,455,402 and $19,473,092,488, respectively.

   The Company generally does not expect to use margin financing. In the past, securities purchased by the Company pursuant to prime brokerage services agreements typically, but not always, have been fully paid for. Although it is anticipated that securities purchased in the future typically will be fully paid for, this may not be the case in all circumstances.

   In addition, the Company, from time to time, enters into total return swaps, options, forward contracts and other derivatives, some of which have inherent recourse leverage. The Company generally uses such derivatives to take advantage of investment opportunities or manage regulatory, tax, legal or other issues and not in order to obtain leverage. However, depending on the investment strategies employed by the Company and specific market opportunities, the Company may use such derivatives for leverage.

   (b) There have been no material changes to the right of the re-use of collateral or any guarantee granted under any leveraging arrangement.

   From time to time, the Company may permit third-party banks, broker-dealers, financial institutions and/or derivatives counterparties ("Third Parties"), to whom assets have been pledged (in order to secure such Third Party's credit exposure to the Company), to use, reuse, lend, borrow, hypothecate or re-hypothecate such assets. Typically, with respect to derivatives, the Company pledges to Third Parties cash, U.S. Treasury securities and/or other liquid securities ("Collateral") as initial margin and as variation margin. Collateral may be transferred to the Third Party and/or to an unaffiliated custodian for the benefit of the Third Party. In the case where Collateral is transferred to the Third Party, the Third Party pursuant to these derivatives arrangements will be permitted to use, reuse, lend, borrow, hypothecate or re-hypothecate such Collateral. The Third Parties will have no obligation to retain an equivalent amount of similar property in their possession and control, until such time as the Company's obligations to the Third Party are satisfied.

   The Company has no right to this Collateral, but has the right to receive fungible, equivalent Collateral upon the Company's satisfaction of the Company's obligation under the derivatives. Collateral held as securities by an unaffiliated custodian may not be used, reused, lent, borrowed, hypothecated or re-hypothecated. From time to time, the Company may offer guarantees to Third Parties with respect to derivatives, prime brokerage and other arrangements. These guarantees are not provided by the Company as a guarantee of the payment and performance by other funds managed by the Investment Manager to such Third Parties. Rather, the guarantees are typically to guarantee the payment and performance by entities that are direct or indirect subsidiaries of the Company. Such entities are typically set up to manage regulatory, tax, legal or other issues. To the extent that a subsidiary is not 100% owned by the Company, the Company will typically only guarantee such subsidiary for the benefit of Third Parties to the extent of the Company's ownership interest in the subsidiary.

4. With respect to the liquidity management procedures of the Company, the Company is a closed-ended investment fund, the Public Shares of which are admitted to trading on the LSE. As such, Public Shares have no redemption rights and shareholders' only source of liquidity is their ability to trade Public Shares on the LSE.

5. The Bonds are subject to the following transfer restrictions:

(a) Each holder of the Bonds is required to be either (a) a qualified institutional buyer ("QIB") as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act") who is also a qualified purchaser ("QP") as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940 or (b) a non-U.S. person, provided that, in each case, such holder can make the representations set forth in the Listing Particulars, dated June 24, 2015,

(b) The Bonds can only be transferred to a person that is a QIB/QP in a transaction that is exempt from the registration requirements of the Securities Act pursuant to Rule 144A or to a non-U.S. person in an offshore transaction that is not subject to the registration requirements of the Securities Act pursuant to Regulation S, or to the Company, and

(c) The Company has the right to force any holder who is not a QIB/QP or a non-U.S. person to sell its Bonds.

6. Remuneration

For the Year Ended 2025	Fixed Remuneration(1)	Variable Remuneration(1)	Total	Number of Beneficiaries
Total remuneration of entire PSCM staff(2)	$ 14,336,483	$ 446,547,110	$ 460,883,593	48
Remuneration of PSCM staff who are fully or partly involved in the activities of the Company(3)	$ 11,434,822	$ 443,937,610	$ 455,372,432	31
Proportion of remuneration of PSCM staff who are involved in the activities of the Company as a percentage of the total PSCM staff remuneration	79.76%	99.42%	98.80%	31 out of 48
Remuneration of senior management and PSCM staff whose actions have a material impact on the risk profile of the Company	$ 6,854,689	$ 421,876,480	$ 428,731,169	14

(1) Fixed remuneration reflects salaries and guaranteed remuneration earned in 2025 by PSCM staff. All other remuneration earned in 2025 is considered to be variable remuneration.

(2) Total remuneration reflects salaries, bonuses and performance fees/allocations earned by PSCM staff in 2025 for services provided to PSCM, the Company and/or other funds managed by PSCM.

(3) Remuneration earned in 2025 by any staff member involved in the activities of the Company for services provided by such staff member to PSCM, the Company and/or other funds managed by PSCM.

Affirmation of the Commodity Pool Operator

To the best of the knowledge and belief of the undersigned, the information contained in the audited Financial Statements of Pershing Square Holdings, Ltd. for the year ended December 31, 2025 is accurate and complete.

/s/ Michael Gonnella
Michael Gonnella

By: Michael Gonnella
Chief Financial Officer

Pershing Square Capital Management, L.P.
Commodity Pool Operator

Pershing Square Holdings, Ltd.
Commodity Pool

Endnotes and Disclaimers

ENDNOTES TO CHAIRMAN'S STATEMENT

i. The Company's NAV appreciation is calculated with respect to the Public Shares only. Performance results are presented on a net-of-fees basis. Net returns include the reinvestment of all dividends, interest, and capital gains from underlying portfolio companies and assume an investor has participated in any "new issues" as such term is defined under Rules 5130 and 5131 of FINRA. Net returns also reflect the deduction of, among other things, management fees, brokerage commissions, administrative expenses and performance fees (if any). The Company has periodically engaged in share repurchases whereby its buyback agent has repurchased Public Shares subject to certain limitations. Any positive impact on the Company's performance due to these share buybacks is reflected in the returns herein. Performance is based on the dollar return for the specific period, including any and all dividends paid by the Company, calculated from the beginning of such period to the end of such period. Past performance is not a guarantee of future results.

ii. The S&P 500 Index ("index") has been selected for purposes of comparing the performance of an investment in the Company with a well-known, broad-based equity benchmark. The statistical data regarding this index has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The index is not subject to any of the fees or expenses to which the Pershing Square funds are subject. The Pershing Square funds are not restricted to investing in those securities which comprise this index, their performance may or may not correlate to this index and the portfolio of the funds should not be considered a proxy for this index. The volatility of an index may materially differ from the volatility of the Pershing Square funds' portfolios. The S&P 500 is comprised of a representative sample of 500 U.S. large-cap companies. The index is an unmanaged, float-weighted index with each stock's weight in the index in proportion to its float, as determined by Standard & Poors. The S&P 500 index is proprietary to and is calculated, distributed and marketed by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC), its affiliates and/or its licensors and has been licensed for use. S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC.

iii. The Company's share price performance is calculated based on the Company's Public Shares traded on the LSE in USD and includes dividend reinvestment. Over the same period, the share price performance, including dividend reinvestment, of Public Shares listed on the LSE in Sterling increased by 26.1%

iv. Discount to NAV is calculated based on the Company's Public Shares listed on the LSE in USD. Over the same period, the discount to NAV of Public Shares listed on the LSE in Sterling narrowed from 31.5% to 23.4%.

ENDNOTES TO COMPANY OVERVIEW, COMPANY PERFORMANCE AND INVESTMENT MANAGER'S REPORT

1. Performance results are presented on a net-of-fees basis. Net returns include the reinvestment of all dividends, interest, and capital gains from underlying portfolio companies and reflect the deduction of, among other things, management fees, brokerage commissions, administrative expenses and accrued and/or crystallized performance allocation/fees (if any). The Company has periodically engaged in share repurchases whereby its buyback agent has repurchased Public Shares subject to certain limitations. Any positive impact on the Company's performance due to these share buybacks is reflected in the returns herein. The Company's performance is based on the dollar return for the specific period, including any and all dividends paid by the Company, calculated from the beginning of such period to the end of such period. Where the Company's performance is presented with that of PSLP, performance results assume that an investor (i) has been invested in PSLP since inception and has participated in

any “new issues,” as such term is defined under Rules 5130 and 5131 of FINRA and (ii) invested in PSLP at its inception on January 1, 2004 and converted to PSH at its inception on December 31, 2012. Such performance information does not reflect either the performance of PSLP since its inception or PSH since its inception and no individual fund has actually achieved these results. The information is presented to illustrate how Pershing Square’s core strategy has performed over a longer time horizon prior to the inception of the Company and is not necessarily, and does not purport to be, indicative, or a guarantee, of future results. This performance provided is calculated based on certain inputs and underlying assumptions, but not all considerations may be reflected therein and such performance is subject to various risks and inherent limitations that are not applicable to the presentation of the performance of either PSH or PSLP alone. Although Pershing Square believes the performance calculations described herein are based on reasonable assumptions, the use of different assumptions would produce different results. For example, depending on the timing of an individual investor’s specific investment in the Company and/or PSLP, net performance for an individual investor may vary from the net performance as stated herein. The performance is also provided to you on the understanding that you will understand and accept the inherent limitations of such results, and will not rely on them in making any investment decision with respect to an investment with Pershing Square.

2. PSLP’s net performance results are presented as it is the Pershing Square fund with the longest track record and substantially the same investment strategy to the Company. The inception date for PSLP is January 1, 2004. In 2004, Pershing Square earned a $1.5 million (approximately 3.9%) annual management fee and PSLP’s general partner earned a performance allocation equal to 20% above a 6% hurdle from PSLP, in accordance with the terms of the limited partnership agreement of PSLP then in effect. That limited partnership agreement was later amended to provide for a 1.5% annual management fee and 20% performance allocation effective January 1, 2005. The net returns for PSLP presented herein reflect the different fee arrangements in 2004, and subsequently. In addition, pursuant to a separate agreement, in 2004 the sole unaffiliated limited partner of PSLP paid Pershing Square an additional $840,000 for overhead expenses in connection with services provided unrelated to PSLP, which have not been taken into account in determining PSLP’s net returns. To the extent that such overhead expenses had been included as fund expenses of PSLP, net returns would have been lower.
3. Please refer to Endnote ii of the Chairman’s Statement.
4. The performance data presented on page 2 under “Cumulative Return (Since Inception)” and “Cumulative Return (Since PSH Inception)” is calculated from January 1, 2004 and December 31, 2012, respectively.
5. The Investment Manager’s Report contains Pershing Square’s own views and opinions, based on publicly available information, to illustrate Pershing Square’s thinking on the matters therein. An investment in the Company will entail substantial risks, and a prospective investor should carefully consider the risks described in “Principal Risks and Uncertainties” and the disclosures contained in Pershing Square’s Form ADV Part 2A and the Company’s Prospectus.
6. Please refer to Endnotes i and iii of the Chairman’s Statement.
7. Please refer to Endnote ii of the Chairman’s Statement.
8. Returns are as of December 31, 2025. Please refer to Endnote 1 and Endnote ii of the Chairman’s Statement.
9. Stock price performance is as of December 31, 2025. Stock price performance reflects the Company’s NAV performance prior to its IPO and the NAV performance of PSLP prior to the inception of the Company. The Company’s share return includes dividend reinvestment and is calculated based on PSH’s Public Shares traded on

Euronext Amsterdam until December 31, 2024 and Public Shares traded on the LSE in USD thereafter. Please refer to Endnote 1.

10. Discount to NAV is calculated based on the Company's Public Shares listed on the LSE in USD and is as of December 31, 2025. The discount to NAV of Public Shares listed on the LSE in Sterling was 23.4%.
11. As reported by the Financial Times on January 19, 2026 for the year ended 2025.
12. Since May 2, 2017, the Company has periodically engaged in share repurchases whereby its buyback agent has repurchased Public Shares subject to certain limitations. In May 2018, the Company purchased and cancelled 22,271,714 shares pursuant to the tender offer announced on April 25, 2018 (the "Tender Offer"). Any positive impact on the Company's performance due to these share buybacks and the Tender Offer is reflected in the gains herein.
13. The core strategy assets used by the Financial Times equals the net assets of the Pershing Square Funds calculated in accordance with U.S. GAAP, while adding back the principal value of the Company's debt outstanding ($2.3 billion and €1.15 billion translated into USD at the prevailing exchange rate on December 31, 2025).
14. As reported by Bloomberg. Excludes dividends.
15. The Portfolio Update reflects Pershing Square's own views and opinions as a shareholder of the portfolio companies discussed therein and should not be taken to reflect the view or opinions of the board of directors of any portfolio company or that of any individual director. Reflects the positions in which the Company has previously publicly disclosed an investment as of February 10, 2026. Current equity positions does not include positions under 2% of the Company's NAV (before accrued performance fees) unless there is a material update to the business of the portfolio company to report.
16. The contributions and detractions to performance presented herein are based on gross returns which do not reflect the deduction of management fees and accrued/crystallized performance fees (if any). Inclusion of such fees and expenses would produce lower returns than presented here. In addition, at times, Pershing Square may engage in hedging transactions to seek to reduce risk in the portfolio, including investment specific hedges that do not relate to the underlying securities of an issuer in which the Company is invested. For each issuer, the gross returns reflected herein (i) include only returns on the investment in the underlying issuer and the hedge positions that directly relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and also purchased puts on Issuer A stock, the gross return reflects the profit/loss on the stock and the profit/loss on the put); (ii) do not reflect the cost/benefit of hedges that do not relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and short Issuer B stock, the profit/loss on the Issuer B stock is not included in the gross returns attributable to the investment in Issuer A); and (iii) do not reflect the cost/benefit of portfolio hedges. Performance with respect to currency hedging related to a specific issuer is included in the overall performance attribution of such issuer. The contributors and detractors to the gross returns presented herein are for illustrative purposes only. The securities on this list may not have been held by the Company for the entirety of the periods presented. All investments involve risk including the loss of principal. It should not be assumed that investments made in the future will be profitable or will equal the performance of the securities on this list. Past performance is not indicative of future results. Please refer to the net performance figures presented on page 2.
17. While the Pershing Square Funds often take an engaged posture with respect to certain investments, they will own, and in the past have owned, other investments, including passive investments and hedging-related positions. "Short Positions" includes options, credit default swaps and other instruments that provide short economic

exposure. All trademarks are the property of their respective owners. It should not be assumed that any of the securities transactions or holdings discussed herein were or will prove to be profitable, or that the investment recommendations or decisions Pershing Square makes in the future will be profitable or will equal the investment performance of the securities discussed herein. Companies shown in this figure are meant to demonstrate Pershing Square's experience engaging with public companies and the types of industries in which the Pershing Square Funds invest, and were not selected based on past performance.

DISCLAIMERS

Limitations of Performance Data

Past performance is not necessarily indicative of future results. All investments involve risk including the loss of principal. This report does not constitute a recommendation, an offer to sell or a solicitation of an offer to purchase any security or investment product. This report contains information and analyses relating to all publicly disclosed equity positions above 50 basis points in the Company's portfolio during 2025 and 2026. Pershing Square may currently or in the future buy, sell, cover or otherwise change the form of its investment in the companies discussed in this report for any reason. Pershing Square hereby disclaims any duty to provide any updates or changes to the information contained here including, without limitation, the manner or type of any Pershing Square investment.

Forward-Looking Statements

This report also contains forward-looking statements, which reflect Pershing Square's views. These forward-looking statements can be identified by reference to words such as "believe", "expect", potential", "continue", "may", "will", "should", "seek", "approximately", "predict", "intend", "plan", "estimate", "anticipate" or other comparable words. These forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Should any assumptions underlying the forward-looking statements contained herein prove to be incorrect, the actual outcome or results may differ materially from outcomes or results projected in these statements. None of the Company, Pershing Square or any of their respective affiliates undertakes any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law or regulation.

Pershing Square Holdings, Ltd.
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