# FAIRFAX INDIA
## HOLDINGS CORPORATION

2025 Annual Report

**Contents**


Fairfax India Corporate Performance . . . . . 1

Corporate Profile . . . . . 2

Letter to Shareholders . . . . . 4

Management's Responsibility for the Consolidated Financial Statements . . . . . 29

Independent Auditor's Report . . . . . 30

Fairfax India Consolidated Financial Statements . . . . . 34

Notes to Consolidated Financial Statements . . . . . 40

Management's Discussion and Analysis of Financial Condition and Results of Operations . . . . . 72

Appendix to the Letter to Shareholders . . . . . 115

Corporate Information . . . . . 116

## 2025 Annual Report

# Fairfax India Corporate Performance

*(in US$ millions, except as otherwise indicated)*[1]

| | Book value per share[2] | Closing share price | Income | Net earnings (loss) | Total assets | Investments | Common share-holders' equity | Shares out-standing | Earnings (loss) per share |
|---|---|---|---|---|---|---|---|---|---|
| *As at and for the years ended December 31* | | | | | | | | | |
| Initial public offering | 10.00 | 10.00[3] | | | | | | | |
| 2015 | 9.50 | 10.10 | 65 | 41 | 1,025 | 979 | 1,013 | 107 | 0.42 |
| 2016 | 10.25 | 11.55 | 129 | 108 | 1,303 | 1,096 | 1,075 | 105 | 1.01 |
| 2017 | 14.46 | 15.00 | 610 | 453 | 2,672 | 2,636 | 2,132 | 147 | 2.94 |
| 2018 | 13.86 | 13.13 | 167 | 96 | 2,707 | 2,661 | 2,118 | 153 | 0.63 |
| 2019 | 16.89 | 12.80 | 713 | 516 | 3,245 | 3,171 | 2,578 | 153 | 3.30 |
| 2020 | 16.37 | 9.60 | (13) | (41) | 3,073 | 3,028 | 2,447 | 149 | (0.27) |
| 2021 | 19.65 | 12.61 | 694 | 495 | 3,584 | 3,546 | 2,775 | 141 | 3.22 |
| 2022 | 19.11 | 12.28 | 238 | 191 | 3,366 | 3,211 | 2,642 | 138 | 1.34 |
| 2023 | 21.85 | 15.20 | 599 | 372 | 3,822 | 3,644 | 2,959 | 135 | 2.72 |
| 2024 | 20.96 | 16.01 | 100 | (41) | 3,631 | 3,562 | 2,826 | 135 | (0.30) |
| 2025 | 22.94 | 17.29 | 609 | 411 | 4,050 | 4,037 | 3,080 | 134 | 3.05 |
| Compound annual growth | 7.9%[4] | 5.1% | | | | | | | |

*(1) All share references are to common shares; Closing share price and per share amounts are in U.S. dollars; Shares outstanding are in millions. Certain of the performance measures presented do not have a prescribed meaning under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS® Accounting Standards") and may not be comparable to similar measures presented by other companies. See the Glossary of Non-GAAP and Other Financial Measures in the MD&A for details.*

*(2) Calculated as common shareholders' equity divided by common shares effectively outstanding.*

*(3) On January 30, 2015, upon completion of the company's initial public offering price of $10.00 per share, Fairfax India Holdings Corporation's subordinate voting shares began trading on the Toronto Stock Exchange under the symbol FIH.U.*

*(4) The company's book value per share of $22.94 at December 31, 2025 represented a compound annual growth rate from the initial public offering price of $10.00 per share at January 30, 2015 of 7.9%.*

## Corporate Profile

**Fairfax India Holdings Corporation** ("Fairfax India") is an investment holding company whose objective is to achieve long term capital appreciation, while preserving capital, by investing in public and private equity securities and debt instruments in India and Indian businesses ("Indian Investments").

### *Indian Investments*[1]

Fairfax India's *Public Indian Investments* are comprised of various percentages of ownership in the following companies whose shares are listed on both the BSE and the National Stock Exchange of India ("NSE of India"):

**IIFL Finance Limited** ("IIFL Finance") is a publicly traded retail-focused diversified financing company located in Mumbai, India that offers home loans, gold loans, micro, small and medium enterprise loans, and microfinance loans, in addition to its non-core segments of loans for construction and real estate finance and capital market finance. IIFL Finance's revenues for the twelve months ended December 31, 2025 were $804 million. At year end, IIFL Finance had shareholders' equity of $1.5 billion and there were approximately 36,790 employees. Additional information can be accessed from IIFL Finance's website www.iifl.com.

**CSB Bank Limited** ("CSB Bank") is a publicly traded company located in Thrissur, India, established in 1920 and is a full-service bank offering retail banking, non-resident Indian banking services, small-to-medium enterprise ("SME") and wholesale banking services through 846 branches and 818 automated teller machines across India. CSB Bank's revenues for the twelve months ended December 31, 2025 were $320 million. At year end, CSB Bank had shareholders' equity of $525 million and there were approximately 8,100 employees. Additional information can be accessed from CSB Bank's website www.csb.bank.in.

**IIFL Capital Services Limited** ("IIFL Capital", formerly IIFL Securities Limited**)** is a publicly traded independent full-service retail and institutional brokerage and investment advisory firm located in Mumbai, India, providing diversified financial services which include broking services, wealth management, financial products distribution, institutional research and investment banking services. IIFL Capital's revenues for the twelve months ended December 31, 2025 were $289 million. At year end, IIFL Capital had shareholders' equity of $337 million and there were approximately 2,210 employees. Additional information can be accessed from IIFL Capital's website www.iiflcapital.com.

**Fairchem Organics Limited** ("Fairchem Organics") is a publicly traded specialty chemical manufacturer located in Ahmedabad, India. Fairchem Organics manufactures oleochemicals used in the paints, inks, adhesives, lubricants and cosmetics industries, as well as intermediate neutraceutical and health products. Fairchem Organics' revenues for the twelve months ended December 31, 2025 were $53 million. At year end, Fairchem Organics had shareholders' equity of $33 million and there were approximately 230 employees. Additional information can be accessed from Fairchem Organics' website www.fairchem.in.

**5paisa Capital Limited** ("5paisa"), is a publicly traded online financial services provider located in Mumbai, India with a "do-it-yourself" investment brokerage model that allows customers to execute investment transactions for low brokerage fees. 5paisa is primarily engaged in providing a technology platform through online and mobile applications for trading securities on the BSE and the NSE of India. 5paisa's revenues for the twelve months ended December 31, 2025 were $35 million. At year end, 5paisa had shareholders' equity of $71 million and there were approximately 545 employees. Additional information can be accessed from 5paisa's website www.5paisa.com.

Fairfax India's *Private Indian Investments* are comprised of various percentages of ownership in the following companies whose fair values cannot be derived from an active market and accordingly, are valued internally using industry accepted valuation techniques and models:

**Bangalore International Airport Limited** ("BIAL") is a private company located in Bengaluru, India. BIAL, under a concession agreement with the Government of India until the year 2068, has the exclusive rights to carry out the development, design, financing, construction, commissioning, maintenance, operation and management of the Kempegowda International Airport Bengaluru ("KIAB") through a public-private partnership. KIAB is the first greenfield airport in India built through a public-private partnership. BIAL's revenues for the twelve months ended December 31, 2025 were $532 million. At year end, BIAL had shareholders' equity of $439 million and there were approximately 1,940 employees. Additional information can be accessed from BIAL's website www.bengaluruairport.com.

*(1) Indian Accounting Standards (Ind AS) are based on and substantially converged with IFRS Accounting Standards. As such, all of the Indian Investments' figures are unaudited and based on Ind AS or IFRS Accounting Standards. See the Glossary of Non-GAAP and Other Financial Measures in the MD&A for details.*

**Seven Islands Shipping Limited** ("Seven Islands"), a private company located in Mumbai, India, is the second largest private sector tanker shipping company in India and transports liquid and gas cargo along the Indian coast as well as in international waters. At December 31, 2025 Seven Islands, together with its subsidiary Seven Islands Shipping International FZE, owned 29 vessels, including 2 gas carriers, with a total deadweight capacity of approximately 1.4 million metric tons. Seven Islands' revenues for the twelve months ended December 31, 2025 were $213 million. At year end, Seven Islands had shareholders' equity of $219 million and there were approximately 195 employees. Additional information can be accessed from Seven Islands' website www.sishipping.com.

**Sanmar Chemical Enterprises Limited** ("Sanmar"), a private company located in Chennai, India, is one of the largest polyvinyl chloride ("PVC") manufacturers in India, operating in India and Egypt. Sanmar also manufactures caustic soda, calcium chloride, chloromethanes, refrigerant gases, industrial salt and specialty chemical intermediates. Sanmar's revenues for the twelve months ended December 31, 2025 were $848 million. At year end, Sanmar had shareholders' equity of $386 million and there were approximately 2,160 employees. Additional information can be accessed from Sanmar's website www.sanmargroup.com.

**Maxop Engineering Company Private Limited** ("Maxop"), a private company located in New Delhi, India, is a precision aluminum die casting and machining solution provider for customers in the automotive and industrial sectors. Maxop's revenues for the twelve months ended December 31, 2025 were $110 million. At year end, Maxop had shareholders' equity of $49 million and there were approximately 960 employees (excluding contract employees). Additional information can be accessed from Maxop's website www.maxop.com.

**Global Aluminium Private Limited** ("Global Aluminium"), a private company located in Hyderabad, India, is an aluminum extrusions manufacturer with in-house capabilities to produce anodized and powder-coated aluminum products. Global Aluminium's revenues for the twelve months ended December 31, 2025 were $138 million. At year end, Global Aluminium had shareholder's equity of $19 million and there were approximately 1,360 employees. Additional information can be accessed from Global Aluminium's website www.globalaluminium.com.

**Jaynix Engineering Private Limited** ("Jaynix"), a private company based in Gujarat, India, is a manufacturer of non-ferrous electrical connectors and electrical assemblies, and is a critical Tier 1 supplier to major electrical original equipment manufacturers primarily in North America. Jaynix's revenues for the twelve months ended December 31, 2025 were $37 million. At year end, Jaynix had shareholders' equity of $25 million and there were approximately 215 employees. Additional information can be accessed from Jaynix's website www.jaynix.com.

**National Commodities Management Services Limited** ("NCML"), a private company located in Gurugram, India, is an integrated agriculture value chain solutions provider, with services including grain procurement, storage and preservation, testing and certification, collateral management, and commodity and weather intelligence. NCML also operates silos constructed under concession agreements with the Food Corporation of India, and a non-banking financial company which focuses on rural and agri-business financing. NCML's revenues for the twelve months ended December 31, 2025 were $34 million. At year end, NCML had shareholders' equity of $44 million and there were approximately 410 employees (excluding contract employees). Additional information can be accessed from NCML's website www.ncml.com.

**To Our Shareholders,**

We are pleased to present Fairfax India's performance in 2025, being the 11th year since Fairfax India began its investment journey in India. Fairfax India's book value per share (BVPS), our key performance measure, has grown at a compound annual rate of 7.9% while the U.S. dollar S&P BSE Sensex 30 index (USD S&P BSE Sensex) has compounded at 6.6% in the same period. During 2025, Fairfax India's BVPS increased by 9.4% from $20.96 at the end of 2024 to $22.94 at the end of 2025.

Here is a glimpse of Fairfax India's performance since it began*:

| *$ billions except per share amounts:* | 2025 | 2024 | 2023 | 2022 | 2021 | | 2015 | CAGR[(1)] |
|---|---|---|---|---|---|---|---|---|
| Book value per share | $ 22.94 | $ 20.96 | $ 21.85 | $ 19.11 | $ 19.65 | | $ 9.50 | 7.9% |
| Investments | 4.0 | 3.6 | 3.6 | 3.2 | 3.5 | ... | 1.0 | 13.9% |
| Common shareholders' equity | 3.1 | 2.8 | 3.0 | 2.6 | 2.8 | | 1.0 | 10.6% |
| Shares outstanding (millions) | 134.2 | 134.8 | 135.4 | 138.3 | 141.2 | | 106.7 | |

*(1) Since Fairfax India's inception on January 30, 2015, when it raised $1.03 billion at $10 per share. From an initial value of $9.62 (after IPO expenses), book value per share has compounded at 8.3% annually.*

The Indian market underperformed most markets in 2025 amid a 4.7% depreciation of the rupee. Except for Thailand, all Asian markets (ex-Japan) experienced positive returns in 2025 and outperformed India's 3.8% return (USD S&P BSE Sensex). On a five-year compounded basis, India, along with Singapore, outshines all comparable Asian markets listed below.

| | 2025 | 3-year annualized total return | 5-year annualized total return |
|---|---|---|---|
| South Korea | 79.6% | 18.2% | 2.1% |
| Sri Lanka | 34.5% | 46.7% | 14.9% |
| Vietnam | 36.5% | 16.7% | 7.3% |
| Hong Kong | 27.5% | 9.1% | (1.3)% |
| Singapore | 30.3% | 14.1% | 10.9% |
| China | 22.9% | 5.7% | (3.7)% |
| Indonesia | 18.3% | 5.4% | 4.0% |
| Malaysia | 12.8% | 6.8% | 0.5% |
| India | 3.8% | 8.8% | 7.7% |
| Thailand | (2.0)% | (5.9)% | (3.7)% |

In our view, India remains a land of immense opportunity! The Indian economy remains highly resilient and will remain among the fastest growing large economies for the foreseeable future. However, the 2025 equity outcome was essentially driven by a) moderation from high valuations in 2024, b) weaker earnings growth in the April 2025-March 2026 financial year, c) foreign portfolio outflows for the second consecutive year, d) limited exposure or no exposure to the AI theme-driven dream run seen elsewhere (including perceived disruption that AI may bring to Indian IT Services companies) and e) worries that delays in agreeing a trade pact with the U.S. will cascade into lower volume of exports due to high tariffs imposed by the U.S.

Over the past 11 years, the USD S&P BSE Sensex's earnings grew by 5.5%, while the index returned 7.3% annually, roughly in line with earnings growth despite the relative underperformance of Indian equities in 2025. Mid and small-cap stocks experienced considerable valuation expansion and outperformed headline indices. Earnings for the NSE 100 Midcap index recorded a CAGR of 7.0% over 11 years and 11.9% over 5 years. Over the same period, its return compounded at 11.7% and 18.7% respectively. Similarly, the NSE 100 Smallcap index earnings grew at a CAGR of 10.8% over the past 5 years while the index recorded an annualized return of 15.2%.

USD S&P BSE Sensex is trading at 21 times its one-year forward earnings. Only 20 out of the 30 stocks had positive returns. The top five contributors account for almost all of the index's gains. In 2025, an impressive amount of equities supply, totalling $63 billion, was absorbed by the market. IPOs accounted for 34%, while qualified

* *Amounts in this letter are in U.S. dollars unless otherwise specified. Numbers in the tables in this letter are in U.S. dollars and $ millions except as otherwise indicated. Throughout this letter, references to fiscal year refer to the Indian fiscal year from April 1 to March 31 of the denoted years. Certain of the performance measures in this letter do not have a prescribed meaning under IFRS Accounting Standards and may not be comparable to similar measures presented by other companies. See the Glossary of Non-GAAP and Other Financial Measures in the MD&A and the Appendix to the Letter to Shareholders for details.*

institutional placements and follow-on public offerings (FPOs) accounted for another 17%. Offers by promoters and private equity investors amounted to $30 billion, accounting for the remaining 48% of the total offerings. The Indian market provided another year of excellent exit opportunities for global private equity investors, resulting in net foreign direct investment (FDI) flows into India narrowing to $4.8 billion in 2025, while gross FDI flows remained healthy at $89 billion. Domestic flows into equities remained very strong, averaging over $5.7 billion per month, though lower than $6.4 billion per month last year. In comparison, foreign portfolio investors (FPI) recorded an outflow of $18.8 billion for the year.

Despite the underperformance of Indian equities, India's economy remained remarkably resilient. From a multidimensional perspective, India demonstrated its capacity to adapt to changing circumstances, precipitated by international developments, including the imposition of tariffs, the depreciation of the rupee, and uncertainties stemming from geopolitical instability. This capacity to adjust, in the face of persistent uncertainties, can be seen from various dimensions: the structural strengths of the country's consumption-led economy, sustained infrastructure investments, notable policy reforms, the strength of its capital markets and changing trends in financing and the widespread use of fintech, and in the management of its current account trade balance. This combination has led to sustained economic growth in India, with the future looking even more promising.

The country's large population of 1.4 billion drives its consumption-led economy, with per capita income crossing $2,800 in 2025. Household consumption (61% of GDP) is robust and represents the engine of growth. India's demographic dividend is evident in its youthful population, with a median age of 29, and a growing middle class. India's working-age population (aged 15-64) is projected to grow from 980 million in 2024 to around 1.1 billion in 2033, representing nearly 70% of the population. This will result in a significant rise in domestic consumption of goods and services, credit card use, mortgage penetration, air travel, and financial savings (mutual fund holdings). An interesting pattern is developing in the diminishing gap between rural and urban consumption. In 2012, urban households spent 84% more than rural households; by 2024, that gap had narrowed to 70%. Rural spending on food, as a percentage of household spending, fell from 60% to 47% in the same period. This changing mix in discretionary spending is becoming apparent in affluent sections of Indian society, with increased demand for tourism and luxury products, with an emphasis on e-commerce as the medium to obtain such goods.

The rapid pace of urbanization has spread beyond the big cities to smaller ones, referred to as "Tier 2" and "Tier 3" locations. India is one of the few large economies in the midst of a remarkable expansion of physical infrastructure, such as roads and highways, airports, and ports. India allocates over 3% of its GDP towards physical infrastructure.

The structural strengths of the Indian economy have been augmented by notable policy initiatives that are business-friendly and have reduced the regulatory burden. Significantly, the Modi government has consolidated twenty nine labour laws into four new labour codes. Similarly, the income tax regime was simplified, resulting in almost zero tax for income up to 1.2 million Indian rupees, which, in IMF purchasing power parity, is equivalent to approximately $60,000. Subsequently, the national government rationalized and reduced GST rates.

Prudent policies have resulted in historic lows in inflation, a reduction in fiscal deficit as a percentage of GDP, from a high of 9.2% in 2021, heading towards the targeted 4.4% in fiscal year 2025-26. India's economic resilience despite the estimated 480 bps of fiscal consolidation since fiscal year 2020-21 has led to S&P upgrading India's long-term sovereign credit rating from BBB- to BBB. This ongoing fiscal adjustment is underappreciated and stands in sharp contrast to a global shift towards fiscal expansionism and rising sovereign debt burdens across large economies.

Despite the Indian rupee's decline against the U.S. dollar, the Indian economy's strong fundamentals are seen as stabilizing forces. These include a current account deficit of around 1%, strong foreign exchange reserves, low inflation and high GDP growth. The Reserve Bank of India (RBI), India's central bank, has no exchange-rate target policy, but intervenes when required to curb excessive volatility. The recent correction is perceived to be a self-balancing of the trade account mechanism.

The deepening of India's capital markets was evident in the continued IPO listings, with companies raising almost $32 billion through IPOs and FPOs. Indian households are actively participating in financial markets, with over 125 million investors holding over 250 million investor accounts. Widespread technology adoption is enabled by the Unified Payments Interface (UPI), which enables instant transfers from mobile devices. The U.S. tariffs imposed on India in 2025, while significant, still represent a small portion of the economy, as exports to the U.S. account for 2% of GDP. A bilateral trade agreement between India and the U.S. was announced on February 2, 2026, intended to reduce the reciprocal tariff to levels comparable to other countries in Asia. It also brings stability and predictability to the bilateral economic relationship. As well, in late January, the European Union (EU) and India announced a free trade agreement, which has been two decades in the making and is a major accomplishment in liberalization. Under this agreement, both the EU and India have agreed to eliminate or reduce tariffs on over 95% of their respective exports. The EU has granted duty-free access to specific Indian exports in textiles and apparel,

leather, footwear, gems, and jewellery. The EU has also undertaken to ease labour mobility in professional services, IT, and education. In return, the European auto sector will have greater access to the Indian market, with tariffs being cut over a five-year period.

This combination of structural strengths in solid domestic consumption, business-friendly policy reforms, reductions in direct and indirect taxes, and low inflation is the alchemy that makes India one of the most resilient large economies in the world. To quote our founder, Prem Watsa, "India's potential for growth remains unmatched".

We continue to believe that Fairfax India is well-positioned to capitalize on the growth opportunities India offers.

Nearly 70% of Fairfax India's investments are in privately held companies, and 67% of investments are not subject to mark-to-market valuations used for public companies. Our privately held investments remain at valuations that could be deemed to be conservatively valued. Fairfax India's largest investment, Bangalore International Airport Limited (BIAL), is in the midst of a significant expansion and has just embarked on the next phase to increase its capacity from the current 50 million to 80 million passengers, with a view to meeting the growing demand for aviation services.

In the words of Sir John Templeton, "Whenever you can buy a large amount of future earning power for a low price, you have made a good investment". We strongly believe that all our investment selections follow this principle.

As seen below, the valuations of our portfolio companies are better than the benchmark for Indian equities:

| | Price to Earnings[1] | Price to Book[1] | Net Debt / Equity[2] | Return on Equity[3] | 3-Year Average Return on Equity[3] | 5-Year Revenue CAGR |
|---|---|---|---|---|---|---|
| IIFL Finance | 18.0x | 1.7x | *n/a* | 10% | 10% | 17% |
| CSB Bank | 12.8x | 1.6x | *n/a* | 13% | 14% | 19% |
| IIFL Capital | 19.6x | 3.7x | (0.9x) | 19% | 25% | 25% |
| Fairchem Organics | *n/a* | 3.2x | 0.1x | *n/a* | *n/a* | 7% |
| 5paisa | 24.3x | 1.6x | (0.2x) | 7% | 10% | 11% |
| **Public[4]** | **16.4x** | **2.0x** | **(0.1x)** | **12%** | **14%** | **18%** |
| BIAL | 28.3x | 6.7x | 1.6x | 24% | 18% | 50% |
| Seven Islands | 4.6x | 1.5x | 0.7x | 33% | 36% | 16% |
| Sanmar | *n/a* | 0.5x | 2.0x | *n/a* | *n/a* | 8% |
| Maxop | 17.7x | 2.9x | 1.1x | 16% | 17% | 26% |
| Global Aluminium | 20.9x | 7.3x | 0.8x | 35% | 31% | 24% |
| Jaynix | 19.2x | 3.7x | 0.1x | 19% | 26% | 18% |
| NCML | *n/a* | 1.1x | 1.1x | *n/a* | *n/a* | (12)% |
| IH Fund | *n/a* | *n/a* | *n/a* | *n/a* | *n/a* | *n/a* |
| Other Indian Fixed Income | *n/a* | *n/a* | *n/a* | *n/a* | *n/a* | *n/a* |
| **Private[4]** | **20.7x** | **3.8x** | **1.5x** | **25%** | **28%** | **18%** |
| **Total Indian Investments[4]** | **19.2x** | **3.0x** | **0.8x** | **18%** | **20%** | **18%** |

*(1) Price to earnings reflects the fair value of the Indian Investment, divided by its calendar year 2025 net earnings. Price to book reflects the fair value of the Indian Investment, divided by its total equity at December 31, 2025. Price to earnings excludes Fairchem Organics, Sanmar and NCML due to losses or negligible profits in 2025.*

*(2) Net debt is comprised of total debt less cash. Excludes finance companies IIFL Finance and CSB Bank.*

*(3) Return on equity reflects the Indian Investment's calendar year 2025 net earnings compared to its total equity at December 31, 2025. 3-Year Average Return on Equity represents an average over the last three years. Excludes Fairchem Organics, Sanmar and NCML due to losses or negligible profits in 2025.*

*(4) Subtotals reflect weighted averages of figures presented.*

Our portfolio companies have exhibited well above the nominal GDP growth in India, with very robust return on equity with minimal leverage (except Sanmar), if at all.

| | S&P BSE Sensex | |
|---|---|---|
| | **December 31, 2025** | **10-year average** |
| Price to earnings | 24.4x | 24.2x |
| Price to book | 3.6x | 3.4x |
| Dividend yield | 1.3% | 1.2% |
| Market cap to GDP | 136% | 98% |

As demonstrated in the table below*, Fairfax India has produced solid investment returns. Including $1.8 billion in unrealized gains on its existing portfolio, it has achieved a 10.4% annualized return since inception – 18.5% on publicly listed investments and 7.5% on private investments. Since its inception, Fairfax India has also generated realized cash gains, including dividends and interest of $1.0 billion. We have achieved an annualized return of 25.5% on partially monetized investments and 18.0% on fully monetized investments, aggregating to an annualized return of 19.0% for all monetized investments.

Fairfax India's investments are in outstanding companies with a history of strong financial performance, led by excellent founders and management teams that adhere to high ethical standards.

| Existing Indian Investments | Initial investment | Ownership % | Cash consideration | Fair value | Net change | Cumulative interest and dividends | Compounded annualized return[1] |
|---|---|---|---|---|---|---|---|
| **Public Indian Investments** | | | | | | | |
| Common stocks: | | | | | | | |
| IIFL Finance | Dec 2015 | 15.2% | 101.1 | 438.1 | 337.0 | 18.7 | 20.1% |
| CSB Bank | Oct 2018 | 40.0% | 136.3 | 353.6 | 217.2 | – | 15.0% |
| IIFL Capital | Dec 2015 | 27.2% | 51.1 | 341.6 | 290.6 | 19.9 | 23.3% |
| Fairchem Organics | Feb 2016 | 55.3% | 34.2 | 58.0 | 23.8 | 3.4 | 8.9% |
| 5paisa | Dec 2015 | 24.6% | 16.6 | 28.8 | 12.2 | – | 7.8% |
| | | | 339.3 | 1,220.1 | 880.7 | 42.0 | 18.5% |
| **Private Indian Investments** | | | | | | | |
| Common stocks: | | | | | | | |
| BIAL | Mar 2017 | 74.0% | 1,158.0 | 2,187.4 | 1,029.4 | 2.2 | 11.0% |
| Seven Islands | Mar 2019 | 48.5% | 83.8 | 162.4 | 78.5 | 70.4 | 16.9% |
| Sanmar | Apr 2016 | 39.3% | 217.1 | 101.6 | (115.5) | – | (13.4)% |
| Maxop | Nov 2021 | 67.0% | 51.4 | 95.5 | 44.0 | – | 17.8% |
| Global Aluminium | Oct 2024 | 65.0% | 82.7 | 90.8 | 8.0 | – | 7.9% |
| Jaynix | Feb 2022 | 70.0% | 32.5 | 65.9 | 33.4 | 8.1 | 23.7% |
| NCML | Aug 2015 | 91.0% | 188.3 | 41.9 | (146.4) | 0.8 | (14.3)% |
| IH Fund | Jan 2019 | – | 9.9 | 7.0 | (2.9) | 6.3 | 3.7% |
| Other Indian Fixed Income | Nov 2023 | – | 24.0 | 22.3 | (1.8) | 0.5 | (2.4)% |
| | | | 1,847.8 | 2,774.7 | 926.9 | 88.3 | 7.5% |
| **Total existing** | | | **2,187.1** | **3,994.8** | **1,807.7** | **130.3** | **10.4%** |

| Monetized Indian Investments | Initial investment | Last sale | Cash consideration | Cash proceeds | Cash proceeds less cash consideration | Cumulative interest and dividends | Compounded annualized return[1] |
|---|---|---|---|---|---|---|---|
| **Partially monetized** | | | | | | | |
| IIFL Finance | Dec 2015 | Dec 2023 | 35.7 | 177.3 | 141.6 | 7.5 | 24.9% |
| CSB Bank | Oct 2018 | Jun 2024 | 33.1 | 71.3 | 38.2 | – | 15.5% |
| Fairchem Organics | Feb 2016 | Feb 2022 | 7.8 | 45.6 | 37.8 | 0.1 | 49.7% |
| | | | 76.6 | 294.2 | 217.6 | 7.6 | 25.5% |
| **Fully monetized** | | | | | | | |
| Sanmar Bonds | Apr 2016 | Dec 2019 | 299.0 | 433.9 | 134.9 | – | 11.0% |
| Other Public Indian Investments | Mar 2018 | Jul 2024 | 182.1 | 286.0 | 103.9 | 9.3 | 27.7% |
| 360 ONE | Dec 2015 | May 2023 | 107.0 | 243.5 | 136.4 | 40.5 | 16.7% |
| NSE | Jul 2016 | Apr 2024 | 26.8 | 188.9 | 162.2 | 15.0 | 32.8% |
| Privi Speciality | Aug 2016 | Apr 2021 | 55.0 | 164.9 | 109.9 | 2.0 | 27.1% |
| Saurashtra | Feb 2017 | Nov 2025 | 30.0 | 74.6 | 44.6 | 16.6 | 14.2% |
| Other Indian Fixed Income | Nov 2021 | Feb 2025 | 7.4 | 7.5 | 0.2 | 1.1 | 5.1% |
| | | | 707.4 | 1,399.4 | 692.0 | 84.5 | 18.0% |
| **Total monetized** | | | **784.0** | **1,693.6** | **909.6** | **92.1** | **19.0%** |

*(1) Compounded annualized return refers to the U.S. dollar internal rate of return and is used interchangeably with "annualized return" throughout this letter.*

Since we began, Fairfax India's investments have all been sourced and reviewed by Fairbridge, a wholly owned sub-advisor in India of Fairfax Financial, Fairfax India's parent. Fairbridge does outstanding work under the excellent leadership of CEO Sumit Maheshwari, supported by its Director Anish Thurthi, Principal Sheetal Sancheti, Vice President Hariharan Sundaresan, and analysts Jinesh Rambhia, Ramin Irani, and Chinar Mathur. Fairfax India's

* *Please refer to the company's MD&A included in its 2025 Annual Report, under the heading Track Record for a complete summary of the company's performance to date including footnotes. Figures may not add due to rounding.*

Mauritius subsidiary, FIH Mauritius Investments Ltd, ably led by its CEO Amy Tan, supported by its Vice President Vishal Mungur and its independent Board of Directors, is an integral part of the investment process. Also, since its inception, Deepak Parekh, both as a trusted advisor and a former member of the Board of Directors, has provided us with invaluable advice on all our transactions.

The Fairfax India team is privileged to be guided by our founder, Prem Watsa, as well as Chandran Ratnaswami, who led Fairfax's remarkable investment journey in India for the past 31 years. Fairfax India is driven by Fairfax Financial's guiding principles and investment philosophy and builds on its market positioning.

Since Fairfax India is a permanent capital vehicle, we can focus on the long term, which distinguishes us from most investors and gives us an edge. Our reputation for a decentralized, management-friendly approach enables us to attract like-minded partners who share our long-term approach to value creation.

Out of the thirteen investments listed above, five of them comprising 29% of the portfolio are in financial services, five of them comprising 10% of the portfolio are in manufacturing, two of them comprising 6% of the portfolio are in transportation, logistics and storage services and our single largest exposure is in airport infrastructure – a monopoly that comprises 55% of the portfolio.

Financial services currently account for around 26% of India's total market capitalization, up from around 16% a decade ago. This increase is also partly driven by new listings of banks, insurance companies, asset managers and fintech businesses. Domestic and household savings account for 30% and 18% of GDP, respectively. Household savings in physical assets and gold still constitute around 60% of savings, while household savings in various financial asset classes continue to grow over time. Bank deposits and credit have grown at CAGRs of 14% and 16%, respectively, over the past 25 years. Despite rapid progress towards banking the unbanked, the RBI's index of financial inclusion stands at 67.0 according to its 2025 press release, up from a low of 43.4 in 2017. According to the World Bank financial inclusion database for 2025, both China and India have account ownership rates of nearly 90%. Yet, they are also home to the largest number of adults without accounts. As per the same report, while 89% of adults have an account, only 48% have made or received a digital payment, and 15% have borrowed formally from a financial institution in India. According to the RBI, 110 million credit cards are in force across India as of March 2025, up from 54 million in 2019, with the market projected to reach 200 million cards by March 2029. Mortgage penetration is estimated at 11% of GDP, compared to 27% in China and 47% in the U.S. India has witnessed rapid growth across financial services, with a strong flow of domestic savings towards equities, mutual funds, and savings-linked insurance products. Household savings in equities have gradually improved from 5% of GDP to an estimated 7% by March 2025. Our investments in the financial services sector are well-positioned to capitalize on the immense growth in the financial services sector, which in emerging markets historically has been a multiple of GDP growth.

The manufacturing industry accounts for around 14% of GDP, with a global share of 3%, compared to China's 29%. India is well-positioned to benefit from the global trend towards diversifying supply chains under the 'China Plus One' strategy, aided by stable geopolitics, favourable demographics, and business-friendly government policies. The value of goods imported into the U.S. from China has fallen by 43% since 2018. Its share of total U.S. imports fell from 21% to 13% in 2024 and further to 9% in 2025. India's share improved marginally from 2% to 3%, grew by 91% in value, and has lagged Vietnam and Taiwan in imports from low-cost countries. Prime Minister Modi's government has a vision to increase manufacturing to 25% of GDP. 'Make in India' is one of the government's flagship programs with a focus on 27 sectors. Favourable policies and reforms aimed at building economies of scale, improving labour productivity, lowering logistics costs, a favourable taxation regime, and production-linked incentive schemes have evolved over the past decade. Consequently, gross FDI inflows have shown a consistent upward trend, escalating from $45 billion in fiscal year 2014-15 to $80 billion in fiscal year 2024-25. India has the advantage of its demographics, cost competitiveness, political determination, and a vast domestic addressable market to make it a leading manufacturing hub in the world. We believe Fairfax India's investment portfolio is well-positioned to benefit from these manufacturing and export-led trends.

Maxop, Jaynix, and Global Aluminium are the recent additions to the portfolio, all of them are engaged in manufacturing fast-growing aluminum products with strong growth in exports as well as domestic markets. Maxop is benefiting from the global migration to light-weight materials in the automotive sector, with products focused on both passenger and commercial vehicles. All of the founders are first-generation promoters who take a hands-on approach to running their businesses. There are a few common attributes of these businesses, including their ability to adapt to fluctuating demand, manufacture a variety of complex parts, meet high quality standards, and establish relationships with global and Indian OEMs and marquee customers. They also engage with their customers from the early stages of product design, strengthening their relationships. The U.S. tariff measures affected both Jaynix and Global Aluminium to some extent. Still, they are expected to bounce back, given the measures they have undertaken, as well as the very likelihood of the U.S. revisiting tariffs applicable to aluminum and steel products in 2026, in addition to the trade deal announced between the U.S. and India.

Services account for 56% of India's GDP. We have 90% of the portfolio across financial, trade, transportation and infrastructure services. Our investment in BIAL is well-positioned to benefit from the robust growth expected in India's aviation sector. India is the third largest aviation market in the world, with air passenger traffic of 412 million in fiscal year 2024-25. India had 50 operational airports in 2000; today, it has 164. In 2024, the total contribution of travel and tourism to the GDP was estimated at $256 billion. By 2034, this is expected to more than double to $523 billion! BIAL is India's third largest airport and is poised to capitalize on growth opportunities in the industry. The outlook for the aviation market is very robust, with sustained growth in both domestic and international passenger traffic. Over the next decade, leading Indian airlines have made a significant commitment, placing orders for approximately 1,800 aircraft from Boeing and Airbus. This will take the number of aircraft in operation from only 800 to 1,400 over the next five years. While the regulatory regime over the tariff-setting mechanism is still evolving, there is a stable policy regime focused on sustained growth in the sector.

Over the eleven years since its inception, Fairfax India has outperformed the Indian markets despite conservatively valued private investments, as demonstrated in the following table showing the average annual percentage change over eleven years:

| | |
|---|---|
| Fairfax India BVPS(1) | 7.9% |
| Fairfax India's Public Indian Investments(2) | 19.7% |
| USD S&P BSE Sensex | 6.6% |

*(1) Fairfax India's eleven-year annualized growth in BVPS is calculated based on its January 30, 2015 IPO price of $10 per share.*

*(2) Represents the annualized growth related to existing and monetized Public Indian Investments since Fairfax India's inception.*

Fairfax India's net earnings in 2025 were $410.5 million versus a net loss of $41.2 million in 2024, largely as the result of net gains on investments of $581.1 million compared to $51.2 million in 2024. Results in 2025 also reflect dividend and interest income of $55.7 million and net foreign exchange losses of $28.0 million. Fully diluted earnings per share was $3.05 in 2025 versus net loss per share of $0.30 in 2024. The significant contributors to net unrealized and realized gains (losses) recorded in 2025 were:

| | |
|---|---|
| BIAL | $399.1 |
| IIFL Finance | 146.0 |
| CSB Bank | 114.4 |
| IIFL Capital | 35.0 |
| Seven Islands | 24.0 |
| Saurashtra(1) | 21.3 |
| 5paisa | (11.5) |
| Jaynix | (12.1) |
| Fairchem Organics | (40.6) |
| Sanmar | (111.9) |

*(1) Realized gains since inception of $52.0 million, partially offset by a reversal of prior period gains of $30.7 million.*

In the fourth quarter of 2025, we sold our 51% stake in Saurashtra to Kamigumi, a Japanese logistics company, for $74.6 million. This transaction was championed by the promoter of Saurashtra, Raghav Agarwalla, and we hence made an easy decision to exit. Saurashtra consistently generated free cash while maintaining one of the highest market shares in the container freight station business at Mundra Port. We express our gratitude to Raghav for the years of trusted partnership with Fairfax India and wish him continued success in all his future endeavours.

While the BVPS of Fairfax India is $22.94, we believe that the long term underlying intrinsic value is much higher. As Fairfax India's shares continue to trade at a discount to book value, we have taken the opportunity to buy back, since inception 23.2 million shares for $303.9 million or an average price of $13.09 per share, including the 0.6 million shares we bought in 2025 for $10.4 million at an average price of $16.81 per share. In total, we have bought back approximately 14.8% of total shares issued since inception.

In June 2019, Fairfax India created a 100% owned subsidiary in India named Anchorage Infrastructure Investments Holdings (Anchorage). It is intended that this company will be Fairfax India's flagship investment vehicle for airports and other infrastructure investments in India and that all the shares it owns in BIAL will eventually be transferred to Anchorage.

With the acquisition of an additional 10% of BIAL from Siemens completed in February 2025, Fairfax India is the only private promoter with 74% ownership (43.6% held through Anchorage and the remaining 30.4% held by the company's wholly-owned Mauritius-based subsidiary) in BIAL. OMERS (the pension plan for municipal employees

in the Province of Ontario, Canada) invested $129.2 million in September 2021 to acquire an 11.5% interest in Anchorage on a fully diluted basis from Fairfax India. At that time, this transaction valued 100% of BIAL at $2.6 billion. As part of the transaction, Fairfax India agreed to use commercially reasonable efforts to list Anchorage by way of an IPO in India, subject to regulatory approvals and market conditions by the IPO long-stop date. During the year, Fairfax India and OMERS agreed to extend the IPO long-stop date by one year to September 16, 2026. If the valuation of Anchorage upon closing of the IPO is below approximately $1.0 billion (91.6 billion Indian rupees), then OMERS' ownership in Anchorage will increase to a maximum of 15.0%.

Fairfax India intends to complete an IPO of Anchorage and we are still in the process of obtaining regulatory approvals.

If Anchorage were currently listed, the proportion of Fairfax India's investments subject to public mark-to-market valuations would increase from 31% to 85% of the overall portfolio.

**Financial Position**

At December 31, 2025, the financial position of Fairfax India was as follows:

| | |
|---|---|
| Undeployed cash and investments | $ 50.7 |
| Unsecured senior notes maturing in February 2028 | 500.0 |
| Common shareholders' equity | 3,079.6 |
| Total debt to equity | 16.2% |

Fairfax India also had access to a $245.0 million revolving credit facility maturing in November 2028, which will reduce to $220.0 million by October 1, 2026. As of December 31, 2025, it had a $76.5 million letter of credit issued and outstanding to support the final tranche of payment due to Siemens for our 10% stake in BIAL, purchased in February 2025.

In December 2023, DBRS Limited upgraded Fairfax India's credit rating to BBB from BBB (low), reaffirming the company's strong financial position. In November 2025, DBRS reaffirmed the BBB rating and changed the outlook from stable to positive.

**Performance Fee**

Under the investment advisory agreement, Fairfax Financial is entitled to a performance fee, calculated at the end of each three-year period, of 20% of any increase in Fairfax India's BVPS (including distributions) above a non-compounded 5% increase each year from the BVPS at inception in 2015. For the first two three-year periods, Fairfax India was required to settle the performance fee with its subordinate voting shares, but at the end of the third three-year period, Fairfax Financial elected to receive its performance fee payable of $110.2 million in cash (as opposed to shares) to limit shareholder dilution.

Our repurchases of 23.2 million shares since inception at an average price of $13.09 per share, have more than compensated our shareholders for the dilutive impact of issuing a cumulative 8.2 million shares to Fairfax Financial at an average price of $14.57 (a discount to book value) to settle performance fees for the first two calculation periods.

At the end of 2025, the second year of the fourth three-year period, no performance fee has been accrued.

**Indian Investments***

**Infrastructure Services**

**Bangalore International Airport (BIAL)**

Under the exceptional leadership of Managing Director and CEO Hari Marar and his executive team, BIAL has continued its outstanding performance.

BIAL's Terminal 2 (T2) received the prestigious 5-Star Skytrax Airport Terminal Rating, becoming the first terminal in India to achieve this milestone. In addition to this, BIAL received more accolades in 2025, including:

- Airport Council International's (ACI) Accessibility Enhancement Accreditation Levels 2 and 3, making BIAL the first airport in India to receive this recognition. ACI Airport Service Quality Award for 'Best Airport for Arrivals Globally' for the third consecutive year, based on passenger feedback.

* *Indian Accounting Standards (Ind AS) are based on and substantially converged with IFRS Accounting Standards. As such, all of the Indian Investments' figures are unaudited and based on Ind AS or IFRS Accounting Standards, with the exception of CSB Bank, where figures are based on Indian Generally Accepted Accounting Principles (Indian GAAP). Percentage variances over financial figures are based on underlying changes in the investment's Indian rupee functional currency.*

- 'Best Regional Airport in India & South Asia', while Taj Bangalore won 'Best Airport Hotel in India & South Asia' at the Skytrax World Airport Awards 2025.
- 'Nadaprabhu Kempegowda International Award' by the Government of Karnataka, one of the state's most prestigious recognitions.
- 'Making AI Work Awards 2025' by the Economic Times in the category 'Indian CEO Driving AI Innovation' for leading AI-driven business transformation at BIAL.
- ACI – Amadeus Technology Innovation Awards 2025 for 'Best Innovation in Passenger-Related Processes' and Confederation of Indian Industry (CII) Award for 'Best Practice in Digital Transformation', recognized as the 'Most Innovative Practice' for the successful deployment of its biometric self-baggage-drop system.

T2 is a 2.8 million square feet 'Terminal in a Garden', designed to reflect Bengaluru's green identity through extensive landscaping, sustainable practices, advanced technology, and curated art. The terminal integrates 110,000 square feet of green walls, hanging gardens, lagoons, and a forest belt featuring 3,600+ plant species, 7,700 transplanted trees, and multiple ecological habitats. Passenger areas provide continuous views of greenery, enhancing the travel experience. An integrated art program showcases Karnataka's cultural diversity through installations placed across the terminal. T2 aims to deliver a world-class, memorable passenger experience driven by nature, sustainability, and technology.

On the innovation and technology front, BIAL has been at the forefront of developing smart security implementation to facilitate more accurate screening and higher passenger throughput. Its pioneering contributions include Digi Yatra, featuring face-recognition-enabled, easy security checks and boarding process, biometric-enabled self-baggage drop, all with a view to enhancing the passenger experience from entry into the airport through to boarding the aircraft.

As Fairfax India's largest investment, BIAL accounts for 55% of the fair value of total investments. Between March 2017 and May 2018, Fairfax India invested $653.0 million to acquire 54% of BIAL, implying an equity value of approximately $1.2 billion for 100% of BIAL. In 2023, Fairfax India acquired an additional 10% of BIAL from Siemens for $250.0 million and in February 2025, acquired the remaining 10% equity from Siemens interest in BIAL for $255.0 million. In aggregate, Fairfax India now has a total investment of $1.2 billion for its 74% equity interest in BIAL. BIAL is the third largest airport in India. Bengaluru, considered India's Silicon Valley, is the fourth largest and fastest growing city in India.

BIAL catered to 43.8 million passengers in 2025. This is 7.6% higher than the passengers achieved in 2024. International passengers in 2025 were 7.0 million, an increase of 28.7% over 2024, the highest growth recorded among major airports in India. International traffic accounts for 16% of total passengers. Historically, spend per international passenger is much higher than that of domestic passengers. Domestic passenger growth was muted during the year due to a) escalations at the India-Pakistan border of the magnitude not seen since 1999 and b) weaker travel sentiment following the Air India incident in Ahmedabad.

- **Aero revenue and tariff order**

Aero revenue is the revenue earned for providing services such as landing, parking, and other services charged as user development fees (UDF) to airlines and passengers. The aero tariffs for these services are set for five-year periods (called "control periods") and are fixed by the Airport Economic Regulatory Authority (AERA) to provide a government-regulated return on equity (ROE) deployed in the Regulatory Asset Base (RAB). AERA treats 30% of non-aero revenue (described below) as a subsidy for tariff calculations. Any under or over-recovery of tariffs in any control period will be adjusted in the subsequent control periods. This is achieved primarily by adjusting downwards or upwards the fee that the airport is allowed to charge for its aero services to passengers and airlines. The tariffs the airport can charge have a significant impact on cash flow, which, in turn, has a major impact on financing for the planned airport expansion.

Usually, the tariff order is finalized almost six months after the new control period begins, as the true-up mechanism determines under or over-recovery in the previous control period. The third control period will conclude in March 2026, and the airport management has begun filing plans for the fourth control period, which includes the capex program to be implemented in that period, commencing on April 1, 2026, for five years. BIAL management has an impeccable track record of on-time project implementation and within the sanctioned budgets, which should help secure AERA approval for the next control period with less friction. With current traffic levels, the incremental capex can be absorbed with a very reasonable increase in UDFs.

Aero revenue in 2025 increased by 13% over the previous year to $237.1 million!

- **Growth plans**

Post conclusion of the major capex plans sanctioned in 2018, which culminated in the commissioning of the second runway in 2019 and Phase 1 of Terminal 2 in 2021, taking the total passenger capacity to 50 million from the level of 20 million when Fairfax India made its initial investment, the next phase of expansion is being undertaken.

The current board-approved expansion plan includes the construction of phase 2 of T2 and related infrastructure, with an incremental investment of about $2.0 billion, to increase capacity to about 80 million passengers by 2029! In 2019, BIAL added a plan for a third terminal and related infrastructure, with an initial estimated investment of approximately $0.6 billion, taking the airport's capacity beyond 90 million passengers by 2033. The total investment required to complete the above expansion is expected to be funded through internally generated funds and debt. During the year, BIAL refinanced the loans taken for the earlier plan at a lower interest rate and a suitable repayment schedule to facilitate the next phase of expansion.

- **Non-aero revenue**

Non-aero revenue is all revenue other than aero revenue, such as revenue from food and beverage sales and duty-free shops. Non-aero revenue grew at a CAGR of 17% from 2009 to 2020 (excluding the impact of pandemic years). Non-aero revenue resumed its growth trajectory in 2023, driven by the normalization of passenger growth post-COVID, the expansion of available retail space, and an increasing tendency among airport passengers to make purchases.

To accelerate non-aero revenue growth, BIAL has undertaken many innovative projects that engage passengers and enhance their experience at the airport. Remarkably, through a strategic mix of new concepts, digital initiatives, and loyalty programs, BIAL achieved non-aero spend per passenger of $14.8 in 2025.

BIAL, through its 100%-owned subsidiary, Bengaluru Airport Services Limited (BASL), took over airport lounge construction from the concessionaire, which had been debarred by the government, and made the lounge operational subsequent to the T2 inauguration. In 2025, the 080 brand strengthened its global footprint by continuing its award-winning journey – after winning 'Best Domestic Lounge' at the Airport FAB Awards last year, the 080 International Lounge has now been crowned 'Best Lounge of the Year – Regional and Global' at the 2025 Airport FAB & Hospitality Conference and Awards, reaffirming its position as a world-class hospitality benchmark. BIAL continues to see overwhelming interest from global bidders in the non-aerospace at T2. These achievements lay the foundation for BIAL's plans to grow non-aero revenue by five times over the next decade!

As a result of these initiatives, non-aero revenue and other operating income in 2025 increased by 38% over the previous year to its highest ever of $295.1 million.

- **Cargo business**

BIAL's cargo operation performed very well. In 2025, BIAL recorded its all-time high cargo volume of 521,000 metric tons, including India's highest (26% of total) export shipments of perishable goods. Many initiatives have been implemented in the cargo business, including increasing capacity to approximately 1 million metric tons, building India's largest domestic cargo terminal facility and express cargo facility, building a dedicated truck management facility, implementing a system for paperless cargo processing, and putting in place new concession agreements with operators at significantly better terms for BIAL.

- **Real estate monetization**

The plan for real estate monetization was delayed by about 2 years during the pandemic has seen some revival. BIAL has approximately 460 acres of land adjoining the airport that can be developed. Most of this land is undeveloped and Bengaluru's historically populated areas have gotten extremely congested, so the city is expanding in the airport's direction. BIAL anticipates significant upside from monetizing this real estate over time. We provide below an update on the substantial progress made by Bengaluru Airport City Limited (BACL), a 100%-owned SPV of BIAL, in its efforts to monetize the 460 acres of land available for development.

Anchored on the principles of a smart city, BACL is creating a campus that caters to the varied needs of corporate life and has further refined its plans to monetize the available real estate. It has expanded the list of asset classes by adding high-tech manufacturing, venues for corporate retreats and sports facilities, executive skilling organizations, data centers, luxury retail, a hospital complex and high-grade warehouses to the already contemplated business parks; a retail, dining and entertainment (RDE) village; hospitality; and convention and exhibition centers. 128 acres out of 460 acres are developed/under development. The following projects were completed or are under construction in 2025:

- A 775-room hotel project on a plot of 5.5 acres, is expected to begin operations by end of 2027.
- The first phase of a 2 million square feet business park (17.7 acres), with the unique feature of having an Urban Forest into which the buildings are integrated.
- A state-of-the-art, fully integrated and technologically advanced concert arena (6.3 acres), with technical collaboration with Live Nation U.S.A.

- A world-class Convention & Exhibition Centre spread over 14.2 acres, to be developed by a highly renowned Bengaluru based developer.
- Electric Vehicle R&D Centre, a facility consisting of R&D Testing Labs, Design Centre and Training Centre on a plot of 2.3 acres, being built by Epsilon Carbon Private Ltd.
- A built-to-suit facility for Air India's Aircraft Maintenance Engineering Training Institute, on a plot of 1.0 acre.
- Maintenance, Repairs and Overhaul (MRO) facility being built by Air India over 33 acres of land and Indigo over 15.7 acres of land.

We are very excited that T2 has become a showpiece for what can be developed and built in India. BIAL is developing the combo hotel and the business park on its own to fast-track development rather than waiting for outside investment. Bengaluru city development is taking place towards and beyond the airport area. With the arrival of Metro rail connectivity to the airport expected by the end of 2026, we are optimistic about the development of BIAL's real estate. The above developments will create their own momentum of growth as they occur in any new real estate geography.

- **Summary**

BIAL achieved commendable financial performance in 2025! BIAL's revenue increased by 26% over the previous year to $532.1 million. EBITDA increased by 29% over the previous year to $374.2 million. Net income of $107.8 million increased by 119% over the previous year.

Despite the unprecedented events that impacted operations and financial performance in 2020, 2021 and 2022, BIAL generated an average ROE of 14% for the second control period and an average ROE of 17% for the combined first and second control periods. ROE in 2025 was 24% and BIAL aims to sustain an ROE of 20% over time.

The valuation of Fairfax India's 74% interest in BIAL is $2.2 billion, implying an equity value of approximately $3.0 billion for the whole company. Excluding cash flows from Airport City, BIAL is carried on our books at a multiple of normalized free cash flow of 13.8 times, which we consider very conservative. Bengaluru is one of the fastest growing cities in the world, and air passenger traffic in India is expected to grow robustly with increasing business and leisure travel and improved air connectivity to tier II cities. The valuation is supported by conservative future cash flow estimates driven by growth in passenger capacity, non-aero revenue, and real estate monetization plans. We believe the current valuation does not reflect market interest in similar businesses with a near-impenetrable moat and monopolistic characteristics.

2025 featured the following achievements by BIAL:

- India's top two airlines have firmly established Bengaluru as their premier aviation hub.
- Completed India's largest unlisted NCD issuance in the airport sector, raising $1 billion at a very competitive rate of 8.15%. The issuance carries one of the longest tenures (15 years) in the sector, with a back-ended repayment structure that preserves capital for future expansion and airport city development.
- EBITDA stood at $374.3 million, with margins improving to 70% (vs. 68% last year), reflecting sustained operating efficiency.
- Following Board approval of $2.0 billion under the current infrastructure expansion program, 2025 delivered strong execution momentum, with multiple projects achieving key milestones and several capacity-led initiatives advancing into active delivery.
- Terminal 1 upgrade has made significant progress, while Terminal 2 Phase 2 construction work commenced, with the main tenders floated – marking a significant step towards expanding future terminal capacity.
- Launched India's largest Greenfield Domestic Cargo Terminal in partnership with Menzies Aviation.
- Air India SATS Airport Services (AISATS) inaugurated a state-of-the-art Logistics Park at BIAL, strengthening end-to-end cargo capabilities.
- The lounge and passenger services business, managed by wholly owned subsidiary BASL, delivered 40% year over year revenue growth, with revenues of $36.0 million. BASL expanded beyond Bengaluru with new lounges at Trichy and Bhubaneswar airports and continues to evaluate further geographic expansion actively.
- Continued to be at the forefront in designing and implementing its sustainability goals and touching the lives of its community. Some recent successes in achieving BIAL's sustainability goals include:
    - Achieved the ACI's highest Level 5 Airport Carbon Accreditation (one of the first airports in Asia).
    - First airport globally to publish ACI ESG framework disclosure.

- Renewable energy sources were utilized for 100% of the airport's energy needs per annum (over 160 million kWh renewable electricity).
- With a Water Positivity Index of 2.36, BIAL replenishes more water than it consumes. Over 700 million liters of potable water is recovered in a year through rainwater.
- Green Airport Recognition from ACI Asia Pacific Middle East for the fourth consecutive year.

For investors looking to learn more about BIAL, we encourage listening to the inaugural episode of our new podcast with Hari Marar, available on our website.

**Financial Services**

**CSB Bank (CSB)**

In 2025, India's banking and financial system saw growing global confidence in the sector's long-term potential. This sector attracted the highest FDI flows of any industry during the year, with seven landmark deals totalling $12.6 billion. Perhaps a lot more to follow!

While 2024 witnessed regulatory intervention to curb potentially excessive risk buildup in consumer-related credit exposures, 2025 saw most of these measures reversed by the RBI. Given the easing inflationary pressures and moderate growth amidst global uncertainty, the RBI changed its policy stance from neutral to accommodative in April 2025. It delivered a cumulative 125 bps reduction in the policy rate, accompanied by an injection of liquidity into the banking system through open market operations, USD/INR swaps, and a 100 bps decrease in the cash reserve ratio.

It also reversed its action from late November 2023, increasing the risk weights for certain consumer credits and bank lending to non-banking financial companies (NBFC). Its September 2025 policy was more reformist, bringing in several progressive measures, including a transition from incurred loss to expected credit loss and allowing banks to finance acquisitions by Indian corporates. The overall tone of the regulatory environment is to strengthen banks' resilience and competitiveness, enhance credit flow, improve ease of doing business, strengthen consumer protection, and, to a limited extent, promote the internationalization of the Indian rupee.

As per the recent RBI report on trends and progress in banking, scheduled commercial banks remained in a healthy state, though ROA (1.3%) and ROE (12.5%) showed slight moderation of 10 bps and 100 bps, respectively, at the half-year ending September 30, 2025. Gross non-performing assets (NPA) reached their lowest level in 14 years at 2.1% on September 30, 2025, down from 2.7% reported on March 31, 2024. Approximately 43% of the reduction was due to better recoveries and upgrades to asset quality. The net NPA ratio of the banking sector also declined to a decadal low of 0.50% as of September 30, 2025. The provision coverage ratio of the banking sector was stable at 76% in September 2025. Banks' capital position remained healthy, with a capital adequacy ratio (CAR) of 17.2% as of September 30, 2025.

The market share of private-sector banks stood at around 37%, down 40 bps from the previous year. Banks experienced a 20 bps hardening in the cost of funds and a 10 bps reduction in the return on funds, leading, in general, to a narrowing of the spread.

In 2025, bank credit growth moderated to 11.3%, with the credit-to-deposit ratio remaining stable at the elevated 79% reported in the previous year. The banking system's deposit growth stood at 11.1% year-on-year.

Under the leadership of Pralay Mondal, who took over as CEO in 2022, CSB continues to make excellent progress on its transformative journey, which began with the bank's recapitalization, enabled by our investment.

Fairfax India's 2019 investment in CSB increased the bank's CAR to 23% by year-end. The improved CAR enabled CSB to make adequate provisions for loan losses, invest in more branch openings, invest in people and technology and grow its loan book with well-underwritten loans.

CSB is one of the oldest private sector banks in India and has a strong base in Kerala along with a significant presence in the states of Tamil Nadu, Karnataka and Maharashtra. The bank currently operates 846 branches (up from 811 last year) and 818 ATMs (up from 777 last year) across India. With its branches primarily located in South India, it focuses on retail, gold, and small and medium-sized enterprise loans, which together account for about 76% of total advances. CSB also owns 33 residential and commercial properties and land banks, some purchased several years ago and others acquired through the enforcement of security.

CSB is in the process of transforming into a full-service new age private sector bank. Its strategy framework in place is called SBS 2030 (Sustain, Build and Scale). While it will sustain its core strength, several measures pertaining to the build phase have been initiated. CSB has already assembled a best-in-industry management team across its focus areas to build scale. It migrated from its earlier core banking system to a more advanced one in 2025,

providing enhanced customer experience on par with the best in the industry. It is also implementing a new, robust finance and risk management platform. Along with this system, it will also be setting up new payment systems and a new digital channel system, resulting in new mobile and Internet banking platforms.

Compared with industry growth of advances and deposits hovering around 11%, CSB made excellent progress in its key performance measures in 2025. Loan advances grew 28% and deposits grew 21% (including lower cost, current and savings accounts (CASA) growth of 3%). The gold portfolio registered a growth of 46%. Yield on advances decreased slightly to 10.9% from 11.3% in the prior year.

Net interest income grew by 9.2% and the credit to deposit ratio increased from 86% to 91%. Net interest margin (NIM) decreased from 4.5% to 3.7%. Cost of deposits increased to 6.4% from 6.0%, and CASA declined to 20.6% from 24.1% of total deposits, as a result of stronger growth in term deposits due to the current high-interest rate environment.

Credit quality also remained stable with its gross NPA at 2.0% and net NPA at 0.7% and the provision coverage ratio at 79.9%.

Its cost to income ratio was around 62% despite the investments in HR, IT and infrastructure, which have been made with high visibility of payback, and the same should come down to around 50% over time.

Its ROA is healthy at 1.2%, its ROE at 13% and CAR at 19.4%. The bank is underleveraged with the potential for better profitability in the future.

We are very excited about the long term prospects of CSB!

**IIFL Finance (IIFL FIN)**

IIFL FIN is one of the well-established non-deposit-taking NBFCs in India. NBFCs have shown remarkable growth and have gained significant importance in the financial sector ecosystem:

- NBFCs have been gaining in their share of credit extended in the system. NBFCs' credit measured as a % of GDP stood at 14.6% for fiscal year 2024-25, compared to 13.5% in the previous year.
- NBFCs' credit as a share of the outstanding credit of scheduled commercial banks increased to 26.8% at the end of September 2025 from 24.7% at the end of March 2024. The share of NBFCs in the overall credit market is estimated to have increased from 12% in fiscal year 2007-08 to 21% in fiscal year 2024-25.
- NBFCs have grown from less than $347 billion (24 trillion Indian rupees) in fiscal year 2018-19 to $586 billion (52 trillion Indian rupees) at the end of September 30, 2025, despite facing challenges, including the IL&FS crisis, the COVID-19 pandemic and various regulatory measures taken by RBI in November 2023 to reduce NBFCs dependency on the banking system. During fiscal year 2024-25, NBFCs' credit growth was over 19% compared to 11% for the banking system.
- NBFCs have progressed considerably in terms of size, operations, and technological sophistication, leading them to fill the gap in retail credit by catering to riskier customers with lower income, enabling financial inclusion.
- Affordable housing finance, vehicle financing, gold loans, education loans, consumer durables, personal loans, credit cards and microfinance became key products for most of the NBFCs in India.

Nirmal Jain is the CEO, the founder, and a significant shareholder of all IIFL Holdings group companies. Under Nirmal's leadership, IIFL FIN has consistently grown over the years, emerging as a significant operator across its key lending segments: gold loans, housing finance, microfinance, and small business financing. It has assets under management (AUM) of $10.9 billion (983 billion Indian rupees) which has grown at CAGR of 18% in the last 5 years. Over the last few years, IIFL FIN has invested heavily to expand its branch network and digitalize its lending process, it has a nationwide network of over 4,750 branches and over 36,700 employees.

After recommencing its gold loan business following the RBI's withdrawal of its ban on September 19, 2024, IIFL FIN has regained its gold loan market position. Gold loans constitute 44% of its loan book at December 31, 2025. As of September 30, 2025, its market share of gold loans stood at 13.2% of the total gold loan exposure of NBFCs, while its peak share at the end of March 31, 2024, was 15.1%. Its share fell to 6.2% by the end of September 30, 2024, when the ban was withdrawn.

As of March 31, 2025, the size of the gold loan portfolio in the formal financial system stood at $48.5 billion (4,148 billion Indian rupees), of which $24.4 billion (2,084 billion Indian rupees) was held by NBFCs.

IIFL FIN lends secured home loans through its subsidiary IIFL Home Finance Limited (IIFL Home Finance) with a total AUM of $4.4 billion (396 billion Indian rupees) at December 31, 2025. While home loans are predominantly driven by banks, NBFCs with their home loan offering have a significant presence, and IIFL FIN is one of the

leading players in the segment with its subsidiary having strong financials with its CAR at 47.7%. Its reported gross NPA at December 31, 2025, was 0.9% with a provision coverage of 106%. Its market share of AUM amongst home financing companies stood at 4.7% as of March 2025. There is huge potential for this business to grow profitably over time, creating significant value in the process.

IIFL FIN undertakes its microfinance business through its wholly owned subsidiary IIFL Samasta Finance Limited (IIFL Samasta Finance), serving over 2 million customers. As of September 2025, its market share in this segment stood at 6.7% of the total microfinance loans issued by NBFCs.

Over the last few years, IIFL FIN has strategically increased assignments and co-lending to optimize capital utilization, thereby contributing to higher profitability. This shift is evident in the higher share of off-balance-sheet loans, which constitute 35% of AUM (including 13% from co-lending). This approach has given IIFL FIN leadership in co-lending and enabled it to maintain strong AUM growth.

In 2025, IIFL FIN continued to pursue its strategy to grow its business by increasing AUM through co-lending with or assigning assets to other lenders, thereby using less of its own capital. These assets now account for 35% of its AUM and 33% of its income.

The company maintained its credit rating (from CRISIL) despite the RBI action, and it is expected that IIFL FIN will improve its rating profile over time as the business momentum picks up.

2025 was a year of rebuilding/recalibration for IIFL FIN, as the company continued to build its gold loan book and recalibrated its strategy regarding lending to MSMEs, microfinance, and housing finance.

It's noteworthy that IIFL Finance has managed to grow organically ever since it started the NBFC business without significant dilution of capital. A rights issue of $152 million in May 2024 was done despite low leverage to bolster the confidence of the stakeholders post RBI ban on gold loan which is very important for any financial intermediary.

IIFL FIN's AUM grew 38% over the previous year to $10.9 billion in 2025, with housing finance, microfinance, and gold loans comprising 32%, 9% and 44%, respectively. This was mainly due to robust recovery and growth in gold loans (189%) partially offset the discontinuation of certain higher risk loan segments. In 2025, IIFL FIN's revenue increased by 8% to $803.9 million and net income increased by 91% to $165.8 million, generating an ROE of 10%. The below average ROE resulted partially from higher provisioning on investments, the rights issue completed in 2024, and higher-than-normal capital levels at IIFL Home Finance from a 2022 capital infusion into it of $275 million by ADIA, the Middle Eastern sovereign fund that valued IIFL Home Finance at $1.4 billion.

Asset quality is relatively better than the industry average, with gross and net NPAs at 1.6% and 0.8% respectively, compared to 2.4% and 1.0% respectively in the previous year. Asset quality recently faced some stress particularly across the microfinance and unsecured business loan segments, reflecting broader macroeconomic trends in line with the overall industry experience. The provision coverage ratio was 92% versus 114% the previous year.

Loan-to-value is very conservative at 71% for home loans, 61% for gold loans and 47% for secured business loans. With a well-diversified asset portfolio of which 98% is retail in nature, a CAR of 18.9% for IIFL Finance, 47.7% for IIFL Home Finance and 30.0% for IIFL Samasta Finance, and net interest margins at 7.5%, IIFL FIN is well-positioned to capture opportunities unfolding for the NBFC sector.

**IIFL Capital Services (IIFL CAP)**

IIFL CAP is one of India's leading financial services companies. The company offers a comprehensive suite of products and services for institutional investors, corporates, affluent individuals, and family offices. Investment banking, corporate advisory, financial products distribution, broking, wealth advisory and lending solutions are the key products and services offered by the company.

This was the original parent entity set up in 1997 by Nirmal Jain and R. Venkatraman. Fairfax Financial first invested in the company in 2009 and substantially scaled up its stake through Fairfax India in 2015. Fairfax India currently owns 27.2% of the company and Fairfax as a group owns 30.6%.

IIFL CAP has over 100 branches in India (with offshore presence in Singapore, London, and New York) and has over 3,100 external wealth managers. It has nearly 1,000 clients in the institutional segment and over 3 million in the retail segment. It had AUM of $29.0 billion (2.6 trillion Indian rupees) at December 31, 2025, of which $5.4 billion (483 billion Indian rupees) was under its distribution arm and the balance under the custody relationship with its clients.

IIFL CAP's performance over the years is positively impacted by rising retail participation, driven by the financialization of household savings and increased allocation to capital markets. Internet penetration, the rise of low-cost discount brokers, the introduction of smaller contract sizes and weekly contracts in the derivatives markets contributed to enhanced market activity.

Over the last decade, more than 190 million new securities accounts have been added, bringing the total number of accounts in India to over 250 million, with annual growth of 26%. Equity cash volumes grew at a CAGR of 18% while the equity futures volumes increased by 12% annually. Equity options notional and premium average daily turnover (ADTO) surged by 65% and 48% per annum, respectively.

According to a study by the market regulator, the Securities and Exchange Board of India (SEBI), retail option losses rose sharply to 1.1 trillion Indian rupees in fiscal year 2024-25 (over $12 billion), prompting SEBI to curb speculative trading through tighter rules. This initially drove option premium ADTO down from 790 billion Indian rupees (Oct'24) to 635 billion Indian rupees (Mar'25) and reduced active traders from 44.4 million to 29.7 million. As traders adapted, volumes rebounded to 770 billion (Oct'25), but the number of active traders recovered only modestly to 32.9 million, indicating that volume growth is now driven by more sophisticated participants. Interestingly, the retail share of option premium turnover has risen to 39-40%, up from 35-36% earlier. The performance of retail and discount brokers in 2025 was affected by the above.

The domestic mutual fund industry (MF) has also witnessed remarkable growth over the last five years. The number of investor accounts has grown by 23% annually to 261 million. Monthly flows under the systematic investment plan (SIP) have surged to 310 billion Indian rupees ($3.4 billion), growing at 30% per annum. The MF industry's AUM expanded at a 22% CAGR, reaching 82 trillion Indian rupees ($912.2 billion). This has had a positive impact across the chain involving financial product distributors, wealth managers and brokers.

Additionally, regulatory changes requiring a peak margin and a mandatory cash margin of 50% have created an additional revenue stream for the broking industry, leading to growth in margin trading facilities.

The institutional broking segment is benefiting from a strong expansion in both FPIs and domestic investment institutions. By December 2025, registered FPIs exceeded 12,000, holding over $830 billion in AUM. Domestic institutions – mainly mutual funds and insurers – have also grown rapidly. In addition, rising private equity activity – fresh investments and divestments – supports large block transactions. Institutional broking revenues, cyclical in nature, are positioned for steady, structural growth going forward.

The Indian primary market also benefited from the strong participation. The number of IPOs over the past five years, from 2021, rose to approximately 70 per year, up from approximately 20 per year from 2017 to 2020. Investment banking has expanded beyond IPOs and FPOs to include infrastructure investment trusts, real estate investment trusts, offer-for-sale by sponsors, and large-scale issuances. The annual capacity has quadrupled over the past decade to over $25 billion. M&A advisory, capital raising by unlisted firms and start-ups have also seen steady growth.

IIFL CAP forayed into wealth management services in 2024 and made significant progress since then. During the year, it has hired senior leadership, opened new offices, and invested in technology. The business is expected to remain in the investment phase for the initial 18 to 24 months. It has hired 50 relationship managers to serve high net worth individuals (HNI) and ultra-high net worth individuals (UHNI) and has reoriented its existing team of over 450 client relationship managers toward wealth management roles. The addressable asset pool for UHNIs and HNIs is estimated at over $1 trillion and is expected to double in five years, taking the total market to over $2 trillion. According to the Bernstein Wealth Report, India's serviceable wealth will rise from $3 trillion in fiscal year 2024-25 to $9 trillion by fiscal year 2034-35, growing at 13% CAGR, and specialized wealth managed from $0.3 trillion in fiscal year 2024-25 to $1.6 trillion by fiscal year 2034-35, compounding at 18% CAGR. India has a healthy savings rate of 30% and is growing at a CAGR of 8%. Along with this, the share of capital market products is also on the rise. The AUM of listed Indian players in this space ranges from $9 billion to $70 billion, and all listed companies are richly valued given their high growth potential. IIFL CAP, with its wide reach, has a natural advantage in growing this business and creating significant value in the process. The table below provides an overview of the lay of the land for this line of business.

| **Key Parameters** | |
|---|---|
| Total $US billionaires in India | 284 |
| Total wealth with HNI and UHNI (2023) | $1.2 trillion |
| Projected wealth with HNI and UHNI (2028) | $2.2 trillion |
| MF Industry AUM in December 2025 | $912.2 billion |
| Equity Oriented AUM in December 2025 | $488.0 billion |
| MF AUM to GDP (India vs. U.S. / Global) | 19% vs. 127% |
| Professionally managed financial wealth (India vs. Matured markets) | 15% vs. 75% |

IIFL CAP's performance during 2025 was impacted by the drop in retail volumes explained above and the costs associated with its investment in building the wealth management business: Its revenue decreased 7% to $289.4 million and net income fell by 25% to $66.2 million.

In 2025, the IIFL CAP share price gained 11%, following a 125% gain in 2024, for a cumulative 465% gain over the past three-year period. While its earnings are aligned with the overall market activities, it has long-term potential to create significant value. IIFL CAP, at a valuation of 19.6 times price to 2025 earnings and price to book value of 3.7 times, is still trading at a discount to its peers, while the market has rerated the capital market players.

As one of India's leading domestic full-service capital market players, the company is expanding its offerings to include wealth management services. This strategic move aims to tap into the growing demand from India's increasing HNI population, which is expected to grow significantly. As the company's wealth management operations gain momentum, the addressable market opportunities for IIFL CAP will increase significantly, leading to higher revenue growth and a lower risk of market-related volatility due to its diversified business model.

**5paisa Capital (5paisa)**

5paisa, which literally translates to "5 cents", is one of India's fast-growing technology-led financial services companies and offers an array of financial products and services through a digital platform and mobile application. Its services are targeted at retail investors and high-volume traders who actively invest and trade in the securities markets and seek DIY (do-it-yourself) services at a low cost. With its diverse services and products, including online discounted stock broking, depository services, gold investments, commodity trading, research, and the distribution of mutual funds and other financial products, 5paisa successfully meets its customers' diverse needs. 5paisa remains focused on innovation, driven by an understanding of customer behaviour, and constantly strives to achieve technological superiority, as evidenced by its robust trading platform, advanced mobile app, artificial intelligence-powered robo-advisory platform, and paperless account opening process.

5paisa is also among the beneficiaries of the robust trends in the Indian capital markets, as discussed in the IIFL CAP section.

In terms of investor participation, growth has been impressive, especially after COVID-19. According to NSE data, the number of active clients increased from 5 million in March 2016 to 49 million in March 2025, approximately 10 times between 2016 and 2025. 5paisa has sustained a strong pace of client acquisitions since its inception, taking its total client base to 5.1 million.

The Indian trading landscape has witnessed a remarkable surge in derivative ADTO across all segments, surging from 14 trillion Indian rupees in fiscal year 2019-20 to 429 trillion Indian rupees in fiscal year 2024-25, an astounding 31 times over the last 5 years despite regulatory actions that reduced volume from its peak. As of December 2025, 5paisa achieved an impressive ADTO of 3.3 trillion Indian rupees, translating to a 0.7% ADTO market share.

The 5paisa mobile app has been hugely popular, recording over 23.1 million downloads and sustaining a rating of 4.2 on the Google Play Store.

The Indian capital market regulator, SEBI, initiated several measures to tighten retail participation in the derivatives market and enhance investor protection and market stability. It was done in response to the rapid growth in derivatives trading volume on the exchanges. ADTO registered an annual growth of 85% over the past five years. The measures that took effect in the second half of November 2024 include stricter margin requirements, larger contract sizes, limiting weekly expiry contracts to one per exchange, and enhanced disclosure standards. SEBI also made it mandatory for the exchanges to levy uniform transaction charges, replacing the volume-based charges they had previously offered. This benefited large discount brokers, who offered their services at very low cost to their customers because, given their volume, they earned handsome discounts from the exchanges.

Consequently, there has been a moderation in the ADTO in the equity derivatives segment. The immediate effect was a 38% decline in the NSE in December 2024; volumes subsequently recovered by 30% but were still 19% below the November 2024 level. The pace of customer addition has moderated since these measures were implemented, registering a 25% decline in the volume of new demat accounts opened since September 2024.

However, to compensate for this loss, 5paisa has implemented various measures, including migrating clients from the basic plan to the standard plan, discontinuing subscription plans to eliminate bulk discounts, standardizing associate partner sharing, and revising depository participant charges, which are expected not only to offset the income loss but also mitigate the potential volume impacts.

In 2025, 5paisa's performance was affected by the culmination of regulatory measures, resulting in total revenue dropping 24% to $35.1 million and net income falling 32% to $5.0 million. 5paisa is focused on an acquisition strategy targeting profitable customers and growing the client funding book, which stood at $39 million at the end of the year. 5paisa is valued at an attractive 1.6 times price to book at the carrying value of $28.8 million.

**Transportation, Logistics and Storage Services**

**Seven Islands Shipping (SISL)**

Founded in 2002 by Captain Thomas Wilfred Pinto, a passionate entrepreneur and operator, SISL owns and operates tanker shipping vessels that sail primarily along the Indian coast as well as in international waters.

At the time of Fairfax India's initial transaction in 2019, SISL owned 14 vessels with a total deadweight capacity of 0.9 million metric tons. Currently, SISL owns 29 vessels with a capacity of about 1.4 million metric tons. Out of its current fleet, 26 are Indian-flagged tankers, and 3 vessels are held in a wholly owned subsidiary in the UAE under the Marshall Islands flag. Its fleet consists of 25 oil product tankers, 2 crude oil tankers, and 2 LPG carriers. In 2021, it entered the gas carrier container shipment market with one Very Large Gas Carrier and one Medium Gas Carrier.

SISL is the second-largest private tanker shipping company in India. SISL owns 26 out of 120 ships owned by Indian owners. It has a significant market share in product tankers with 25 out of 77 Indian-owned ships on deployment. Out of 79 ships on time charter with Indian charterers, 62 are Indian-owned ships. SISL is the market leader in tanker time charter along the Indian coast, with 25% of the overall market and 31% of the Indian-owned fleet. In 2024, SISL established a wholly owned subsidiary in the Jebel Ali Free Zone in Dubai, UAE, to own and charter vessels in the international market, and has since acquired 3 MR tankers through the UAE subsidiary. SISL distinguishes itself by managing its fleet acquisition and deployment based on the time charter deployment. Over the past 7 years, time charter revenue as a percent of total charter revenue averaged 79%. It remains a very efficient operator, with annual idle time of less than 12 days per vessel over the last 3 years, among the best in the industry.

In 2019, Fairfax India acquired a 48.5% equity interest in SISL for $83.8 million. On December 31, 2025, this investment was valued at $162.4 million after receiving a $34.4 million dividend in 2025 and cumulative dividends of $70.4 million to date.

During the year, as part of its fleet renewal plan, it sold two medium-range (MR) tankers and two Suezmaxes, while acquiring three Handy tankers, two MR tankers and two Suezmaxes. The average age of its fleet has come down to 19 years from 23 years at the time of acquisition.

With its market leadership, SISL established a maritime training institute near Mumbai, accredited by the Directorate General of Shipping (DGS), Government of India, to offer four flagship courses, with an annual intake of 520 students. It has got approval for additional courses during the year, and has successfully graduated 800 students with career placements on track. It has several memorandums of understanding with several global shipping majors for shipboard training for its cadets.

Its revenue increased 8% to $213.0 million, and EBITDA rose 10% to $156.4 million. Operating EBITDA adjusted for profit from the sale of vessels grew by 7% to $129.9 million. Its reported net income is lower by 8% to $74.3 million due to higher finance costs and depreciation charges from the acquisition of additional ships during the year. Shareholders' equity remained stable at $218.8 million after paying another bumper dividend during the year, generating a ROE of 33%. This exceptional performance over three consecutive years has been made possible by a very disciplined approach by management, taking advantage of high tanker rates, moving some vessels from spot charter to time charter, and achieving an average vessel utilization of around 95%. Despite the cyclicality of the business, SISL has mostly demonstrated stable, consistent revenue and an EBITDA CAGR of about 30% over the last 10 years. Since the time we acquired our interest in SISL, it has generated a free cash flow of $387.5 million, an average annual free cash flow on investment of about 33%.

SISL has a strong track record of acquiring ships at the right valuation and offering clear deployment opportunities. Given the inherent cyclical nature of its business, in which shipping lines are price takers, the factors under their control are well managed. A promising future for SISL will result from a disciplined value-investing approach to acquiring ships, reducing unplanned downtime through excellent vessel maintenance, sustaining a strong safety record, delivering excellent customer service, and maintaining regulatory compliance.

The fair value of Fairfax India's investment in Seven Islands increased to $162.4 million in 2025 from $146.0 million in 2024, implying a price to earnings ratio of 4.6 times and a price to free cash flow* of 3.6 times.

**National Commodities Management Services (NCML)**

The Indian agriculture sector accounts for 17% of GDP and supports the livelihoods of about 46% of the population. Crop production accounts for over 54% of this sector. The agriculture and allied sector has grown at a remarkable 4.4% over the past decade, much higher than in previous decades, driven by strong growth in livestock, fishing, and aquaculture, followed by the crop sector at 3.5%. Agriculture growth during fiscal year 2025-26 is estimated at

* *Unless otherwise noted, price to free cash flow ratios are based on forecasted free cash flows for fiscal year 2025-26. Refer to the Appendix to the Letter to Shareholders for further detail.*

3.1%. Trade, hotels, communication and transport services account for around 17% of GDP. NCML is positioned at the cross-section of these two systems and plays an important role in the food value chain.

In 2015, Fairfax India acquired approximately 88% of NCML for an aggregate investment of approximately $148.7 million. Our initial investment in NCML was premised on the vast scope for expansion, given the opportunities arising from pain points that were prompting government and policymakers to drive positive transformation in India's agricultural economy. These pain points included poor storage conditions, post-harvest losses, lack of access to formal credit and collateral, inefficient market linkages, various logistical bottlenecks, and high transportation costs, which persist today and still leave vast opportunities for meaningful future growth.

NCML has operated for over 20 years in the agricultural value chain, offering end-to-end solutions for grain procurement, testing, storage, and collateral management. NCML also offers commodity and weather intelligence services and financing to agriculture sector participants.

Total annual agricultural production of commodities such as cereals, pulses, and oilseeds is estimated at around 405 million metric tons, while agricultural warehousing capacity is estimated at 215 million metric tons, of which private-sector capacity is estimated at 108 million metric tons. Within the private sector, organized players account for 27 million metric tons; unorganized and government leasing of private warehouses account for the balance. By some estimates, organized private-sector capacity is expected to grow by over 15%-16% per annum over the five years ending 2030. Similar growth is expected in ancillary services such as testing, certification, quality assurance and risk management. The current market size of ancillary services is estimated at $800 million.

NCML has about 2.3 million metric tons of storage capacity across over 165 locations, including 731 warehouses, in 18 states in India. It has a network of 18 regional offices, more than 750 touchpoints at agricultural produce markets, and thousands of farmers and traders to facilitate the procurement of commodities. NCML also operates five testing labs, over 2,336 weather stations, and has created a financing loan book of 214 million Indian rupees.

Various internal and external issues that led to NCML's poor performance have been shared with you over the years. Some external issues persist, including policy-led volatility in commodity trading volumes in NCDX; challenges with the banking system's exposure to the agriculture value chain; and frequent policy changes related to storage limits for food grains, commodity trading bans, and GST on rent paid for godowns.

In 2022, Sanjay Gupta was appointed as the CEO to turn the business around. Since then:

- The senior management team of NCML has been changed and stabilized.
- NCML has completed construction of all seven silo locations, with the completion of the last one in 2025. NCML surrendered the remaining nine projects, which had become unviable due to cost overruns.
- Capital has been redirected to businesses with better return potential, such as warehousing, testing and inspection, weather intelligence and silos.
- NCML downsized businesses with poor risk/reward characteristics, specifically collateral management, supply chain management, Market Yard (agricultural commodity e-auction marketplace), and transportation segments.
- NCML focused on monetizing low yielding warehouse and land it held.
- NCML significantly reduced overheads to better align with the size of the business.
- NCML refinanced and repaid loans to right-size its capital structure.

Under Sanjay's leadership, NCML turned around in 2024 and continued to progress in 2025. Its revenue increased 14% to $34.5 million, net loss decreased from $7.0 million to $2.7 million, and EBITDA (excluding silo penalty and impairment provisions) increased by 12% to $9.4 million.

The fair value of Fairfax India's investment in NCML decreased to $41.9 million in 2025 from $44.3 million in 2024.

A significant part of NCML's restructuring has been completed under Sanjay's leadership. NCML's work on capital allocation and business strategies has helped in turning around operating profitability in 2024 and 2025. Our long-term outlook on the opportunity in India's agriculture sector is strong. We believe India is at an inflection point that requires significant modernization of its grain storage and transportation ecosystem. When undertaken, NCML will be the largest beneficiary of this reform, given its deep domain knowledge and wide geographical presence as one of the largest privately owned companies in this sector.

**Manufacturing**

**Sanmar Chemical Enterprises (Sanmar)**

The Sanmar Group is a diversified Indian business conglomerate with a rich history spanning over six decades. Founded in 1972 by the late Mr. N. Sankar, the group operates across various sectors, including chemicals,

engineering, and shipping. Fairfax India's investment is in the chemicals business, which is organized into three operating companies: two in India – Chemplast Sanmar (CSL) and Chemplast Cuddalore Vinyls (CCVL) – and one in Egypt – TCI Sanmar (TCI).

CSL is the publicly listed flagship specialty chemicals company of the group, which manufactures specialty paste PVC resin, caustic soda, chloro-chemicals, and refrigerant gases. In recent years, CSL has set up facilities to manufacture high-margin custom-manufactured chemicals (CMC) for supply to global agrochemicals, pharmaceuticals, and fine chemicals industries. It is also setting up a new plant for production of R-32, the next generation of refrigerant gases, which is expected to reach full capacity in 2027. It operates seven plants in Tamilnadu and Puducherry in South India.

CCVL (100% subsidiary of CSL) manufactures a commodity chemical called suspension PVC (SPVC), which is used to make both rigid (pipes, fittings, profiles, hard flooring) and flexible products (flexible pipes, wires and cables, films, and sheets). With an overall capacity of 331,000 mtpa at its plant in Cuddalore, CCVL is the second largest SPVC manufacturer in India.

Sanmar has owned TCI since 2007. It operates plants producing 400,000 mtpa SPVC, as well as caustic soda, calcium chloride and bio-ethylene.

In 2016, Fairfax India lent Sanmar the rupee equivalent of $300.0 million through non-convertible debentures (NCDs) for a period of seven years. In addition, for $1.0 million Fairfax India received a 30% equity interest in Sanmar's entire chemicals business.

In 2019, Sanmar settled our $300.0 million of 13% bonds for $433.9 million, of which we invested $198.0 million in additional common shares of Sanmar based on an effective equity valuation of approximately $1.0 billion for the whole company, thereby increasing our equity ownership interest from 30% to 43%.

In 2020, Sanmar committed to deleveraging the group by actively pursuing opportunities to raise additional equity capital. Sanmar consolidated its Indian chemical businesses under CSL and subsequently listed CSL on Indian exchanges. The IPO raised $519 million, comprising of a primary issuance of equity shares of $175 million and a secondary sale of equity shares of $344 million by the holding company, in which Fairfax India held 43% ownership.

Over the last few years, TCI faced liquidity challenges arising from a foreign currency crisis in Egypt and a weak operating environment. The Sanmar Group provided working capital support to aid the business and in March 2025, it received compensation for the support in the form of equity in lieu of interest. This reduced Fairfax India's equity interest in Sanmar to 39.3%. As part of the debt restructuring program for TCI, the management of Sanmar agreed with certain banks previously that equity capital of $46 million was required to be invested into TCI. The foregoing amount of $46 million was raised through a rights issue in December 2025 and Fairfax India invested $18 million to subscribe for its share of the issue. The management of Sanmar is of the view that TCI is likely going to require substantial additional capital support in the future due to continuing liquidity challenges.

- **Chemplast Sanmar Limited (CSL)**

CSL consolidated revenue declined by 1% to $510.6 million over the previous year and EBITDA of $5.4 million declined by 78%. It reported a profit before tax of $3.5 million versus a loss of $19.4 million the previous year. The SPVC business continues to be negatively impacted by severe dumping from China. In November 2025, the Indian government decided not to implement an anti-dumping duty on imports of suspension PVC from major East Asian countries and USA, despite a recommendation for the same from Directorate General of Trade Remedies (DGTR). The recommendation was a result of an 18-month long investigation into material injury to domestic industry. The government also eased quality checks on PVC imports, opting not to intervene in trade of widely-used materials. This was a significant negative surprise to the domestic industry. After a period of three years of consistently weakening PVC prices, the industry appears to be stabilizing with firmer prices in the last two months, driven by an impending expiry of a tax rebate for PVC exports from China in March 2026. Demand for PVC remains robust in the Indian market growing at a CAGR of 7% to 8%. With a domestic supply of around 1.5 million mtpa, Sanmar is well-positioned in its domestic PVC business.

- **TCI Sanmar (TCI)**

TCI revenue for the year reduced to $368.0 million from $420.0 million in the previous year. Its EBITDA of $40.0 million was up 33% from $30.1 million. It reported a loss before tax of $110.0 million, primarily driven by higher depreciation and finance costs.

Caustic soda has done well for TCI and it enjoys significant cost advantages given the low energy cost in Egypt. The PVC operation has been running at close to 100% capacity in the prior two years, while current year capacity of

approximately 90% was impacted by plant maintenance activities. TCI's performance in the last few years has been hampered by the global downcycle in PVC prices coinciding with a foreign exchange crisis in Egypt.

At the consolidated level, Sanmar's revenue for the year fell 5% to $848.0 million, EBITDA of $50.6 million was down 5% and incurred a loss before tax of $152.1 million.

The fair value of Fairfax India's investment in Sanmar decreased to $101.6 million in 2025 from $201.4 million in 2024, primarily due to an over 40% correction in the market value of CSL where the investor sentiments soured after the Indian government did not institute anti-dumping duty despite the DGTR's recommendation.

**Fairchem Organics (Fairchem)**

Fairchem, led by its founder Nahoosh Jariwala, is an oleochemicals company. Oleochemicals are broadly defined as chemicals derived from plant or animal fats and used to make both edible and non-edible products. The demand for biodegradable chemicals is a key driver of the oleochemicals market. In recent years, the production of oleochemicals has been moving from the U.S. and Europe to Asian countries due to the local availability of key raw materials.

Fairchem occupies a unique niche in this large global playing field. It has developed a one-of-a-kind manufacturing process that utilizes by-products of vegetable oil production, which are generated in small quantities and disposed of as waste, and converts them into value-added intermediate industrial chemicals. These chemicals include acids used in non-edible products such as soaps, detergents, personal care products, paints, and other materials used in the manufacture of health foods and Vitamin E. The company's customers include major multinationals such as Arkema, Quaker and Asian Paints. Fairchem operates from a single plant in Ahmedabad, the largest city in Gujarat, the home state of Prime Minister Modi. This plant has one of the largest processing capacities for natural soft oil-based fatty acids in India.

For 2025, revenue declined by 20% to $53.3 million; net earnings decreased by 93% to $0.3 million; and shareholders' equity declined by 2% to $32.7 million, resulting in an ROE of 0.8%. Its performance over the past two years has been impacted by:

- Reduced demand from the paint industry, a major consumer of the product Linoleic acid;
- Poor demand conditions also resulted in pricing pressure from Chinese imports and domestic soya fatty acid manufacturers;
- 50% tariffs on exports to the U.S., which has affected the company's prime product basket; and
- An unexpected imposition of additional import duty of 22% on vegetable oil by the Government of India with a view to protecting farmers from overseas dumping, resulting in a higher cost of production of Dimer acid. This continuing discrepancy in duty structure, in which the raw material imported into India is taxed at a higher rate than the output, thereby enabling the dumping of cheaper exports from China.

Fairchem has taken several measures to counter the impact of the above challenges. It has launched a higher-value product, Isostearic acid, which has applications in lubricants and finer grades in cosmetics. This product is currently exported only to the U.S. and is expected to expand to other regions, upon completion of regulatory registration requirements in the EU.

Fairchem has earmarked 40,000 metric tons out of its 120,000 metric tons capacity of raw material for use to process an abundantly available, locally produced raw material to make another high-value product for which it has undertaken pilot plant trials. This would entail an additional investment of around $3 million, with potential sales of $45 to $70 million in the coming years.

Additionally, Fairchem has developed capabilities to produce additional downstream value-added products from its existing dimer acid production. Small batches of sales to customers have already started and this segment has the potential to add meaningfully to revenues without any incremental capex or meaningful operating cost increases.

Fairchem has a history of making concerted efforts to expand capacity and introduce new products in its core area of oleochemicals cost-effectively, funded by cash generated from the business.

After Fairchem's demerger from Privi Specialty Chemicals, Fairfax India owned a 67% stake in Fairchem for an investment since its inception of $37.5 million. In November 2021, Fairfax India sold 14% of Fairchem for $45.6 million, recouping more than its entire investment.

As of December 2025, Fairfax held 55.3% in Fairchem. In November 2025, Fairchem announced a buyback of up to 425,000 shares at 800 Indian rupees per share. Upon completion of the buyback in January 2026, the total outstanding share base fell to 12,595,902. Consequently, Fairfax India's ownership in Fairchem increased to 57.2%.

**Maxop Engineering Company (Maxop)**

Maxop is a precision aluminum die-casting and machining solutions provider for aluminum die-cast components used in the automotive and industrial sectors, serving customers in India, Asia, North America, and Europe. Based in New Delhi, it operates seven plants in Manesar and three plants in Jaipur.

Fairfax India acquired a 67% equity interest in Maxop from Shailesh Arora, its founder and owner. It completed the first step of this transaction in November 2021 by acquiring a 51% stake for $29.5 million. As a second step, as was previously agreed, Fairfax India purchased an additional 16% in September 2022 for a further payment of $21.9 million.

Maxop offers its customers die casting parts, complete machining with related assemblies along with in-house die design, simulation and manufacturing of tools and dies of such parts. OEMs and Tier 1 customers engage with Maxop from the inception of product development and design driven by its research and development capabilities. This association in the product development process ensures repeat orders from existing customers.

Shailesh has a strong customer orientation and has crafted Maxop as a single source supplier to most of its customers for the products it sells to them. He has focused on growing customer wallet share by adding at least one new part to a customer bouquet each year. He has built a strong organization serving a wide array of customers worldwide and is poised, with Fairfax India's support, to build Maxop into a world-class leader in precision-engineered components manufacturing.

Maxop is well-positioned to benefit from the global trend towards lightweight components as well as electric vehicle (EV) adoption in the automotive sector. Maxop currently caters to 3% of the domestic demand from passenger vehicle manufacturers, which is still at a nascent stage of only 30 cars per 1,000 people. During 2025, it received nominations for 82 additional parts of which 29 were from export markets.

In 2025, Maxop's revenue increased by 14% over the previous year to $110.0 million. Exports accounted for 52% of revenue, consistent with the previous year. Its gross profit margin was 50%, and EBITDA margin was 21% compared to 22% in the previous year. Its net income grew 11% to $8.3 million.

The fair value of Fairfax India's investment in Maxop decreased from $97.2 million to $95.5 million in 2025, implying a price to earnings of 17.7 times and a price to free cash flow of 8.0 times.

In 2025, Maxop commenced the setup of an aluminum extrusion plant to meet demand for battery frames, automotive structural parts, electrical and electronic components, and anti-vibration parts from both existing customers and new enquiries. This plant is expected to contribute to revenues in 2027.

Despite the impact of tariffs, customer demand for lightweight aluminum components, both for Internal Combustion Engines (ICE) vehicles and electric mobility across its core markets, will continue to drive revenue growth for Maxop. Maxop is expanding its High-Pressure Diecasting capacity in 2026 to meet increasing customer demand.

**Jaynix Engineering (Jaynix)**

Jaynix is a manufacturer of non-ferrous (primarily aluminum) electrical neutral bars, lugs, connectors and assemblies, and is a Tier 1 supplier to major electrical original equipment manufacturers in North America. It works with customers from product development through supply chain implementation, and it holds inventory for most of its customers across North America.

In February 2022, Fairfax India acquired a 70% stake in Jaynix Engineering for $32.5 million. Jaynix was founded in 2008 by two brothers and engineering graduates, Nikhil and Ninad Diwakar, in Nashik, Maharashtra. Jaynix is headquartered in Vadodara, Gujarat and operates with five manufacturing plants (three in Nashik and two in Vadodara). Its aluminum processing capacity is 600 tons per month.

Jaynix achieved several milestones over the past two years:

- Jaynix has set up a captive Underwriter Lab (UL 486 A&B lab) at Vadodara, which commenced operations in 2024 and has progressed on expected timelines as reported earlier. It is fully operational with 43 test stations added and certified during 2024. This has enabled it to de-bottleneck a significant impediment in its supply chain and supply its aftermarket products directly to retailers/distributors in North America.
- It has hired a U.S. based consultant to help with designing Jaynix-branded lugs, which will be sold through distributors.
- It won the Supplier of the Year award from two of its large customers.

The global cable lugs market is valued at around $3 billion and is growing rapidly at around 6% CAGR. The growth is driven by demand for data centers, switchgears, EV and transmission infrastructure. Strict UL certification requirements ensure high performance and safety. Jaynix is one of the few manufacturers outside of the U.S. that offers design, manufacturing and testing capabilities under one roof.

Nikhil and Ninad are passionate hands-on operators, with Nikhil focused on commercial business development efforts and Ninad on engineering and production. They will continue to drive the business and stay invested with a significant minority stake.

In 2025, Jaynix's revenue fell by 18% over the previous year to $36.7 million, while EBITDA declined 34% and net profit declined 48%, to $9.3 million and $5.0 million, respectively, generating an ROE of 19%.

The fair value of Fairfax India's investment in Jaynix decreased to $65.9 million in 2025 from $81.6 million in 2024, implying a price to earnings of 19.2 times and a price to free cash flow of 8.2 times.

In 2025, demand for Jaynix products was affected by lower end-customer demand for electrical products, driven by high tariffs levied by the U.S. Administration, particularly on aluminum products. Despite tariffs, Jaynix remains cost-competitive in its end markets. Jaynix will launch its own range of lugs and neutral bars in the U.S. market in 2026 with products designed to perform better than the products currently offered in the market. It is investing in a new facility to cater to this demand, which is expected to be operational shortly. It is also developing electrical assemblies for its large customers to diversify its product portfolio.

Jaynix's growth prospects remain very robust.

**Global Aluminium**

In October 2024, Fairfax India acquired an effective 65% equity interest for $82.7 million in Global Aluminium – a world class manufacturer of extruded aluminum profiles founded by an enthusiastic second-generation entrepreneur, Anil Agarwal. We seized on an opportunity to have a great partner in Anil to run a business we believe has a huge runway for growth after winning his trust in our fair and friendly culture.

Global Aluminium is the third largest aluminum extrusion company in India with a capacity of 50,000 mtpa across two plants near Hyderabad. The Indian aluminum extrusion market is estimated to be $2.3 billion in 2025 and is projected to grow to $3.7 billion by 2030 at a CAGR of 10%. This growth is being driven by a rising demand for lightweight and durable products in:

- The building and construction industry (doors, windows, curtain walls, roofing, building wires);
- The automotive industry (roof rails, flats, rods, bumpers, tubes);
- The electronics and electrical industries (LED strips, overhead cables); and
- Industrial use (solar panels, round bars, tubes).

Most aluminum products are sold mill-finished – this market was valued at $1 billion in 2023 and constituted about 55% of the total Indian market. It is projected to grow at a CAGR of 7.7%. Anodized aluminum products are finding increasing applications and are projected to grow at 9.4% CAGR from $637 million in 2023 to $912 million in 2027. The powder-coated extrusion market is the smallest segment and is projected to grow at 6.8% CAGR from $179 million in 2023 to $233 million in 2027.

We perceive global structural tailwinds for aluminum products, primarily driven by major user industries – building and construction, automotive, and renewable energy. Environmental concerns, the push towards EVs, and tightening fuel-efficiency standards will lead to increased aluminum use in the automotive industry, enabling further growth.

Global Aluminum has in-house capabilities to produce value-added products by anodizing and powder coating extrusions. Products of Global Aluminium have wide-ranging applications and are catering to architecture, renewable energy, electricals and electronics and automotive industries. It has built a strong presence in the industry to become the third largest player in India by focusing on complex applications for industrial customers and shunning general trade, which commonly caters to local construction businesses. It has invested in design capabilities to develop complex profiles and provides value-added services that help deliver finished products. It has developed a reputation for high-quality products with minimal defects, quick turnaround times for preparatory development activities and highly responsive after-sales service. It has a ready portfolio of over 50,000 dies, catering to over 15,000 profiles, and the ability to develop custom dies with short lead times. In any year, about 90% of revenue is from its existing customers with a well-diversified customer base with the top twenty customers accounting for only 45 to 50% of its revenue. It serves more than 2,500 customers and is well-positioned to benefit from the China Plus One momentum.

To meet increasing customer demand, Global Aluminium is increasing its aluminum extrusion capacity from 50,000 tons per annum to 68,000 tons per annum by adding a press machine with interchangeable twelve-inch and fourteen-inch capabilities in 2026.

The fair value of Fairfax India's investment in Global Aluminium increased to $90.8 million in 2025 from $81.2 million in 2024, implying a price to earnings of 20.9 times and a price to free cash flow of 28.8 times.

In 2025, Global Aluminium's revenue increased 23% over the previous year to $137.6 million. Exports constituted 9% of revenue, compared to 10% in the previous year. Its gross profit margin was 16%, and EBITDA margin was 8% compared to 10% in the previous year. Its net income grew 65% to $6.9 million. Global Aluminium diverted its efforts towards domestic market opportunities with growth challenges on exports.

**Developments in India**

In the face of global headwinds, India's fundamental strengths were evident: solid domestic consumption, reduction and simplification in direct and indirect taxes, excellent levels of low inflation, renewed emphasis on trade diversification, and a healthy level of foreign exchange reserves resulted in an upward revision in existing and future GDP growth. This remarkable confluence maintained the country's growth momentum. These factors, combined with a reform-led government led by Prime Minister Narendra Modi make India a compelling investment destination. Ratings agencies such as S&P have upgraded their India rating from 'BBB-' to 'BBB'.

In these past eleven years, India has consistently moved up to become a top five large economy, well on its way to becoming the third largest in the next few years. Despite global uncertainties ranging from two wars on two continents, to trade policy uncertainty, the Indian economy continues to demonstrate its resilience and sustained growth. Over the last twenty years, India's share of merchandise exports has nearly doubled, from 1.0% to 1.8% and commercial services exports, from 2.0% to 4.3%. The IMF stated in January that India will account for over one-sixth of global economic growth this year. With a growing middle class, India is well-positioned for consistent long-term growth.

At the bottom of the pyramid, the improvements are noticeable. In the span of a decade, India has made rapid strides in financial inclusion. 89% of Indian adults had a financial account in 2024, up from 35% in 2011, with female participation rising. Clean tap water access has increased from 32 million rural households in 2019, to over 150 million households in 2025, representing 81% of rural households.

Prudent monetary and fiscal measures have seen inflation levels reach historic lows, with the CPI inflation rate being the lowest in ten years. In a recent survey by India's central bank, the RBI, both urban and rural households expressed confidence in the outlook for inflation for food and non-food products.

India's ample foreign exchange reserves, nearing $700 billion, provide a further cushion to deal with global challenges. In his year-end address, the Governor of the RBI said, "Despite an unfavourable and challenging external environment, the Indian economy has shown remarkable resilience and is poised to register high growth".

India has implemented major policy reforms in recent months that are business-friendly and reduce the regulatory burdens. Significantly, the Modi government has consolidated twenty-nine labour laws into four new labour codes. Flexibility in hiring and termination of workers, measures to increase female participation in the workforce, and welfare coverage for new economy participants such as gig workers, represent the biggest labour law reforms.

In similar vein, in September 2025, India simplified and reduced the GST rates, representing the most significant changes from its introduction in 2017. From a multi-layered differentiated rate structure, the GST rates now are in two principal categories, and at reduced levels of 18% and 5%. This reduction eases the burden on businesses by providing for a less complicated regulatory regime and a predictable tax environment, as well as enhancing compliance and transparency. This policy change will benefit consumers and provide a clearer path for investment.

In a country as diverse as India, competitive federalism has taken hold, with states vying to seek foreign capital. Individual states have set up their investment attraction incentives. While the southern and western states make a disproportionate contribution to the national GDP, accounting for over half of the country's GDP, pro-business is evident in other states as well. Notably, Uttar Pradesh, which is India's most populous state with a population of approximately 240 million, has implemented major reforms pertaining to the labour codes, land acquisition and investment attraction in the last eight years. The state's GDP has doubled in this period, as has its per capita income.

The rapid pace of urbanization has spread to newer locations, including a growing number of job openings in smaller cities. In a recent survey by Dun & Bradstreet, entitled "City Vitality Index", it tracked the economic activity in over seven hundred Indian districts and noted India's urban momentum is becoming more decentralized. India's continued emphasis on infrastructure development has seen it improve in the Logistics Performance Index. Over

a span of ten years, its ranking has risen from 54 in 2014 to 38 in 2023. For example, in international shipments, its ranking has moved from 44 to 22. This improvement is due to investment in port capacity expansion, deployment of public-private partnerships, and use of technology to digitize customs requirements.

India continues its rapid rise in innovation and entrepreneurship. Over the past few years, it has occupied the third largest ecosystem for having produced over 100 unicorns. Its Digital Public Infrastructure (DPI) is now being adapted to other countries, particularly in Asia and Africa. Within India itself, Aadhaar has provided a digital identity to its citizenry that has enabled government financial transfers directly to the recipient. Increased adoption of digital technologies, rise of e-commerce, deeper internet penetration and widespread use of smartphones has become a more common feature of the Indian economy. Over a fifth of all Apple iPhones are made in India and importantly, the value-added manufacturing has risen from $4.5 billion in 2021 to $17.3 billion in 2025.

Similarly, households are transitioning towards an investment mindset and engaging actively in the Indian stock market. Mutual funds for individuals have doubled from 5-6% to 10-11% in a span of five years, with more room to grow significantly in the coming years.

Usage of the country's Unified Payment Interface (UPI), which provides instant transfers from mobile devices, is widespread. UPI has now outpaced both Visa and Mastercard in its usage. These developments, alongside the increased presence of data centers, has seen India consistently rise in the Global Innovation index. In the last five years, India's position has gone from 48 to 38 in 2025. India's AI and data centre capabilities are also coming into play, with major American companies announcing multi-billion-dollar investment plans. Most recently, Amazon has announced plans to expand its investment in India by some $35 billion across all its businesses in India focusing on AI-driven digitization. Similarly, the government's Production Linked Incentive plan (PLI) is attracting investment.

While the U.S. represents an important export market for India, its exposure is limited, and India's service exports remain strong. India has also reduced its bilateral trade surplus and with the recently announced trade deal, India-U.S. economic relations should stabilize.

Further, India has made a further push on the trade diversification front, securing trade deals with the EU, U.K, Australia and the U.A.E. Negotiations with Canada are set to commence in early 2026.

India's resiliency has been able to absorb any external shocks. This buoyant mood in the country is echoed in a recent global Ipsos survey in December 2025 which noted "Indians remain the most optimistic population globally when it comes to expectations of rising disposable incomes in 2026, outperforming all 30 markets surveyed. This sense of confidence is further reinforced by the fact that one in two citizens expect their standard of living to improve in the coming year".

As we end our eleven years of operations, we would like to acknowledge the strong leadership provided by Debbie Chalkley, Chief Financial Officer; Jennifer Pankratz, General Counsel and Corporate Secretary; John Varnell, Vice President of Corporate Affairs; and Amy Sherk, Vice President. Fairfax India is supported by a very small head office in Toronto, and we are grateful for the contributions of Jennifer Li, Judy Chow, McKinley Inglis, Denise McCormack, Victor Ma, Brad Van Hoffen, Kasi Rao, and Nadir Patel. We would also like to thank our independent directors – Chris Hodgson, Satish Rai, Sharmila Karve, Bill McFarland, the Honourable Jason Kenney and Lauren Templeton – for their wise advice, support and encouragement. We acknowledge with much gratitude the role that Deepak Parekh has played and we are grateful as he continues to be an advisor to us.

We are looking forward to connecting with you at our in-person and virtual annual meeting at 9:30 a.m. (Eastern time) on April 15, 2026.

March 6, 2026

Gopalakrishnan Soundarajan
*Chief Executive Officer*

Benjamin P. Watsa
*Chairman*

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**Management's Responsibility for the Consolidated Financial Statements**

The preparation and presentation of the accompanying consolidated financial statements, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and all financial information are the responsibility of management and have been approved by the Board of Directors (the "Board").

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Financial statements, by nature, are not precise since they include certain amounts based upon estimates and judgments. When alternative methods exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management maintains appropriate systems of internal controls. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records properly maintained to provide reliable information for the preparation of the consolidated financial statements.

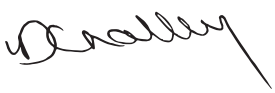
We, as Fairfax India's Chief Executive Officer and Chief Financial Officer, have certified Fairfax India's annual disclosure documents filed with the Canadian Securities Administrators in accordance with Canadian securities legislation.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements and MD&A. The Board carries out this responsibility principally through its Audit Committee which is independent from management.

The Audit Committee is appointed by the Board and reviews the consolidated financial statements and MD&A; considers the report of the independent auditor; assesses the adequacy of the internal controls of the company; examines the fees and expenses for audit services; and recommends to the Board the independent auditor for appointment by the shareholders. The independent auditor has full access to the Audit Committee and meets with it to discuss their audit work, Fairfax India's internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board for consideration when approving the consolidated financial statements and MD&A for issuance to the shareholders.

March 6, 2026

Gopalakrishnan Soundarajan
*Chief Executive Officer*



Debbie Chalkley
*Chief Financial Officer*

## Independent Auditor's Report

To the Shareholders of Fairfax India Holdings Corporation

**Our opinion**

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Fairfax India Holdings Corporation and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

*What we have audited*

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2025 and 2024;
- the consolidated statements of earnings (loss) for the years then ended;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

**Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated 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 consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key audit matter**

**Valuation of investment in Bangalore International Airport Limited**

*Refer to note 3 – Summary of Material Accounting Policies, note 4 – Critical Accounting Estimates and Judgments, note 5 – Indian Investments and note 6 – Cash and Investments to the consolidated financial statements.*

The Company held financial instruments categorized as Private Indian Investments measured at fair value of $2,775 million as at December 31, 2025, which included an investment in Bangalore International Airport Limited (BIAL). Management used significant judgment when determining the fair value estimate of the investment in BIAL and valued the investment using discounted cash flow analyses that use significant unobservable inputs.

The significant unobservable inputs include after-tax discount rates, long term growth rates and multi-year free cash flow forecasts prepared by investee management. Management applies significant judgment in determining after-tax discount rates and long term growth rates.

We considered this a key audit matter due to (i) the significance of the investment in BIAL and (ii) the significant judgment required by management when determining the fair value estimate of the investment including the determination of after-tax discount rates and long term growth rates. This led to a high degree of auditor subjectivity, judgment and audit effort in performing procedures relating to the valuation of this investment. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.

**How our audit addressed the key audit matter**

Our approach to addressing the matter included the following procedures, among others:

- For a portion of the investment, tested how management determined the fair value using discounted cash flow analysis, which included the following:
  - Tested the reasonableness of the multi-year free cash flow forecast prepared by investee's management used in the discounted cash flow analysis by considering consistency with:
    - current and past performance of the investment; and
    - relevant external market and industry data.
  - Tested the mathematical accuracy of the discounted cash flow analysis.
  - Professionals with specialized skill and knowledge in the field of valuation assisted in:
    - assessing the appropriateness of the methodology used in management's discounted cash flow analysis; and
    - assessing the reasonableness of the after-tax discount rate and long term growth rate used in management's discounted cash flow analysis and testing the underlying data.
- With the assistance of professionals with specialized skill and knowledge in the field of valuation, for a portion of the investment, developed an independent point estimate of the fair value, which included the following:
  - using a market comparable approach, developing independent assumptions related to market comparables by considering relevant market and industry data; and
  - comparing the independent point estimate to management's estimate to evaluate the reasonableness of management's estimate.
- Evaluated the disclosures made in the consolidated financial statements, particularly on the sensitivity of significant unobservable inputs used.

**Other information**

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis of Financial Condition and Results of Operations and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report. The other information does not include information contained in the websites of the Company's Indian Investments as disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operations and the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Canadian generally accepted auditing standards 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Catriona Read.

PricewaterhouseCoopers LLP

**Chartered Professional Accountants, Licensed Public Accountants**

Toronto, Ontario
March 6, 2026

# Consolidated Financial Statements

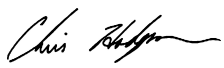
**Consolidated Balance Sheets**
*as at December 31, 2025 and December 31, 2024*
*(US$ thousands)*

| | Notes | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 6, 15 | 8,112 | 59,322 |
| Bonds | 5, 6 | 64,810 | 180,507 |
| Common stocks | 5, 6 | 3,972,524 | 3,381,206 |
| Total cash and investments | | 4,045,446 | 3,621,035 |
| Interest and dividends receivable | | 2,996 | 8,849 |
| Income taxes refundable | 10 | 166 | 174 |
| Other assets | | 1,149 | 722 |
| Total assets | | 4,049,757 | 3,630,780 |
| **Liabilities** | | | |
| Accounts payable and accrued liabilities | | 1,043 | 1,300 |
| Accrued interest expense | 7, 12 | 8,787 | 8,611 |
| Income taxes payable | 10 | 922 | 5,379 |
| Payable to related parties | 12 | 10,960 | 10,099 |
| Payable for securities purchased | 5 | 76,500 | – |
| Deferred income taxes | 10 | 217,859 | 149,780 |
| Borrowings | 7, 12 | 498,870 | 498,349 |
| Total liabilities | | 814,941 | 673,518 |
| **Equity** | 8 | | |
| Common shareholders' equity | | 3,079,648 | 2,826,495 |
| Non-controlling interests | | 155,168 | 130,767 |
| Total equity | | 3,234,816 | 2,957,262 |
| | | 4,049,757 | 3,630,780 |

See accompanying notes.

Signed on behalf of the Board

Director



Director

**Consolidated Statements of Earnings (Loss)**
*for the years ended December 31, 2025 and 2024*
*(US$ thousands except per share amounts)*

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **Income** | | | |
| Interest | 6 | 7,545 | 19,504 |
| Dividends | 6 | 48,185 | 41,946 |
| Net realized gains on investments | 6 | 53,493 | 218,871 |
| Net change in unrealized gains (losses) on investments | 6 | 527,593 | (167,654) |
| Net foreign exchange losses | 6 | (27,963) | (12,616) |
| | | 608,853 | 100,051 |
| **Expenses** | | | |
| Investment and advisory fees | 12 | 42,155 | 40,405 |
| General and administration expenses | 14 | 7,757 | 7,914 |
| Interest expense | 7 | 29,372 | 25,521 |
| | | 79,284 | 73,840 |
| **Earnings before income taxes** | | 529,569 | 26,211 |
| Provision for income taxes | 10 | 87,477 | 58,948 |
| **Net earnings (loss)** | | 442,092 | (32,737) |
| **Attributable to:** | | | |
| Shareholders of Fairfax India | | 410,526 | (41,173) |
| Non-controlling interests | 8 | 31,566 | 8,436 |
| | | 442,092 | (32,737) |
| **Net earnings (loss) per basic and diluted share** | 9 | $ 3.05 | $ (0.30) |
| **Shares outstanding** (weighted average) | 9 | 134,792,916 | 135,165,840 |

See accompanying notes.

**Consolidated Statements of Comprehensive Income (Loss)**
*for the years ended December 31, 2025 and 2024*
*(US$ thousands)*

| | 2025 | 2024 |
|---|---|---|
| **Net earnings (loss)** | 442,092 | (32,737) |
| **Other comprehensive loss,** net of income taxes | | |
| **Item that may be subsequently reclassified to net earnings (loss)** | | |
| Unrealized foreign currency translation losses, net of income taxes of nil (2024 – nil) | (153,844) | (85,545) |
| **Comprehensive income (loss)** | 288,248 | (118,282) |
| **Attributable to:** | | |
| Shareholders of Fairfax India | 263,847 | (122,993) |
| Non-controlling interests | 24,401 | 4,711 |
| | 288,248 | (118,282) |

See accompanying notes.

**Consolidated Statements of Changes in Equity**
*for the years ended December 31, 2025 and 2024*
*(US$ thousands)*

| | Subordinate voting shares | Multiple voting shares | Share-based payments, net | Retained earnings | Accumulated other comprehensive loss | Common shareholders' equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| **Balance as of January 1, 2025** | 1,107,265 | 300,000 | (986) | 2,131,569 | (711,353) | 2,826,495 | 130,767 | 2,957,262 |
| Net earnings for the year | – | – | – | 410,526 | – | 410,526 | 31,566 | 442,092 |
| Other comprehensive loss: | | | | | | | | |
| Unrealized foreign currency translation losses | – | – | – | – | (146,679) | (146,679) | (7,165) | (153,844) |
| Purchases for cancellation (note 8) | (6,530) | – | – | (3,903) | – | (10,433) | – | (10,433) |
| Purchases and amortization | – | – | (47) | – | – | (47) | – | (47) |
| Other | – | – | – | (214) | – | (214) | – | (214) |
| **Balance as of December 31, 2025** | 1,100,735 | 300,000 | (1,033) | 2,537,978 | (858,032) | 3,079,648 | 155,168 | 3,234,816 |
| | | | | | | | | |
| **Balance as of January 1, 2024** | 1,113,147 | 300,000 | (364) | 2,175,468 | (629,533) | 2,958,718 | 126,056 | 3,084,774 |
| Net earnings (loss) for the year | – | – | – | (41,173) | – | (41,173) | 8,436 | (32,737) |
| Other comprehensive loss: | | | | | | | | |
| Unrealized foreign currency translation losses | – | – | – | – | (81,820) | (81,820) | (3,725) | (85,545) |
| Purchases for cancellation (note 8) | (5,882) | – | – | (2,542) | – | (8,424) | – | (8,424) |
| Purchases and amortization | – | – | (622) | – | – | (622) | – | (622) |
| Other | – | – | – | (184) | – | (184) | – | (184) |
| **Balance as of December 31, 2024** | 1,107,265 | 300,000 | (986) | 2,131,569 | (711,353) | 2,826,495 | 130,767 | 2,957,262 |

See accompanying notes.

**Consolidated Statements of Cash Flows**
*for the years ended December 31, 2025 and 2024*
*(US$ thousands)*

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **Operating activities** | | | |
| Net earnings (loss) | | 442,092 | (32,737) |
| Items not affecting cash and cash equivalents: | | | |
| Net bond premium (discount) amortization | | 147 | (478) |
| Deferred income taxes | 10 | 77,542 | 45,297 |
| Amortization of share-based payment awards | | 233 | 174 |
| Net realized gains on investments | 6 | (53,493) | (218,871) |
| Net change in unrealized (gains) losses on investments | 6 | (527,593) | 167,654 |
| Net foreign exchange losses | 6 | 27,963 | 12,616 |
| Net sales of short term investments | | – | 397 |
| Purchases of investments | 15 | (200,083) | (353,630) |
| Sales of investments | 15 | 191,065 | 385,858 |
| Changes in operating assets and liabilities: | | | |
| Interest and dividends receivable | | 5,603 | (7,695) |
| Income taxes refundable | | – | 41 |
| Accrued interest expense | | 176 | – |
| Income taxes payable | | (4,333) | 5,504 |
| Payable to related parties – settlement of performance fees | 12 | – | (110,158) |
| Payable to related parties – other | | 1,104 | (500) |
| Other | | (555) | 3,093 |
| Cash used in operating activities | | (40,132) | (103,435) |
| **Financing activities** | | | |
| Borrowings: | | | |
| Proceeds | 7 | 79,000 | – |
| Repayments | 7 | (79,000) | – |
| Subordinate voting shares: | | | |
| Purchases for cancellation | 8 | (10,433) | (8,424) |
| Cash used in financing activities | | (10,433) | (8,424) |
| **Decrease in cash and cash equivalents** | | (50,565) | (111,859) |
| Cash and cash equivalents – beginning of year | | 59,322 | 174,615 |
| Foreign currency translation | | (645) | (3,434) |
| **Cash and cash equivalents – end of year** | 15 | 8,112 | 59,322 |

See accompanying notes.

**Index to Notes to Consolidated Financial Statements**


1. Business Operations . . . . . 40
2. Basis of Presentation . . . . . 40
3. Summary of Material Accounting Policies . . . . . 40
4. Critical Accounting Estimates and Judgments . . . . . 45
5. Indian Investments . . . . . 47
6. Cash and Investments . . . . . 55
7. Borrowings . . . . . 58
8. Total Equity . . . . . 59
9. Net Earnings (Loss) per Share . . . . . 60
10. Income Taxes . . . . . 61
11. Financial Risk Management . . . . . 63
12. Related Party Transactions . . . . . 67
13. Segment Reporting . . . . . 69
14. General and Administration Expenses . . . . . 69
15. Supplementary Cash Flow Information . . . . . 69

**Notes to Consolidated Financial Statements**
*for the years ended December 31, 2025 and 2024*
*(in US$ and thousands except share and per share amounts and as otherwise indicated)*

## 1. Business Operations

Fairfax India Holdings Corporation ("the company" or "Fairfax India") is an investment holding company whose objective is to achieve long term capital appreciation, while preserving capital, by investing in public and private equity securities and debt instruments in India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India ("Indian Investments"). The company makes all or substantially all of its investments either directly or through one of its wholly-owned consolidated subsidiaries based in Mauritius, FIH Mauritius Investments Ltd ("FIH Mauritius") and FIH Private Investments Ltd ("FIH Private"). In 2019 the company formed Anchorage Infrastructure Investments Holdings Limited ("Anchorage"), a consolidated subsidiary of FIH Mauritius based in India.

Fairfax Financial Holdings Limited ("Fairfax") is Fairfax India's ultimate parent and acts as its administrator. Fairfax is a holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and the associated investment management. Hamblin Watsa Investment Counsel Ltd. (the "Portfolio Advisor"), a wholly-owned subsidiary of Fairfax and registered portfolio manager in the province of Ontario, is the portfolio advisor of the company and its consolidated subsidiaries, and is responsible to source and advise with respect to all investments. Refer to note 12 for details on Fairfax's voting rights and equity interest in the company.

The company is federally incorporated and is domiciled in Ontario, Canada. The principal office of the company, Fairfax and the Portfolio Advisor is located at 95 Wellington Street West, Suite 800, Toronto, Ontario M5J 2N7.

## 2. Basis of Presentation

The company's consolidated financial statements for the year ended December 31, 2025 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The company has determined that it continues to meet the definition of an investment entity under IFRS Accounting Standards (see note 3).

The consolidated balance sheets of the company are presented on a non-classified basis. Except for bonds, common stocks, deferred income taxes, and borrowings, all other assets expected to be realized and liabilities due to be settled within one year are considered current.

The preparation of the company's consolidated financial statements requires management to make a number of estimates and judgments that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, the reported amounts of income and expenses during the reporting periods covered by the consolidated financial statements and the related note disclosures. Critical accounting estimates and judgments are described in note 4.

These consolidated financial statements were approved for issue by the company's Board of Directors on March 6, 2026.

## 3. Summary of Material Accounting Policies

The principal accounting policies applied to the preparation of these consolidated financial statements and the methods of computation have been consistently applied to all periods presented unless otherwise stated, and are as set out below.

### *Determination of investment entity status*

An entity that meets the IFRS 10 *Consolidated Financial Statements* ("IFRS 10") definition of an investment entity is required to measure its investments in subsidiaries at fair value through profit or loss ("FVTPL") rather than consolidate them (other than those subsidiaries that provide investment-related services to the company and are not investment entities themselves).

An investment entity is an entity that obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. The company continues to meet the definition of an investment entity, as its strategic objective of investing in Indian Investments and providing investment management services to investors for the purpose of generating returns in the form of long term capital appreciation, remains

unchanged. The company has also determined that FIH Mauritius, FIH Private and Anchorage continue to provide investment-related services to the company and should continue to be consolidated.

The company may from time to time seek to monetize any of its Indian Investments. The circumstances under which the company may sell some or all of its investments include: (i) where the company believes that the Indian Investments are fully valued or that the original investment thesis has played out; or (ii) where the company has identified other investment opportunities which it believes present more attractive risk-adjusted return opportunities and additional capital is needed to make such alternative investments.

The company would exit its private Indian Investments ("Private Indian Investments", as disclosed later in note 5) either through initial public offerings ("IPO") or private sales. For publicly traded Indian Investments ("Public Indian Investments", as disclosed later in note 5), exit strategies may include selling the investments through private placements or in public markets.

***Consolidation***

**Subsidiaries –** A subsidiary is an entity that the company controls. The company controls an entity when it has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. As an investment entity the company is required to account for its investments in subsidiaries (Fairchem Organics Limited ("Fairchem Organics"), National Commodities Management Services Limited ("NCML"), Maxop Engineering Company Private Limited ("Maxop"), Jaynix Engineering Private Limited ("Jaynix") and Global Aluminium Private Limited ("Global Aluminium")) at FVTPL in accordance with IFRS 9 *Financial Instruments* ("IFRS 9") rather than by consolidation.

As FIH Mauritius, FIH Private and Anchorage continue to be consolidated, all intercompany balances, profits and transactions with these subsidiaries are eliminated in full.

**Non-controlling interests –** Subsequent to initial recognition, the carrying value of non-controlling interests is adjusted for the non-controlling interest's share of changes in the subsidiary's net earnings (loss) and capital. Effects of transactions with non-controlling interests are recorded in common shareholders' equity if there is no change in control.

***Investments in associates***

An associate is an entity over which the company has the ability to exercise significant influence, but not control. As an investment entity, the company accounts for its investments in associates (IIFL Capital Services Limited ("IIFL Capital"), 5paisa Capital Limited ("5paisa"), CSB Bank Limited ("CSB Bank"), Sanmar Chemical Enterprises Limited ("Sanmar"), Bangalore International Airport Limited ("BIAL") and Seven Islands Shipping Limited ("Seven Islands")) at FVTPL in accordance with IFRS 9 rather than under the equity method of accounting.

***Foreign currency translation***

**Functional and presentation currency –** The consolidated financial statements are presented in U.S. dollars while the Indian rupee is the functional currency of the company and its consolidated subsidiaries.

Although the company's Indian Investments are denominated in Indian rupees, its primary financial reporting objective is to measure long term capital appreciation in U.S. dollars. Accordingly, the company presents its consolidated financial statements in U.S. dollars to provide comparability with other North American investment entities.

**Foreign currency transactions –** Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in net foreign exchange gains (losses) in the consolidated statements of earnings (loss). Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction. Non-monetary items carried at fair value are translated using the exchange rate at the date the fair value is determined.

**Translation to the presentation currency –** The consolidated balance sheets and consolidated statements of earnings (loss) of Fairfax India and its consolidated subsidiaries are translated to the presentation currency as follows:

- assets and liabilities are translated using exchange rates at the balance sheet dates;
- income and expenses are translated at average exchange rates for the periods presented; and

- net unrealized gains or losses resulting from this translation are recognized in accumulated other comprehensive income (loss).

Upon loss of control of FIH Mauritius, FIH Private or Anchorage, a proportionate share of the cumulative amount of exchange differences recognized in accumulated other comprehensive income (loss) and accumulated in a separate component in equity would be recycled to the consolidated statements of earnings (loss) as part of the determination of the gain or loss on deconsolidation of these consolidated subsidiaries.

***Comprehensive income (loss)***

Comprehensive income (loss) consists of net earnings (loss) and other comprehensive income (loss), and includes all changes in total equity during a reporting period, except for those resulting from investments by owners and distributions to owners. Unrealized foreign currency translation gains (losses), net of income taxes, arising from the translation of the company's Indian rupee functional currency consolidated financial statements to the U.S. dollar presentation currency are recognized in other comprehensive income (loss) and included in accumulated other comprehensive income (loss) until recycled to the consolidated statements of earnings (loss) in the future. Accumulated other comprehensive income (loss) is included in the consolidated balance sheets as a component of common shareholders' equity.

***Consolidated statements of cash flows***

The company's consolidated statements of cash flows are prepared in accordance with the indirect method, classifying cash flows by operating, investing and financing activities.

**Cash and cash equivalents** – Cash and cash equivalents consist of cash on hand, demand deposits with banks and other short term highly liquid investments with maturities of three months or less when purchased, and exclude cash that is restricted. The carrying value of cash and cash equivalents approximates fair value.

***Total Cash and Investments***

Total cash and investments include cash and cash equivalents, short term investments, derivatives, bonds and common stocks. Management determines the appropriate classifications of investments at their acquisition date.

**Classification** – Short term investments, derivatives, bonds and common stocks are classified as FVTPL. The company manages these investments on a fair value basis, using fair value information to assess investment performance and to make investment decisions.

**Recognition and measurement** – The company recognizes purchases and sales of investments on the trade date, the date on which the company commits to purchase or sell the investment. Transactions pending settlement are reflected on the consolidated balance sheets as payable for partly paid securities. Transaction costs related to investments classified as FVTPL are expensed as incurred in the consolidated statements of earnings (loss). The company recognizes cash and investments at fair value upon initial recognition.

Subsequent to initial recognition, investments classified as FVTPL are measured at fair value with changes in fair value reported in the consolidated statements of earnings (loss) as income comprised of interest, dividends, net realized gains (losses) on investments and net change in unrealized gains (losses) on investments. Interest represents interest income on short term investments and bonds calculated using the effective interest method, net of investment expenses and includes bank interest. Calculation of a debt instrument's effective interest rate does not consider expected credit losses and requires estimates of future cash flows considering all contractual terms of the financial instrument including the stated interest rate, discount or premium, and any origination or structuring fees. Interest receivable is shown separately on the consolidated balance sheets based on the debt instruments' stated rates of interest. Dividends represent dividends received on holdings of common stocks and are recognized when the company's right to receive payment is established. All other changes in fair value are reported in net realized gains (losses) on investments and net change in unrealized gains (losses) on investments in the consolidated statements of earnings (loss). For short term investments and bonds, the sum of interest income, net realized gains (losses) on investments and net change in unrealized gains (losses) on investments is equal to their total change in fair value for the reporting period.

Interest, dividends, net realized gains (losses) on investments and net change in unrealized gains (losses) on investments are reported as operating activities in the consolidated statements of cash flows.

**Derecognition** – An investment is derecognized when the rights to receive cash flows from the investment have expired or have been transferred and when the company has transferred substantially all the risks and rewards of ownership.

**Short term investments** – Highly liquid debt instruments with maturity dates between three and twelve months when purchased are classified as short term investments.

**Bonds** – Debt instruments with maturity dates greater than twelve months when purchased, or illiquid debt instruments with maturity dates of less than twelve months when purchased, are classified as bonds. The carrying value of bonds excludes the debt instrument's accrued interest receivable at the stated rate of interest.

**Derivatives** – Derivatives represent forward contracts and warrants, which derive their value primarily from changes in underlying equity instruments. The fair value of derivatives in a gain position are presented on the consolidated balance sheets within total cash and investments, as derivatives. The fair value of derivatives with no upfront cost and in a loss position are presented on the consolidated balance sheets in derivative obligations. The initial premium paid for a derivative contract, if any, would be recorded as a derivative asset and subsequently adjusted for changes in the fair value of the contract at each reporting date. Changes in the fair value of derivatives are recorded within net change in unrealized gains (losses) on investments in the consolidated statements of earnings (loss).

**Determination of fair value** – Fair values for substantially all of the company's financial instruments are measured using market or income approaches. Considerable judgment may be required in interpreting market data used to develop estimates of fair value. Accordingly, actual values realized in future market transactions may differ from the estimates presented in these consolidated financial statements. The use of different market assumptions and/or valuation methodologies may have a material effect on the estimated fair values. The fair values of financial instruments are based on bid prices for financial assets and ask prices for financial liabilities. The company categorizes its fair value measurements using a three-level fair value hierarchy in accordance with IFRS Accounting Standards as described below:

Level 1 – Inputs represent unadjusted quoted prices for identical instruments exchanged in active markets. The fair values of the company's Public Indian Investments that are not subject to selling restrictions are based on published quotes in active markets.

Level 2 – Inputs include directly or indirectly observable inputs (other than Level 1 inputs) such as quoted prices for similar financial instruments exchanged in active markets, quoted prices for identical or similar financial instruments exchanged in inactive markets and other market observable inputs. The fair values of the company's investments in Government of India and Indian corporate bonds are based on information provided by independent pricing service providers.

Level 3 – Inputs include unobservable inputs that require management to use its own assumptions regarding unobservable inputs as there is little, if any, market activity in these instruments or related observable inputs that can be corroborated at the measurement date. The fair values of the company's Public Indian Investments subject to selling restrictions, where applicable, are based on published quotes in active markets, net of a discount for lack of marketability, which is not a market observable input. The majority of the company's Private Indian Investments are based on discounted cash flow analyses which utilize inputs that are not market observable such as after-tax discount rates and long term growth rates.

Transfers between fair value hierarchy levels are considered effective from the beginning of the annual reporting period in which the transfer is identified.

Valuation techniques used by the company's independent pricing service providers and third party broker-dealers include use of prices from similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants. The company assesses the reasonableness of pricing received from these third party sources by comparing the fair values received to recent transaction prices for similar assets where available, to industry accepted discounted cash flow models (that incorporate estimates of the amount and timing of future cash flows and market observable inputs such as credit spreads and discount rates) and to option pricing models (that incorporate market observable inputs including the quoted price, volatility and dividend yield of the underlying security and the risk-free rate).

***Net realized gains (losses) on investments, and Net change in unrealized gains (losses) on investments***

Where a financial instrument continues to be held by the company at the end of a reporting period, changes in the fair value of that instrument during the reporting period, excluding those changes reported as interest and dividends, are presented in net change in unrealized gains (losses) on investments. On disposition of that financial instrument, its inception-to-date net gain (loss), excluding those changes previously reported as interest and dividends, is presented as net realized gains (losses) on investments in the consolidated statements of earnings (loss). The cumulative unrealized net gain (loss) recognized in prior periods on that financial instrument is then reversed in net change in unrealized gains (losses) on investments in the consolidated statements of earnings

(loss). The sum of the net realized gain (loss) and the cumulative reversal of prior period unrealized gains (losses) equals that financial instrument's net gain (loss) on investment for the current reporting period.

***Performance fees***

Performance fees are estimated and accrued at the end of each reporting period within the calculation period. An estimate is also made for the number of shares to be issued, if any, on settlement for the purposes of the calculation of diluted earnings per share based on the volume-weighted average trading price of the company's subordinate voting shares for the 10 trading days prior to and including the last day of the reporting period ("VWAP").

***Income taxes***

The provision for income taxes for the period comprises current and deferred income tax. Income taxes are recognized in the consolidated statements of earnings (loss), except when related to items recognized in other comprehensive income (loss) or directly in equity. In those cases, income taxes are also recognized in other comprehensive income (loss) or directly in equity, respectively.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred income tax is calculated under the liability method whereby deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of assets and liabilities and their respective income tax bases at the current substantively enacted tax rates. Changes in deferred income tax associated with components of other comprehensive income (loss) are recognized in other comprehensive income (loss) while all other changes in deferred income tax are included in the provision for income taxes in the consolidated statements of earnings (loss).

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Carry forwards of unused losses or unused tax credits are tax effected and recognized as deferred tax assets when it is probable that future taxable profits will be available against which these losses or tax credits can be utilized.

Deferred income tax is not recognized on unremitted earnings from the company's subsidiaries' holdings of Indian Investments where the company has determined it is not probable that those earnings will be repatriated in the foreseeable future.

Current and deferred income tax assets and liabilities are offset when income taxes are levied by the same taxation authority and there is a legally enforceable right of offset.

The company has applied the mandatory exception to recognizing and disclosing information about deferred taxes related to Pillar Two income taxes.

***Borrowings***

Borrowings are initially recognized at fair value, net of incremental and directly attributable transaction costs, and subsequently measured at amortized cost. Interest expense on borrowings is recognized in the consolidated statements of earnings (loss) using the effective interest method. Foreign exchange gains (losses) on U.S. dollar denominated borrowings are recognized in the consolidated statements of earnings (loss). Borrowings are derecognized when extinguished, with any gain or loss on extinguishment recognized in the consolidated statements of earnings (loss).

***Equity***

Common stock issued by the company is classified as equity when there is no contractual obligation to transfer cash or other financial assets to the holder of the shares. Incremental costs directly attributable to the issue or purchase for cancellation of equity instruments are recognized in equity, net of tax.

Dividends and other distributions to holders of the company's equity instruments are recognized directly in equity.

***Share-based payments***

The company has restricted share plans or equivalent for its directors and employees with vesting periods of up to ten years from the date of grant. The fair value of restricted share awards on the grant date is amortized to salaries and employee benefit expenses, included in general and administration expenses in the consolidated statements of earnings (loss), over the vesting period, with a corresponding increase in share-based payments, net, in the

consolidated statements of changes in equity. At each balance sheet date, the company reviews its estimates of the number of restricted share awards expected to vest.

***Net earnings (loss) per share***

Basic net earnings (loss) per share is calculated by dividing the net earnings (loss) attributable to shareholders of Fairfax India by the weighted average number of subordinate and multiple voting shares issued and outstanding during the period.

***Net earnings (loss) per diluted share***

Diluted net earnings (loss) per share is calculated in the same manner as basic net earnings (loss) per share except that the weighted average number of subordinate and multiple voting shares outstanding during the period is adjusted for the dilutive effect, if any, of the contingently issuable subordinate voting shares or settlement in subordinate voting shares relating to the performance fee payable to Fairfax (see note 12) that would have been outstanding during the period had all potential subordinate voting shares been issued at the beginning of the period.

***New accounting pronouncements issued but not yet effective***

The following new standards and amendments have been issued by the International Accounting Standards Board ("IASB") and were not yet effective for the fiscal year beginning January 1, 2025. The company does not expect to adopt them in advance of their effective dates.

*IFRS 18 Presentation and Disclosure in Financial Statements*

On April 9, 2024 the IASB issued IFRS 18, which will replace IAS 1 *Presentation of Financial Statement*s, while carrying forward many of the requirements in IAS 1. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of earnings and to provide disclosures on management-defined performance measures in the notes to the financial statements, and also makes certain amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share*.

The adoption of IFRS 18 is expected to result in changes to the presentation of the company's consolidated financial statements, principally within the consolidated statements of earnings (loss) where income and expenses will be classified into specified categories (operating, investing, financing, income taxes and discontinued operations, where applicable), and new defined subtotals will be required, including "operating earnings" and "earnings before interest expense and income taxes". The company has determined that its main business activity, investing in assets, is a specified main business activity under IFRS 18. As such, the related income and expenses are expected to be presented under the operating category, while certain other income and expenses, such as interest expense, may be presented in different categories. Foreign exchange differences will be presented within the same category as the related income or expense. The standard is to be applied retrospectively, with specific transition provisions, for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The company is continuing to evaluate the impact of IFRS 18 on its consolidated financial statements.

*Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*

On May 30, 2024 the IASB issued targeted amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* which included clarifying the date of recognition and derecognition of some financial assets and liabilities, with an exception relating to the derecognition of financial liabilities that are settled using an electronic payment system, and additional required disclosures for financial assets and liabilities with contractual terms that reference a contingent event (including environmental, social and governance linked features). The amendments are applied retrospectively on or after January 1, 2026 with early application permitted. An entity is not required to restate comparative information when it first applies these amendments, however, is permitted to do so only if possible without the use of hindsight. If an entity does not restate prior periods, the cumulative effect of initially applying the amendments is recognized as an adjustment to opening equity. The amendments will not have a significant impact on the company's consolidated financial statements.

## 4. Critical Accounting Estimates and Judgments

In the preparation of the company's consolidated financial statements, management has made a number of critical accounting estimates and judgments which are discussed below. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Where estimates were made, the reported amounts of assets, liabilities, income and expenses may differ from the amounts that would otherwise be reflected if the ultimate outcome of all uncertainties and future earnings were known at the time the consolidated financial statements were prepared.

***Valuation of Private Indian Investments***

The valuation of the company's Private Indian Investments are assessed at the end of each reporting period.

Fair values for substantially all of the company's Indian Investments are measured using market or income approaches. Considerable judgment may be required in developing estimates of fair value, particularly for valuations of Private Indian Investments. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company utilizes Fairfax's valuation personnel to assist with the valuation of its investment portfolio. Detailed valuations are performed for those financial instruments that are priced internally. The company does not use independent valuation experts to determine the fair value of its Private Indian Investments. The company's Chief Financial Officer oversees the valuation function and regularly reviews valuation processes and results, including at each quarterly reporting period. Significant valuation matters, particularly those requiring extensive judgment, are communicated to the company's Audit Committee.

Notwithstanding the rigour of the company's valuation processes, the valuations of Private Indian Investments, including the company's valuations of BIAL, Seven Islands, Sanmar, Maxop, Global Aluminium, Jaynix and NCML, inherently have estimation uncertainty and different assumptions could lead to materially different fair values. Significant judgments and assumptions are required to determine the discounted cash flow, including multi-year free cash flow forecasts prepared by investees' management, after-tax discount rates and long term growth rates. Further discussion on these assumptions specific to each Indian Investment are included in note 5 under the respective heading of each Indian Investment. Discounted cash flows are subject to a sensitivity analysis (see note 6) given the uncertainty in preparing forecasts.

***Income taxes***

The company is subject to income taxes in Canada, Mauritius and India, and the company's determination of its tax liability or receivable is subject to review by those applicable tax authorities. The company exercised judgment in assessing that unremitted earnings related to its subsidiaries' holdings of Indian Investments, as disclosed in note 10, are not expected to result in taxable amounts as the company has determined it is not probable that those unremitted earnings will be repatriated in the foreseeable future; as a consequence no tax has been recorded in the consolidated financial statements on these unremitted earnings. While the company believes its tax positions to be reasonable, where the company's interpretations differ from those of tax authorities or the timing of realization is not as expected, the provision for income taxes may increase or decrease in future periods to reflect actual experience. The company receives specialized tax advice for assessing the income tax consequences of planned transactions and events, and undertaking the appropriate tax planning from Fairfax tax personnel.

Realization of deferred income tax assets is dependent upon the generation of taxable income in those jurisdictions where the relevant tax losses and temporary differences exist. Tax legislation of each jurisdiction in which the company operates is interpreted to determine the provision for (recovery of) income taxes and expected timing of the reversal of deferred income tax assets and liabilities. The company exercised judgment that certain carryforwards of unused losses or unused tax credits and timing differences disclosed in note 10 should not be recognized as a deferred income tax asset as it was considered not probable that those losses could be utilized by the company in the foreseeable future.

***Consolidation of Anchorage***

The company holds 43.6% out of its 74.0% equity interest in BIAL through Anchorage. In September 2021, the company sold an 11.5% equity interest (on a fully-diluted basis) in Anchorage to Ontario Municipal Employees Retirement System ("OMERS"), resulting in the recognition of non-controlling interests. The company exercised significant judgment in determining that Anchorage will continue to provide investment related services to the company on current and potential investments in the infrastructure sector in India and not meet the definition of an investment entity based on the facts and circumstances known or knowable at this time. As a result, the company will continue to consolidate Anchorage. The company's assessment of this position requires an ongoing analysis of Anchorage's strategic objectives and business activities. Accordingly, Anchorage's status in relation to the company as a consolidated subsidiary may change in future reporting periods based on the facts and circumstances at that time.

## 5. Indian Investments

Throughout the company's consolidated financial statements for the year ended December 31, 2025, the term "Indian Investments" refers to deployed capital invested in Public and Private Indian Investments as disclosed within this note.

### Summary of Changes in the Fair Value of the Company's Indian Investments

A summary of changes in the fair value of the company's Public and Private Indian Investments during 2025 is as follows:

| | 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Balance as of January 1 | Purchases | Sales | Amortization | Net realized gains on investments | Net change in unrealized gains (losses) on investments[1] | Net unrealized foreign currency translation losses | Balance as of December 31 |
| **Public Indian Investments:** | | | | | | | | |
| Common stocks: | | | | | | | | |
| IIFL Finance | 311,401 | – | – | – | – | 145,955 | (19,210) | 438,146 |
| CSB Bank | 254,756 | – | – | – | – | 114,383 | (15,564) | 353,575 |
| IIFL Capital | 322,990 | – | – | – | – | 35,012 | (16,392) | 341,610 |
| Fairchem Organics | 102,234 | – | – | – | – | (40,645) | (3,618) | 57,971 |
| 5paisa | 41,883 | – | – | – | – | (11,485) | (1,639) | 28,759 |
| Total Public Indian Investments | 1,033,264 | – | – | – | – | 243,220 | (56,423) | 1,220,061 |
| **Private Indian Investments:** | | | | | | | | |
| Common stocks: | | | | | | | | |
| BIAL | 1,631,988 | 255,000 | – | – | – | 399,093 | (98,694) | 2,187,387 |
| Seven Islands | 145,990 | – | – | – | – | 24,048 | (7,659) | 162,379 |
| Sanmar | 201,446 | 18,073 | – | – | – | (111,907) | (5,991) | 101,621 |
| Maxop | 97,176 | – | – | – | – | 3,014 | (4,704) | 95,486 |
| Global Aluminium | 81,237 | – | – | – | – | 13,806 | (4,275) | 90,768 |
| Jaynix | 81,577 | – | – | – | – | (12,145) | (3,502) | 65,930 |
| NCML | 44,250 | – | – | – | – | (261) | (2,093) | 41,896 |
| IH Fund | 9,590 | – | (1,720) | – | 1 | (515) | (360) | 6,996 |
| Saurashtra | 54,688 | – | (74,623) | – | 51,973 | (30,660) | (1,378) | – |
| Other Indian Fixed Income | 31,023 | – | (7,547) | 49 | – | – | (1,273) | 22,252 |
| Total Private Indian Investments | 2,378,965 | 273,073 | (83,890) | 49 | 51,974 | 284,473 | (129,929) | 2,774,715 |
| **Total Indian Investments** | 3,412,229 | 273,073 | (83,890) | 49 | 51,974 | 527,693 | (186,352) | 3,994,776 |

*(1) All Private Indian Investments were classified as Level 3 in the fair value hierarchy. Net change in unrealized gains (losses) on investments classified as Level 3 in the fair value hierarchy related to investments held at the end of the reporting period, with the exception of net change in unrealized losses of $30,660 related to the reversal of prior period unrealized gains upon the sale of Saurashtra common shares.*

A summary of changes in the fair value of the company's Public and Private Indian Investments during 2024 is as follows:

| | 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Balance as of January 1 | Purchases | Sales | Amortization | Net realized gains on investments | Net change in unrealized gains (losses) on investments[1] | Net unrealized foreign currency translation gains (losses) | Balance as of December 31 |
| **Public Indian Investments:** | | | | | | | | |
| Common stocks: | | | | | | | | |
| IIFL Capital | 147,437 | – | – | – | – | 183,854 | (8,301) | 322,990 |
| IIFL Finance[2] | 412,151 | 33,089 | – | – | – | (124,222) | (9,617) | 311,401 |
| CSB Bank[3] | 409,335 | – | (71,298) | – | 43,001 | (118,492) | (7,790) | 254,756 |
| Fairchem Organics[4] | 102,998 | 4,462 | – | – | – | (2,361) | (2,865) | 102,234 |
| 5paisa | 52,129 | – | – | – | – | (8,988) | (1,258) | 41,883 |
| Other | 2,751 | – | (3,469) | – | 330 | 399 | (11) | – |
| Derivatives: | | | | | | | | |
| IIFL Finance forward derivative[2] | – | – | (8,210) | – | 8,210 | – | – | – |
| Total Public Indian Investments | 1,126,801 | 37,551 | (82,977) | – | 51,541 | (69,810) | (29,842) | 1,033,264 |
| **Private Indian Investments:** | | | | | | | | |
| Common stocks: | | | | | | | | |
| BIAL | 1,599,988 | – | – | – | – | 78,635 | (46,635) | 1,631,988 |
| Sanmar | 302,881 | – | – | – | – | (95,100) | (6,335) | 201,446 |
| Seven Islands | 142,839 | – | – | – | – | 7,321 | (4,170) | 145,990 |
| Maxop | 56,674 | – | – | – | – | 43,067 | (2,565) | 97,176 |
| Jaynix | 49,277 | – | – | – | – | 34,463 | (2,163) | 81,577 |
| Global Aluminium | – | 82,729 | – | | – | – | (1,492) | 81,237 |
| Saurashtra | 50,551 | – | – | – | – | 5,683 | (1,546) | 54,688 |
| NCML | 50,327 | – | – | – | – | (4,774) | (1,303) | 44,250 |
| IH Fund | 13,090 | – | (1,619) | – | – | (1,592) | (289) | 9,590 |
| NSE | 188,615 | – | (188,948) | – | 167,335 | (167,222) | 220 | – |
| Other Indian Fixed Income | 31,469 | – | – | 446 | – | – | (892) | 31,023 |
| Total Private Indian Investments | 2,485,711 | 82,729 | (190,567) | 446 | 167,335 | (99,519) | (67,170) | 2,378,965 |
| **Total Indian Investments** | 3,612,512 | 120,280 | (273,544) | 446 | 218,876 | (169,329) | (97,012) | 3,412,229 |

*(1) All Private Indian Investments were classified as Level 3 in the fair value hierarchy. Net change in unrealized gains (losses) on investments classified as Level 3 in the fair value hierarchy related to investments held at the end of the reporting period, with the exception of net change in unrealized losses of $167,222 related to the reversal of prior period unrealized gains upon the sale of NSE common shares.*

*(2) On May 17, 2024 in connection with a rights offer completed by IIFL Finance, the company acquired an additional 6,911,076 common shares of IIFL Finance with a fair value of $33,089 (representing IIFL Finance's market price on the date of acquisition) for cash consideration of $24,879 (2.1 billion Indian rupees) (based on the rights offer exercise price). As a result of the difference between market price and exercise price, the company recorded a gain on the IIFL Finance forward derivative of $8,210.*

*(3) On June 27, 2024 the company completed market sales of 16,868,645 common shares of CSB Bank for $71,298 (6.0 billion Indian rupees), resulting in realized gains of $43,001.*

*(4) During December 2024 the company completed market purchases of 324,000 common shares of Fairchem Organics for $4,462 (379.4 million Indian rupees).*

**Public Indian Investments**

The fair values of Fairfax India's Public Indian Investments with shares listed on both the BSE and the National Stock Exchange of India ("NSE of India"), are determined using the bid prices of those investments (without adjustments or discounts) at the balance sheet date.

The table below provides a summary of the company's Public Indian Investments:

| | | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|---|
| **Public Indian Investments:** | **Industry** | **Shares held** | **Ownership** | **Shares held** | **Ownership** |
| Common stocks: | | | | | |
| IIFL Finance Limited ("IIFL Finance") | Financial services | 64,552,521 | 15.2% | 64,552,521 | 15.2% |
| CSB Bank Limited ("CSB Bank")(1) | Financial services | 69,394,331 | 40.0% | 69,394,331 | 40.0% |
| IIFL Capital Services Limited ("IIFL Capital") (formerly IIFL Securities Limited) | Financial services | 84,641,445 | 27.2% | 84,641,445 | 27.3% |
| Fairchem Organics Limited ("Fairchem Organics") | Commercial and industrial | 7,202,656 | 55.3% | 7,202,656 | 55.3% |
| 5paisa Capital Limited ("5paisa") | Financial services | 7,670,130 | 24.6% | 7,670,130 | 24.6% |

*(1) The company is subject to a dilution schedule from the Reserve Bank of India ("RBI"), requiring the company to bring down its shareholding in CSB Bank to 30.0% within 10 years, and 26.0% within 15 years of the investment completion date of August 7, 2019.*

The changes in fair value of the company's Public Indian Investments in 2025 and 2024 are presented in the tables disclosed earlier in note 5.

**Private Indian Investments**

The fair values of Fairfax India's Private Indian Investments cannot be derived from an active market and accordingly, are determined using industry accepted valuation techniques and models. Market observable inputs are used where possible, with unobservable inputs used where necessary. Use of unobservable inputs can involve significant judgment and may materially affect the reported fair value of these investments.

For all Private Indian Investment valuations prepared using a discounted cash flow analysis, discount rates were based on the company's assessment of risk premiums to the appropriate risk-free rate of the economic environment in which the Indian Investment operates. Long term growth rates were based on the expected long term sustainable growth rate of the economic environment and sectors in which the Indian Investment operates.

The changes in fair value of the company's Private Indian Investments in 2025 and 2024 are presented in the tables disclosed earlier in note 5.

***Investment in Bangalore International Airport Limited***

Bangalore International Airport Limited ("BIAL") is a private company located in Bengaluru, India. BIAL, under a concession agreement with the Government of India until the year 2068, has the exclusive rights to carry out the development, design, financing, construction, commissioning, maintenance, operation and management of the Kempegowda International Airport Bengaluru ("KIAB") through a public-private partnership. KIAB is the first greenfield airport in India built through a public-private partnership.

On February 20, 2025 the company, through FIH Mauritius, completed the acquisition of an additional 10.0% equity interest in BIAL from Siemens Project Ventures GmbH ("Siemens") for a purchase price of $255,000 (22.1 billion Indian rupees) ("Additional BIAL Investment").

In accordance with the terms of the agreement, on the closing date, the company paid an initial installment of $84,150 and delivered a letter of credit in favour of Siemens, representing the deferred purchase price of $170,850. On August 26, 2025 the company paid the second installment payment of $94,350, and subsequently reduced the outstanding letter of credit to $76,500. Refer to note 7 (Borrowings, under the heading Revolving Credit Facility) for further details. At December 31, 2025 the payable for securities purchased of $76,500 presented in the company's consolidated balance sheet reflects the third and final installment to be paid to Siemens in the third quarter of 2026.

At December 31, 2025 the company estimated the fair value of its investment in BIAL using a discounted cash flow analysis for its five business units based on multi-year free cash flow forecasts with assumed after-tax discount rates ranging from 12.2% to 17.5% and a long term growth rate of 3.5% (December 31, 2024 – 12.4% to 17.3% and 3.5%, respectively). At December 31, 2025 free cash flow forecasts were based on EBITDA estimates derived from financial information prepared by BIAL's management in the third and fourth quarters of 2025 (December 31, 2024 – third quarter of 2024).

*Free Cash Flow Forecast Inputs*

The primary drivers of free cash flow estimates are future domestic and international passenger traffic, airport tariff assumptions for future control periods, completion of capital expansion projects and development of leasehold land. In the event that forecasted passenger traffic or expected airport tariff levels are not met in future periods, or if significant delays in construction and development activities occur, the fair value of the company's investment in BIAL may be negatively impacted.

*Current Model Assumptions*

Free cash flow forecasts were revised by BIAL's management in 2025 primarily to reflect: (i) higher forecasted capital expenditures to be implemented over the fourth and fifth control periods (fiscal years 2027 to 2036) primarily due to increases in the scope of operations for both the second phase of Terminal 2 and Terminal 3, principally supported by improved liquidity following the completion of a long term debt refinancing in the current fiscal year; (ii) higher user development fees ("UDFs") expected from the fifth control period and thereafter on account of a higher regulatory asset base; and (iii) downward revisions to free cash flows derived from BIAL's real estate monetization plans primarily due to the reallocation of acreage in order to accommodate the airport's revised capital expenditure plan.

BIAL is an infrastructure investment that is currently in a period of capital expansion and as a result a significant amount of its fair value is driven by expected growth in passenger traffic in the later years of the forecasting period once various capital projects are complete. BIAL's aeronautical revenues are primarily driven by UDFs charged to airlines and passengers, which are set by the Airports Economic Regulatory Authority of India in five-year control periods and are fixed in a manner to generate a regulated return on invested equity for the airport operator. As the tariff setting mechanism adjusts for periods of underperformance, it is expected that underachievement in aeronautical revenues will be substantially recovered through, among other factors, higher UDFs in future control periods.

At December 31, 2025 the company held a 74.0% equity interest in BIAL (December 31, 2024 – 64.0%) and its internal valuation model indicated that the fair value of the company's investment in BIAL was $2,187,387 (December 31, 2024 – $1,631,988).

At December 31, 2025 the company held 43.6% out of its 74.0% (December 31, 2024 – 43.6% out of its 64.0%) equity interest in BIAL through Anchorage. As a result, the company's fully-diluted equity interest in BIAL was 69.0% (December 31, 2024 – 59.0%). Refer to note 8 (Total Equity, under the heading Non-controlling interests) for further discussion on Anchorage.

***Investment in Seven Islands Shipping Limited***

Seven Islands Shipping Limited ("Seven Islands"), a private company located in Mumbai, India, is the second largest private sector tanker shipping company in India and transports liquid and gas cargo along the Indian coast as well as in international waters. Its vessels are Indian owned and primarily operate as Indian registered and flagged vessels. Seven Islands' subsidiary, Seven Islands Shipping International FZE ("SISIF"), is located in the United Arab Emirates and operates foreign-flagged vessels.

At December 31, 2025 the company estimated the fair value of its investment in Seven Islands using a discounted cash flow analysis based on multi-year free cash flow forecasts for its two business units with assumed after-tax discount rates ranging from 14.9% to 15.8% and long term growth rates ranging from 2.5% to 3.0% (December 31, 2024 – 14.7% to 16.2% and 2.5% to 3.0%, respectively). At December 31, 2025 free cash flow forecasts were based on EBITDA estimates derived from financial information prepared by Seven Islands' management in the third quarter of 2025 (December 31, 2024 – third quarter of 2024).

*Free Cash Flow Forecast Inputs*

The primary driver of free cash flow estimates is the vessel profile, including planned vessel acquisitions and charter rates.

*Current Model Assumptions*

Free cash flow forecasts were revised by Seven Islands' management in 2025 primarily to reflect: (i) reduced capital expenditures reflecting lower vessel prices, in addition to longer useful lives of certain vessels; (ii) changes in timing of vessel sales and acquisitions; (iii) lower EBITDA margins reflecting softening charter rates and a revised vessel profile; and (iv) revised foreign exchange assumptions resulting in a favourable impact to revenues in Indian rupee terms (charter rates are denominated in U.S. dollars).

During 2025 Seven Islands paid the company dividends of $34,423 (2024 – $29,878), recorded in dividend income in the consolidated statements of earnings (loss), resulting in lower cash at Seven Islands.

At December 31, 2025 the company held a 48.5% equity interest in Seven Islands (December 31, 2024 – 48.5%) and its internal valuation model indicated that the fair value of the company's investment in Seven Islands was $162,379 (December 31, 2024 – $145,990).

***Investment in Sanmar Chemical Enterprises Limited***

Sanmar Chemical Enterprises Limited ("Sanmar"), a private company located in Chennai, India, is one of the largest polyvinyl chloride ("PVC") manufacturers in India, operating in India and Egypt. Sanmar also manufactures caustic soda, calcium chloride, chloromethanes, refrigerant gases, industrial salt and specialty chemical intermediates.

Sanmar's operating subsidiaries are principally comprised of TCI Sanmar Chemicals S.A.E. ("Sanmar Egypt") and Chemplast Sanmar Limited ("Chemplast"). At December 31, 2025 Sanmar held a 55.0% equity interest in Chemplast (December 31, 2024 – 55.0%), which is publicly listed on both the BSE and NSE of India.

At December 31, 2025 the company estimated the fair value of its investment in Sanmar using: (i) a discounted cash flow analysis for Sanmar Egypt, based on multi-year free cash flow forecasts with an assumed after-tax discount rate of 14.4% and a long term growth rate of 3.0% (December 31, 2024 – 11.3% and 3.0%, respectively); and (ii) the unadjusted bid price of Chemplast's common shares. At December 31, 2025 free cash flow forecasts were based on EBITDA estimates derived from financial information for Sanmar Egypt prepared by Sanmar's management in the second quarter of 2025 (December 31, 2024 – fourth quarter of 2024).

*Free Cash Flow Forecast Inputs*

The primary driver of free cash flow estimates is the future prices of petrochemical products. If the prices of petrochemical products do not develop favourably in future periods, the fair value of the company's investment in Sanmar may be negatively impacted.

*Current Model Assumptions*

Free cash flow forecasts for Sanmar Egypt were revised by Sanmar's management during 2025 primarily to reflect: (i) higher caustic soda prices combined with a sharper improvement in PVC prices as market conditions stabilize over the medium term; (ii) lower working capital requirements due to changes to supplier arrangements and new customer contracts resulting in extended credit terms and increased customer advances; and (iii) lower taxes paid over the forecast period based on availability of tax loss carryforwards from recent fiscal years. Revised forecasts also reflected the completion of an equity infusion into Sanmar Egypt in 2025 as required by lenders. The additional equity infusion, combined with higher working capital limits and longer credit terms, are expected to improve Sanmar Egypt's liquidity condition and help satisfy debt servicing obligations.

In March 2025 Sanmar carried out a series of transactions which involved the subscription of newly issued Sanmar equity shares by one of Sanmar's promoter affiliates, where proceeds were primarily used towards the settlement of debt due to other promoter affiliates. As a result of the share issuance, Fairfax India's equity interest in Sanmar was diluted from 42.9% to 39.3%.

In December 2025 Sanmar completed a rights offer to issue new shares to existing shareholders on a pro rata basis ("Sanmar Rights Offer"), in order to enable an equity infusion of $46,000 at Sanmar Egypt in accordance with lender requirements. Fairfax India contributed $18,073 (1.6 billion Indian rupees) based on its pro rata share, resulting in equity interest in Sanmar remaining unchanged.

At December 31, 2025 the portion of fair value derived from Sanmar's equity interest in Chemplast was $97,306 (December 31, 2024 – $217,604). The fair value of Sanmar was primarily comprised of its investment in Chemplast due to a low equity value attributable to Sanmar Egypt, combined with the impact of net debt due to Sanmar's promoter affiliates.

At December 31, 2025 the company held a 39.3% equity interest in Sanmar (December 31, 2024 – 42.9%) and the fair value of the company's investment in Sanmar was $101,621 (December 31, 2024 – $201,446).

***Investment in Maxop Engineering Company Private Limited***

Maxop Engineering Company Private Limited ("Maxop"), a private company located in New Delhi, India, is a precision aluminum die casting and machining solution provider for customers in the automotive and industrial sectors.

At December 31, 2025 the company estimated the fair value of its investment in Maxop using a discounted cash flow analysis based on multi-year free cash flow forecasts for its two business units with assumed after-tax discount rates ranging from 15.0% to 17.7% and a long term growth rate of 4.0% (December 31, 2024 – 14.9% to 16.1% and 4.0% respectively). At December 31, 2025 free cash flow forecasts were based on EBITDA estimates derived from financial information prepared by Maxop's management in the fourth quarter of 2025 (December 31, 2024 – fourth quarter of 2024). At December 31, 2025 the estimated fair value also incorporated value ascribed to leasehold land rights acquired by Maxop through a public bidding process in 2025, and represents a portion of vacant leasehold land (based on the recent transaction price), which can be monetized for future developments.

*Free Cash Flow Forecast Inputs*

The primary drivers of free cash flow estimates are manufacturing capacity and utilization based on customer demand.

*Current Model Assumptions*

Free cash flow forecasts were revised by Maxop's management during 2025 primarily to reflect: (i) lower export revenue derived from new customer business in consideration of heightened uncertainty in the automotive sector due to tariffs imposed by the U.S., partially offset by corresponding reduced capital expenditures related to capacity expansion plans; (ii) higher domestic revenue based on Maxop's latest production pipeline, supported by regained momentum in securing contract nominations; (iii) lower working capital requirements due to improvements to the cash conversion cycle; and (iv) increased other capital expenditures related to process improvements over the medium term as market conditions stabilize.

At December 31, 2025 the company held a 67.0% equity interest in Maxop (December 31, 2024 – 67.0%) and its internal valuation model indicated that the fair value of the company's investment in Maxop was $95,486 (December 31, 2024 – $97,176).

***Investment in Global Aluminium Private Limited***

Global Aluminium Private Limited ("Global Aluminium"), a private company located in Hyderabad, India, is an aluminum extrusions manufacturer with in-house capabilities to produce anodized and powder-coated aluminum products.

On October 11, 2024 Fairfax India completed the acquisition of an effective 65.0% equity interest in Global Aluminium for a purchase price of $82,729 (7.0 billion Indian rupees). The transaction required Global Aluminium to merge with its wholly-owned subsidiary, which was completed in December 2025.

At December 31, 2025 the company estimated the fair value of its investment in Global Aluminium using a discounted cash flow analysis based on multi-year free cash flow forecasts with an assumed after-tax discount rate of 17.3% and a long term growth rate of 3.5%. At December 31, 2025 free cash flow forecasts were based on EBITDA estimates derived from financial information prepared by Global Aluminium's management in the fourth quarter of 2025. At December 31, 2024 the company determined that the transaction price of its investment in Global Aluminium approximated fair value as there were no significant changes to Global Aluminium's business, capital structure, or operating environment, and the key assumptions in the company's acquisition valuation model remained valid.

*Free Cash Flow Forecast Inputs*

The primary drivers of free cash flow estimates are manufacturing capacity and utilization based on customer demand.

*Current Model Assumptions*

Free cash flows prepared by Global Aluminium's management in 2025 reflect average annual revenue growth of 24% over the forecast period, primarily driven by (i) growing domestic and international demand; (ii) new customer acquisitions; (iii) a focus on developing value-added products; and (iv) planned capacity expansions based on anticipated demand. Free cash flows also considered the impact of heightened uncertainty arising from tariffs imposed by the U.S. on international demand.

At December 31, 2025 the company held a 65.0% equity interest in Global Aluminium (December 31, 2024 – 65.0%) and its internal valuation model indicated that the fair value of the company's investment in Global Aluminium was $90,768 (December 31, 2024 – $81,237).

***Investment in Jaynix Engineering Private Limited***

Jaynix Engineering Private Limited ("Jaynix"), a private company based in Gujarat, India, is a manufacturer of non-ferrous electrical connectors and electrical assemblies, and is a critical Tier 1 supplier to major electrical original equipment manufacturers primarily in North America.

At December 31, 2025 the company estimated the fair value of its investment in Jaynix using a discounted cash flow analysis based on multi-year free cash flow forecasts with an assumed after-tax discount rate of 25.1% and a long term growth rate of 1.5% (December 31, 2024 – 23.4% and 1.5% respectively). At December 31, 2025 free cash flow forecasts were based on EBITDA estimates derived from financial information prepared by Jaynix's management in the fourth quarter of 2025 (December 31, 2024 – fourth quarter of 2024).

*Free Cash Flow Forecast Inputs*

The primary drivers of free cash flow estimates are manufacturing capacity and utilization based on customer demand.

*Current Model Assumptions*

Free cash flow forecasts were revised by Jaynix's management in 2025 primarily to reflect: (i) reduced business volumes in fiscal year 2026 due to heightened uncertainty arising from tariffs imposed by the U.S., shifting growth expectations over the forecast period; (ii) lower working capital requirements in fiscal year 2026 based on actual results to date; (iii) lower capital expenditures on account of reduced demand; and (iv) incorporating higher growth expected for fiscal year 2031.

During 2025 Jaynix paid the company dividends of $8,097 (2024 – nil), recorded in dividend income in the consolidated statements of earnings (loss), resulting in lower cash at Jaynix.

At December 31, 2025 the company held a 70.0% equity interest in Jaynix (December 31, 2024 – 70.0%) and its internal valuation model indicated that the fair value of the company's investment in Jaynix was $65,930 (December 31, 2024 – $81,577).

***Investment in National Commodities Management Services Limited***

National Commodities Management Services Limited ("NCML"), a private company located in Gurugram, India, is an integrated agriculture value chain solutions provider, with services including grain procurement, storage and preservation, testing and certification, collateral management, and commodity and weather intelligence. NCML also operates silos constructed under concession agreements with the Food Corporation of India, and a non-banking financial company ("NBFC") which focuses on rural and agri-business financing.

*NCML Common Shares*

At December 31, 2025 the company estimated the fair value of its investment in NCML common shares using: (i) a discounted cash flow analysis based on multi-year free cash flow forecasts for two business units with assumed after-tax discount rates ranging from 12.8% to 14.7% and long term growth rates ranging from 2.4% to 5.0% (December 31, 2024 – 12.3% to 12.8% and 2.4% to 5.0%, respectively); and (ii) an adjusted net book value approach for its NBFC business unit. At December 31, 2025 free cash flow forecasts were based on EBITDA estimates derived from financial information prepared by NCML's management in the second quarter of 2025 (December 31, 2024 – fourth quarter of 2024).

*Free Cash Flow Forecast Inputs*

The primary drivers of free cash flow estimates are warehouse and silo capacity and utilization.

*Current Model Assumptions*

Free cash flow forecasts were revised by NCML's management in 2025 primarily to reflect sharper revenue growth over the forecast period as market conditions stabilize, partially offset by downward revisions to fiscal year 2026 revenue primarily based on current warehouse capacities and composition of leased, owned and franchised warehouses. The current model assumptions also consider the impact of a longer timeframe for asset monetizations given delays experienced since fiscal year 2024.

At December 31, 2025 the company held a 91.0% equity interest in NCML (December 31, 2024 – 91.0%) and its internal valuation model indicated that the fair value of the company's equity investment in NCML was $41,896 (December 31, 2024 – $44,250).

*NCML Non-convertible Debentures*

On November 9, 2023 the company invested $24,013 (2.0 billion Indian rupees) in 9.47% unsecured non-convertible debentures ("NCML NCD"), due November 8, 2028. At December 31, 2025 the fair value of the company's investment in the NCML NCD of $22,252 (including a deferred loss of $2,220) (December 31, 2024 – $23,361, including a deferred loss of $2,965) was based on a discounted cash flow analysis using an estimate of NCML's credit spread, and is presented within Other Indian Fixed Income in the tables disclosed earlier in note 5.

At December 31, 2025 the company's interest and dividends receivable included a carrying value of $2,430 (December 31, 2024 – $2,212) related to interest receivable on the NCML NCD. To help alleviate NCML's liquidity challenges due to delays in asset monetizations, the company has allowed NCML to defer interest payments on the NCML NCD accrued since January 1, 2024.

***Investment in India Housing Fund***

India Housing Fund ("IH Fund") is a closed-ended fund of 360 ONE Private Equity Fund registered as a Category II Alternative Investment Fund ("AIF") under the Securities and Exchange Board of India AIF Regulations. IH Fund is a fund incorporated to focus on investing in India's real estate sector by investing in equity, debt and equity-linked instruments of real estate and construction companies involved in projects or ventures with expected growth potential.

During 2025 the company received distributions of $1,720 (2024 – $1,619) from IH Fund.

At December 31, 2025 the company estimated the fair value of its investment in IH Fund of $6,996 (December 31, 2024 – $9,590) based on the net asset value provided by the third party fund manager. The fair values of the underlying assets are determined using quoted prices for short term investments, and industry accepted valuation models for debt and equity instruments.

***Investment in Saurashtra Freight Private Limited***

At December 31, 2024 the company held a 51.0% equity interest in Saurashtra Freight Private Limited ("Saurashtra") and its internal valuation model indicated that the fair value of the company's investment in Saurashtra was $54,688. On November 14, 2025 the company sold its 51.0% equity interest in Saurashtra for gross proceeds of $74,623 (6.6 billion Indian rupees), resulting in realized gains of $51,973.

## 6. Cash and Investments

### Fair Value Disclosures

The company's use of quoted market prices (Level 1), valuation models using observable market information as inputs (Level 2) and valuation models without observable market information as inputs (Level 3) in the valuation of securities by type of issuer was as follows:

| | December 31, 2025 | | | | | December 31, 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Quoted prices (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total fair value of assets | Total fair value of assets in Indian rupees (in millions) | Quoted prices (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total fair value of assets | Total fair value of assets in Indian rupees (in millions) |
| Cash and cash equivalents | 8,112 | – | – | 8,112 | 729 | 59,322 | – | – | 59,322 | 5,079 |
| Bonds: | | | | | | | | | | |
| Government of India [1] | – | 42,558 | – | 42,558 | 3,825 | – | 149,484 | – | 149,484 | 12,798 |
| Other Indian Fixed Income[2] | – | – | 22,252 | 22,252 | 2,000 | – | – | 31,023 | 31,023 | 2,656 |
| | – | 42,558 | 22,252 | 64,810 | 5,825 | – | 149,484 | 31,023 | 180,507 | 15,454 |
| Common stocks: | | | | | | | | | | |
| IIFL Finance | 438,146 | – | – | 438,146 | 39,380 | 311,401 | – | – | 311,401 | 26,660 |
| CSB Bank | 353,575 | – | – | 353,575 | 31,779 | 254,756 | – | – | 254,756 | 21,811 |
| IIFL Capital | 341,610 | – | – | 341,610 | 30,704 | 322,990 | – | – | 322,990 | 27,652 |
| Fairchem Organics | 57,971 | – | – | 57,971 | 5,210 | 102,234 | – | – | 102,234 | 8,753 |
| 5paisa | 28,759 | – | – | 28,759 | 2,585 | 41,883 | – | – | 41,883 | 3,586 |
| BIAL | – | – | 2,187,387 | 2,187,387 | 196,601 | – | – | 1,631,988 | 1,631,988 | 139,721 |
| Seven Islands | – | – | 162,379 | 162,379 | 14,595 | – | – | 145,990 | 145,990 | 12,499 |
| Sanmar[3] | – | – | 101,621 | 101,621 | 9,134 | – | – | 201,446 | 201,446 | 17,247 |
| Maxop | – | – | 95,486 | 95,486 | 8,582 | – | – | 97,176 | 97,176 | 8,319 |
| Global Aluminium | – | – | 90,768 | 90,768 | 8,158 | – | – | 81,237 | 81,237 | 6,955 |
| Jaynix | – | – | 65,930 | 65,930 | 5,926 | – | – | 81,577 | 81,577 | 6,984 |
| NCML | – | – | 41,896 | 41,896 | 3,766 | – | – | 44,250 | 44,250 | 3,788 |
| IH Fund | – | – | 6,996 | 6,996 | 629 | – | – | 9,590 | 9,590 | 821 |
| Saurashtra | – | – | – | – | – | – | – | 54,688 | 54,688 | 4,682 |
| | 1,220,061 | – | 2,752,463 | 3,972,524 | 357,049 | 1,033,264 | – | 2,347,942 | 3,381,206 | 289,478 |
| Total cash and investments | 1,228,173 | 42,558 | 2,774,715 | 4,045,446 | 363,603 | 1,092,586 | 149,484 | 2,378,965 | 3,621,035 | 310,011 |
| | 30.4% | 1.0% | 68.6% | 100.0% | 100.0% | 30.2% | 4.1% | 65.7% | 100.0% | 100.0% |

*(1) Priced based on information provided by independent pricing service providers at December 31, 2025 and 2024.*

*(2) At December 31, 2025, Other Indian Fixed Income included a deferred loss of $2,220 related to the NCML NCD (December 31, 2024 – $2,965).*

*(3) At December 31, 2025 the portion of fair value derived from Sanmar's equity interest in Chemplast, a publicly traded subsidiary of Sanmar, was $97,306 (December 31, 2024 – $217,604). The fair value of Sanmar was primarily comprised of its investment in Chemplast due to a low equity value attributable to Sanmar Egypt, combined with the impact of net debt due to Sanmar's promoter affiliates.*

Transfers between fair value hierarchy levels are considered effective from the beginning of the annual reporting period in which the transfer is identified. During 2025 there were no transfers of financial instruments between fair value hierarchy levels. During 2024 the company's investment in CSB Bank was transferred from Level 3 to Level 1 in the fair value hierarchy as a result of the release of selling restrictions in August 2024.

A summary of changes in the fair value of the company's Indian Investments classified as Level 3 in the fair value hierarchy, denominated in the company's functional currency of the Indian rupee during 2025 and 2024 is as follows:

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| **Indian rupees** *(in millions)* | **Balance as of January 1** | **Purchases** | **Sales** | **Amortization** | **Net realized gains on investments** | **Net change in unrealized gains (losses) on investments** | **Balance as of December 31** |
| Common stocks: | | | | | | | |
| BIAL | 139,721 | 22,099 | – | – | – | 34,781 | 196,601 |
| Seven Islands | 12,499 | – | – | – | – | 2,096 | 14,595 |
| Sanmar | 17,247 | 1,640 | – | – | – | (9,753) | 9,134 |
| Maxop | 8,319 | – | – | – | – | 263 | 8,582 |
| Global Aluminium | 6,955 | – | – | – | – | 1,203 | 8,158 |
| Jaynix | 6,984 | – | – | – | – | (1,058) | 5,926 |
| NCML | 3,788 | – | – | – | – | (22) | 3,766 |
| IH Fund | 821 | – | (148) | – | 0 | (44) | 629 |
| Saurashtra | 4,682 | – | (6,622) | – | 4,612 | (2,672) | – |
| Other Indian Fixed Income | 2,656 | – | (660) | 4 | – | – | 2,000 |
| Total | 203,672 | 23,739 | (7,430) | 4 | 4,612 | 24,794 | 249,391 |

| | 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Indian rupees** *(in millions)* | **Balance as of January 1** | **Purchases** | **Sales** | **Transfers** | **Amortization** | **Net realized gains on investments** | **Net change in unrealized gains (losses) on investments** | **Balance as of December 31** |
| Common stocks: | | | | | | | | |
| BIAL | 133,141 | – | – | – | – | – | 6,580 | 139,721 |
| Sanmar | 25,204 | – | – | – | – | – | (7,957) | 17,247 |
| Seven Islands | 11,886 | – | – | – | – | – | 613 | 12,499 |
| Maxop | 4,716 | – | – | – | – | – | 3,603 | 8,319 |
| Jaynix | 4,101 | – | – | – | – | – | 2,883 | 6,984 |
| Global Aluminium | – | 6,955 | – | – | – | – | – | 6,955 |
| Saurashtra | 4,206 | – | – | – | – | – | 476 | 4,682 |
| NCML | 4,188 | – | – | – | – | – | (400) | 3,788 |
| IH Fund | 1,089 | – | (135) | – | – | – | (133) | 821 |
| CSB Bank | 27,011 | – | – | (27,011) | – | – | – | – |
| NSE | 15,695 | – | (15,726) | – | – | 13,927 | (13,896) | – |
| Other Indian Fixed Income | 2,619 | – | – | – | 37 | – | – | 2,656 |
| Total | 233,856 | 6,955 | (15,861) | (27,011) | 37 | 13,927 | (8,231) | 203,672 |

The changes in fair value of the company's Indian Investments classified as Level 3 in the fair value hierarchy in the company's presentation currency of U.S. dollars are disclosed in note 5. For all Indian Investments classified as Level 3 in the fair value hierarchy, net change in unrealized gains (losses) on investments related to investments held at the end of the reporting periods, except for the net change in unrealized losses of 2,672 million Indian rupees during 2025 and 13,896 million Indian rupees during 2024 related to the reversal of prior period unrealized gains upon sales of Saurashtra and NSE common shares, respectively.

The table that follows illustrates the potential impact on net earnings of various combinations of changes in unobservable inputs in the company's internal valuation models for its Indian Investments classified as Level 3 in the fair value hierarchy at December 31, 2025. The analysis assumes quarterly variations within a reasonably possible range determined by the company based on an analysis of the return on various equity indices, management's knowledge of the Indian equity markets and the potential impact of changes in interest rates. The change reflects the additional uncertainty in determining the discounted cash flows for assessing the fair values of Private Indian Investments. This sensitivity analysis excludes the company's investment in IH Fund, as the company determined that there were no significant unobservable inputs suited for a sensitivity analysis. Additionally, significant unobservable inputs pertaining to Other Indian Fixed Income relate to individual issuer credit spreads,

where an increase (decrease) in credit spreads would generally result in a lower (higher) fair value of the underlying investment, as reflected in note 11 (Financial Risk Management, under the heading Interest Rate Risk).

| Investments | Fair value of Level 3 investment | Valuation technique | Significant unobservable inputs | Significant unobservable inputs used in the internal valuation models | Hypothetical $ change effect on fair value measurement[1] | Hypothetical $ change effect on net earnings[1][2] |
|---|---|---|---|---|---|---|
| **Common stocks:** | | | | | | |
| BIAL | $2,187,387 | Discounted cash flow | After-tax discount rate | 12.2% to 17.5% | (465,025) / 595,096 | (403,409) / 516,246 |
| | | | Long term growth rate | 3.5% | 49,279 / (46,536) | 42,750 / (40,370) |
| Seven Islands | $ 162,379 | Discounted cash flow | After-tax discount rate | 14.9% to 15.8% | (12,613) / 14,600 | (10,941) / 12,666 |
| | | | Long term growth rate | 2.5% to 3.0% | 1,977 / (1,901) | 1,715 / (1,650) |
| Sanmar[3] | $ 101,621 | Discounted cash flow | After-tax discount rate | 14.4% | (21,294) / 25,204 | (18,473) / 21,865 |
| | | | Long term growth rate | 3.0% | 3,672 / (3,515) | 3,185 / (3,049) |
| Maxop | $ 95,486 | Discounted cash flow | After-tax discount rate | 15.0% to 17.7% | (12,401) / 14,763 | (10,758) / 12,807 |
| | | | Long term growth rate | 4.0% | 2,332 / (2,233) | 2,023 / (1,937) |
| Global Aluminium | $ 90,768 | Discounted cash flow | After-tax discount rate | 17.3% | (7,657) / 8,885 | (6,642) / 7,708 |
| | | | Long term growth rate | 3.5% | 1,352 / (1,303) | 1,173 / (1,130) |
| Jaynix | $ 65,930 | Discounted cash flow | After-tax discount rate | 25.1% | (3,337) / 3,651 | (2,895) / 3,167 |
| | | | Long term growth rate | 1.5% | 357 / (351) | 310 / (304) |
| NCML[4] | $ 41,896 | Discounted cash flow | After-tax discount rate | 12.8% to 14.7% | (7,397) / 9,048 | (6,417) / 7,849 |
| | | | Long term growth rate | 2.4% to 5.0% | 1,125 / (1,069) | 976 / (927) |

*(1) The impact on the internal valuation models from changes in significant unobservable inputs deemed to be subject to the most judgment and estimates disclosed in the table above shows the hypothetical increase (decrease) in net earnings. Changes in the after-tax discount rates (100 basis points) and long term growth rates (25 basis points), each in isolation, would hypothetically change the fair value of the company's investments as noted in the table above. Generally, an increase (decrease) in long term growth rates, or a decrease (increase) in after-tax discount rates would result in a higher (lower) fair value of the company's Indian Investments classified as Level 3 in the fair value hierarchy. After-tax discount rates are subject to a mitigating factor: increases (decreases) in after-tax discount rates tend to be accompanied by increases (decreases) in free cash flows, and the resulting changes in the fair value of an investment may offset each other.*

*(2) For the purpose of this sensitivity analysis, the hypothetical $ change effect on net earnings includes an income tax impact that is calculated using the company's marginal tax rate. Actual income tax expense (recovery) may differ significantly when earnings (losses) are realized.*

*(3) Significant unobservable inputs relate only to the Sanmar Egypt business unit as Chemplast is publicly traded and valued based on its unadjusted bid price. The hypothetical $ change effect from a 10% increase or decrease in Chemplast's traded share price would be an increase or decrease in the fair value of Sanmar of $9,730, and an increase or decrease in net earnings of $8,441.*

*(4) The company determined that there were no significant unobservable inputs suited for a sensitivity analysis for NCML's NBFC business unit where an adjusted net book value approach was applied.*

**Fixed Income Maturity Profile**

Bonds are summarized by their earliest contractual maturity date in the table that follows. The decrease in bonds due in 1 year or less reflects the maturity of Other Indian Fixed Income. The decrease in bonds due after 1 year through 5 years primarily reflects net sales of Government of India bonds to partially fund the Additional BIAL Investment, Sanmar Rights Offer, and other operating requirements. At December 31, 2025 and 2024 there were no bonds containing call or put features.

| | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Amortized cost | Fair value | Amortized cost | Fair value |
| Due in 1 year or less | – | – | 7,662 | 7,662 |
| Due after 1 year through 5 years | 63,693 | 64,810 | 171,570 | 172,845 |
| | 63,693 | 64,810 | 179,232 | 180,507 |
| Effective interest rate | | 7.9% | | 7.5% |

**Investment Income**

An analysis of investment income for the years ended December 31 is summarized in the table that follows:

*Interest and dividends*

| | 2025 | 2024 |
|---|---|---|
| Interest: | | |
| Cash and cash equivalents | 912 | 2,690 |
| Short term investments | – | 484 |
| Bonds | 6,633 | 16,330 |
| | 7,545 | 19,504 |
| Dividends: Common stocks | 48,185 | 41,946 |

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

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Net realized gains (losses) | Net change in unrealized gains (losses) | Net gains (losses) | Net realized gains (losses) | Net change in unrealized gains (losses) | Net gains (losses) |
| **Net gains (losses) on investments:** | | | | | | |
| Short term investments | – | – | – | 12 | – | 12 |
| Bonds | 1,519 | (100) | 1,419 | (17) | 1,675 | 1,658 |
| Common stocks | 51,974[1] | 527,693[1] | 579,667 | 210,666[1] | (169,329)[1] | 41,337 |
| Derivatives | – | – | – | 8,210[1] | – | 8,210 |
| | 53,493 | 527,593 | 581,086 | 218,871 | (167,654) | 51,217 |
| **Net foreign exchange gains (losses) on:** | | | | | | |
| Cash and cash equivalents | 2,080 | – | 2,080 | 908 | – | 908 |
| Borrowings | (2,024)[2] | (24,468)[2] | (26,492) | – | (14,321)[2] | (14,321) |
| Other | (3,551) | – | (3,551) | 797 | – | 797 |
| | (3,495) | (24,468) | (27,963) | 1,705 | (14,321) | (12,616) |

*(1) Refer to note 5 for a summary of changes in the fair value of the company's Public and Private Indian Investments during 2025 and 2024.*

*(2) Net realized foreign exchange losses on borrowings in 2025 related to the repayment of proceeds from the Revolving Credit Facility drawn during the year. The net change in unrealized foreign exchange losses on borrowings in 2025 and 2024 related to the Unsecured Senior Notes.*

## 7. Borrowings

| | December 31, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Principal | Carrying value[1] | Fair value[2] | Principal | Carrying value[1] | Fair value[2] |
| *Unsecured Senior Notes:* | | | | | | |
| 5.0% Unsecured Senior Notes due February 26, 2028 | 500,000 | 498,870 | 479,650 | 500,000 | 498,349 | 469,100 |

*(1) Principal net of unamortized issue costs.*

*(2) Fair value of the Unsecured Senior Notes was based principally on information provided by independent pricing service providers (Level 2 in the fair value hierarchy).*

*Unsecured Senior Notes*

On February 26, 2021 the company completed an offering of $500,000 principal amount of 5.0% unsecured senior notes due February 26, 2028 ("Unsecured Senior Notes") at par, for net proceeds of $496,350 after commissions

and expenses. Fairfax, through its subsidiaries, holds $58,400 of the $500,000 principal amount under the same terms as the other participants. Refer to note 12 for further details on amounts due to related parties.

At December 31, 2025 the Unsecured Senior Notes were recognized net of unamortized issuance costs of $1,130 (December 31, 2024 – $1,651) and recorded in borrowings within the consolidated balance sheets. The issuance costs are amortized over the remaining life of the Unsecured Senior Notes and recorded in interest expense in the consolidated statements of earnings (loss).

*Revolving Credit Facility*

At December 31, 2024 the company had a $175,000 unsecured revolving credit facility ("Revolving Credit Facility") with a syndicate led by a Canadian bank with a maturity date of October 2, 2026, and an option to extend for an additional year.

In February 2025 the company amended the Revolving Credit Facility terms to temporarily increase its commitment from $175,000 to $250,000 and to provide for the issuance of letters of credit. The company subsequently delivered a letter of credit in favour of Siemens representing the deferred purchase price on the Additional BIAL Investment. The letter of credit has an expiry date of September 30, 2026.

During 2025, the company further amended the terms of the Revolving Credit Facility. At December 31, 2025 the commitment, including the temporary increase in connection with the issuance of a letter of credit, was $245,000 (reducing to $220,000 on October 1, 2026) with a maturity date of November 13, 2028 and an option to extend for an additional year.

In August 2025, the company had drawn $79,000 to fund the second installment payment relating to the Additional BIAL Investment. The full amount was repaid in December 2025. At December 31, 2025 the Revolving Credit Facility was undrawn and the company had a $76,500 letter of credit issued and outstanding, resulting in a remaining capacity of $168,500 (December 31, 2024 – undrawn with a capacity of $175,000).

*Interest Expense*

In 2025 interest expense of $29,372 (2024 – $25,521) was comprised of stated interest on the Unsecured Senior Notes, interest on borrowings drawn during the year under the Revolving Credit Facility, letter of credit utilization fees and amortization of issuance costs. During 2025 the company paid interest of $28,675 (2024 – $25,000) on its borrowings and letter of credit.

## 8. Total Equity

**Common shareholders' equity**

*Authorized Capital*

The company's authorized share capital consists of: (i) an unlimited number of multiple voting shares that may only be issued to Fairfax or its affiliates; (ii) an unlimited number of subordinate voting shares; and (iii) an unlimited number of preference shares, issuable in series. Except as provided in any special rights or restrictions attaching to any series of preference shares issued from time to time, the preference shares will not be entitled to vote at any meeting of the shareholders of the company.

*Issued Capital*

Issued capital at December 31, 2025 included 30,000,000 (December 31, 2024 – 30,000,000) multiple voting shares and 104,218,804 (December 31, 2024 – 104,839,462) subordinate voting shares without par value. Each subordinate voting share carries one vote per share at all meetings of shareholders except for separate meetings of holders of another class of shares. Fairfax India's subordinate voting shares trade on the Toronto Stock Exchange ("TSX") under the symbol FIH.U. Each multiple voting share carries fifty votes per share at all meetings of shareholders except for separate meetings of holders of another class of shares. Fairfax, through its subsidiaries, owns all the issued and outstanding multiple voting shares, which are not publicly traded. At December 31, 2025 there were no preference shares outstanding.

*Common Stock*

The number of shares outstanding was as follows:

| | 2025 | 2024 |
|---|---|---|
| Subordinate voting shares – January 1 | 104,839,462 | 105,398,509 |
| Purchases for cancellation | (620,658) | (559,047) |
| Subordinate voting shares – December 31 | 104,218,804 | 104,839,462 |
| Multiple voting shares – beginning and end of year | 30,000,000 | 30,000,000 |
| Common shares effectively outstanding – December 31 | 134,218,804 | 134,839,462 |

*Purchase of Shares*

The company has the ability to purchase for cancellation subordinate voting shares at prevailing market prices under the terms of its normal course issuer bid and in accordance with the rules and policies of the TSX. During 2025, under the terms of its normal course issuer bid, the company purchased for cancellation 620,658 subordinate voting shares (2024 – 559,047) for a net cost of $10,433 (2024 – $8,424), of which $3,903 was charged to retained earnings (2024 – $2,542).

In connection with the normal course issuer bid, the company also entered into an automatic share purchase plan with its designated broker to allow for the purchase of subordinate voting shares during times when the company normally would not be active in the market. Such purchases are determined by the broker in its sole discretion based on the parameters established by the company prior to commencement of the applicable trading black-out period.

*Dividends*

The company did not pay any dividends on its outstanding multiple and subordinate voting shares during 2025 and 2024.

**Non-controlling interests**

Anchorage, a consolidated subsidiary of FIH Mauritius, was formed in 2019 to provide investment related services to support the company in investing in companies, businesses and opportunities in the airport and infrastructure sectors in India. At December 31, 2025 and December 31, 2024, OMERS held an 11.5% equity interest (on a fully-diluted basis) in Anchorage. At December 31, 2025 the company held 43.6% out of its 74.0% (December 31, 2024 – 43.6% out of its 64.0%) equity interest in BIAL through Anchorage. As a result, the company's fully-diluted equity interest in BIAL was 69.0% (December 31, 2024 – 59.0%).

Net earnings attributable to non-controlling interests of $31,566 during 2025 (2024 – $8,436) principally related to net unrealized gains on Anchorage's investment in BIAL based on OMERS' present economic interest.

The company shall use commercially reasonable efforts to list Anchorage by way of an IPO in India, subject to regulatory approvals and market conditions, by the IPO long-stop date. During 2025, the company and OMERS agreed to extend the IPO long-stop date by one year to September 16, 2026. If the valuation of Anchorage upon closing of the IPO is below approximately $1.0 billion (at period end exchange rates) (91.6 billion Indian rupees), then OMERS' ownership in Anchorage will increase to a maximum of 15.0% and the company's ownership in Anchorage will decrease to a minimum of 85.0% (fully-diluted equity interest in BIAL will decrease from 69.0% at December 31, 2025 to a minimum of 67.5%). If Anchorage does not list by way of an IPO in India by the IPO long-stop date, then OMERS' ownership in Anchorage will remain at its fully-diluted equity interest of 11.5%. The net assets of Anchorage at December 31, 2025 were $1,237,863 (111.3 billion Indian rupees).

## 9. Net Earnings (Loss) per Share

Net earnings (loss) per common share is calculated as follows using the weighted average common shares outstanding:

| | 2025 | 2024 |
|---|---|---|
| Net earnings (loss) attributable to shareholders of Fairfax India – basic and diluted | 410,526 | (41,173) |
| Weighted average common shares outstanding – basic and diluted | 134,792,916 | 135,165,840 |
| Net earnings (loss) per common share – basic and diluted | $ 3.05 | $ (0.30) |

At December 31, 2025 and December 31, 2024 the company determined that no performance fee accrual was required related to the fourth calculation period. Accordingly, there were no contingently issuable subordinate voting shares or other instruments outstanding that could potentially dilute earnings per share.

## 10. Income Taxes

The company's provision for income taxes for the years ended December 31 are summarized in the following table:

| | 2025 | 2024 |
|---|---|---|
| Current income tax: | | |
| Current year expense | 10,205 | 8,525 |
| Adjustment to prior years' income taxes | (270) | 5,126 |
| | 9,935 | 13,651 |
| Deferred income tax: | | |
| Origination and reversal of temporary differences | 77,542 | 31,448 |
| Change in tax rates related to Indian capital gains | – | 13,849 |
| | 77,542 | 45,297 |
| Provision for income taxes | 87,477 | 58,948 |

A significant portion of the company's earnings before income taxes is earned or incurred outside of Canada. The statutory income tax rates for jurisdictions outside of Canada generally differ from the Canadian statutory income tax rate (and may be significantly higher or lower).

On July 23, 2024 as part of its 2024-25 Union Budget, the Indian government announced several changes to capital gains tax rates for Indian residents and non-residents. The revised capital gains tax rates were substantively enacted during 2024 and effective from July 23, 2024. The capital gains tax rate for resident companies was lowered, resulting in a favourable impact for Anchorage and the capital gains tax rate was increased for non-resident or foreign companies, resulting in an unfavourable impact for FIH Mauritius and FIH Private.

At December 31, 2025 and December 31, 2024 the company evaluated the potential impact of the application of capital gains tax in India on any future dispositions of investments in equity shares held by FIH Mauritius, FIH Private and Anchorage.

The company recorded deferred income tax expense of $77,542 in 2025 (2024 – $45,297) primarily attributable to net unrealized gains on the company's investments in equity shares acquired or spun out subsequent to April 1, 2017, and reflects the change in Indian capital gains tax rates effective July 23, 2024.

The company's earnings (loss) before income taxes by jurisdiction and the associated provision for income taxes for 2025 and 2024 are summarized in the following table:

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Canada | Mauritius | India[1] | Total | Canada | Mauritius | India[1] | Total |
| Earnings (loss) before income taxes | (57,002) | 349,748 | 236,823 | 529,569 | (41,257) | 13,855 | 53,613 | 26,211 |
| Provision for (recovery of) income taxes | – | 52,950 | 34,527 | 87,477 | – | 59,398 | (450) | 58,948 |
| Net earnings (loss) | (57,002) | 296,798 | 202,296 | 442,092 | (41,257) | (45,543) | 54,063 | (32,737) |

*(1) Net earnings in India are derived from Anchorage, and are principally comprised of net gains on Anchorage's investment in BIAL and the related change in potential capital gains tax in India.*

The increase in loss before income taxes in Canada during 2025 compared to 2024 principally related to higher net foreign exchange losses on borrowings. The increase in earnings before income taxes in Mauritius and India during 2025 compared to 2024 primarily reflected higher net gains on investments.

A reconciliation of the provision for income taxes calculated at the Canadian statutory income tax rate to the provision for income taxes at the effective tax rate in the consolidated financial statements for the years ended December 31 are summarized in the following table:

| | 2025 | 2024 |
|---|---|---|
| Canadian statutory income tax rate | 26.5% | 26.5% |
| Provision for income taxes at the Canadian statutory income tax rate | 140,336 | 6,946 |
| Tax rate differential on (income earned) losses incurred outside of Canada | (86,096) | 10,891 |
| Change in tax rates related to Indian capital gains | – | 13,849 |
| Provision (recovery) relating to prior years | (270) | 5,126 |
| Increase in unrecorded tax benefit of losses and temporary differences | 35,717 | 17,096 |
| Foreign exchange effect | (2,927) | 5,018 |
| Other including permanent differences | 717 | 22 |
| Provision for income taxes | 87,477 | 58,948 |

The tax rate differential on income earned outside of Canada of $86,096 in 2025 (2024 – tax rate differential on losses incurred outside of Canada of $10,891) principally reflected the impact of net investment gains and losses taxed in India and Mauritius at lower rates compared to the Canadian statutory income tax rate.

The increase in unrecorded tax benefit of losses and temporary differences of $35,717 in 2025 principally reflected increases in unrecorded deferred tax assets related to the impact of foreign exchange of $12,739, the potential impact of the application of capital loss benefit in India on future dispositions of investments in equity shares of $10,457 with respect to the company's wholly-owned subsidiaries, foreign accrual property losses of $7,999, and interest expense limitations of $6,263, that were not recorded by the company as the related pre-tax losses did not meet the recognition criteria under IFRS Accounting Standards.

The increase in unrecorded tax benefit of losses and temporary differences of $17,096 in 2024 principally reflected increases in unrecorded deferred tax assets related to foreign accrual property losses of $9,185, the potential impact of the application of capital loss benefit in India on future dispositions of investments in equity shares of $7,374 with respect to the company's wholly-owned subsidiaries, temporary timing differences on debt and equity issuance costs of $5,525, and interest expense limitations of $3,317, partially offset by the impact of foreign exchange of $6,918, that were not recorded by the company as the related pre-tax losses did not meet the recognition criteria under IFRS Accounting Standards.

Management reviews the recoverability of potential deferred tax assets on an ongoing basis and adjusts, as necessary, to reflect their anticipated realization. The deferred income tax liability of $217,859 at December 31, 2025 (December 31, 2024 – $149,780) principally related to the potential impact of the application of capital gains tax in India on any future dispositions of investments in equity shares as noted above. At December 31, 2025 deferred tax assets of $140,082 in Canada and $23,180 in India (December 31, 2024 – $121,381 in Canada and $13,691 in India) were not recorded as it was considered not probable that those losses, attributes and other temporary differences could be utilized by the company. The aggregate deferred tax assets not recorded by the company of $163,262 (December 31, 2024 – $135,072) were primarily comprised of foreign accrual property loss carryforwards of $77,788 (December 31, 2024 – $66,381), net operating loss carryforwards of $48,115 (December 31, 2024 – $43,819), the potential impact of the application of capital loss benefit in India on future dispositions of investments in equity shares of $23,180 (December 31, 2024 – $13,691), interest expense limitations of $9,158 (December 31, 2024 – $3,159), temporary timing differences on debt and equity issuance costs of $4,996 (December 31, 2024 – $7,977), and temporary timing differences on performance and professional fees of $25 (December 31, 2024 – $45). The net operating loss and foreign accrual property loss carryforwards expire between 2037 and 2045.

Deferred income tax has not been recognized for the withholding tax and other taxes that could be payable on the unremitted earnings of certain subsidiaries. Unremitted earnings amounted to approximately $2,121,261 at December 31, 2025 (December 31, 2024 – $1,717,549).

*International Tax Reform – Pillar Two Income Taxes*

The principal components of Canada's Pillar Two global minimum tax rules were enacted into law in June 2024, and are generally effective as of January 1, 2024. In August 2025, the Mauritian government passed legislation to introduce a Pillar Two qualified domestic minimum top-up tax ("QDMTT") applicable to certain Mauritian entities that are members of large multinational enterprises. The QDMTT is effective for years of assessment beginning on

or after July 1, 2025, although detailed implementation guidelines have not yet been provided. India has not enacted or substantively enacted Pillar Two tax legislation as of the reporting date.

Based on the company's preliminary assessment, having regard to current legislation, OECD implementation guidelines and financial information as of December 31, 2025, the company does not expect any material Pillar Two taxes in Canada or Mauritius. The definitive determination of any QDMTT tax liability in Mauritius will ultimately depend on the release of detailed implementation guidelines by the Mauritian government and the application of rules to the company's facts and circumstances for the relevant years of assessment. The company will continue to monitor any developments related to Pillar Two tax legislation in the jurisdictions in which it operates.

## 11. Financial Risk Management

### *Overview*

The primary goals of the company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the company's objectives and risk tolerance, while maintaining an appropriate balance between risk and reward and protecting the company's consolidated balance sheet from events that have the potential to materially impair its financial strength. The company's activities expose it to certain financial risks during or at the end of the reporting period. There were no significant changes to the types of the company's risk exposures or the processes used by the company for managing those risk exposures at December 31, 2025 compared to those identified at December 31, 2024, except as described below.

### *U.S. Tariffs Developments*

The announced imposition of tariffs by the U.S. ("U.S. Tariffs") and retaliatory measures by other governments may cause multifaceted effects on the economy. The U.S. Tariffs imposed in 2025 included: (i) a universal baseline tariff for all trading partners; (ii) incremental country-specific tariffs; and (iii) certain sector-specific tariffs, including a tariff on steel and aluminum imports into the U.S. The U.S. Tariffs and retaliatory measures by other governments may adversely impact the company and its Indian Investments' operations by causing supply chain disruptions, economic downturn, inflationary pressures, and uncertainty in the capital markets. The company continues to monitor and assess the direct and indirect impacts of these tariffs and potential retaliatory tariffs and other trade protectionist measures that may arise, on the company and its Indian Investments. In particular, the company's investments in Maxop, Jaynix and Global Aluminium operate in the aluminum product manufacturing sector and engage in exports to the U.S. While the management teams of the company's Indian Investments are taking steps to mitigate any potential negative impact on their respective businesses, given that the developments are ongoing with respect to these tariffs and other measures, their impacts are uncertain and could adversely affect the company's business, financial condition and results of operation.

*Subsequent to December 31, 2025*

In February 2026, the U.S. and India jointly announced a framework for an interim agreement on reciprocal trade aimed at reducing tariff and non-tariff barriers between the two countries. Among other measures, the framework provides for the reduction of certain tariffs applicable to India. As trade and tariff discussions remain ongoing, including a recent U.S. Supreme Court ruling which may further impact the applicability of tariffs, the company will continue to monitor for developments related to the implementation of the interim agreement and any potential impact on the company and its Indian Investments.

### *Market Risk*

Market risk, comprised of foreign currency risk, interest rate risk and other price risk, is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to market risk principally in its investing activities and to the extent that those activities expose the company to foreign currency risk. The valuation of the company's investment portfolio is largely dependent on the underlying performance of the companies within the portfolio, but may also be affected, along with other financial statement items, by fluctuations in interest rates, foreign currency exchange rates and market prices, which may be impacted by geopolitical events.

*Foreign Currency Risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument or another asset or liability will fluctuate due to changes in foreign exchange rates and produce an adverse effect on net earnings and equity when measured in Indian rupees, the company's functional currency. The company's net earnings and

equity may also be significantly affected by foreign currency translation movements as the majority of its net assets and net earnings are denominated in a currency other than the company's U.S. dollar presentation currency. The company has not hedged its foreign currency risk. There were no significant changes to the company's framework used to monitor, evaluate and manage foreign currency risk at December 31, 2025 compared to December 31, 2024.

The company's net foreign currency exposure on balances denominated in currencies other than the Indian rupee (expressed in U.S. dollars) are primarily comprised as follows:

| | December 31, 2025 | | | | | | December 31, 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cash and cash equivalents | Borrowings | Payable for securities purchased | Payable to related parties | Accrued interest expense | Net exposure | Cash and cash equivalents | Borrowings | Payable to related parties | Accrued interest expense | Net exposure |
| U.S. dollars | 5,416 | (498,870) | (76,500) | (10,960) | (8,787) | (589,701) | 53,077 | (498,349) | (10,099) | (8,611) | (463,982) |
| All other currencies | 600 | – | – | – | – | 600 | 166 | – | – | – | 166 |
| Total | 6,016 | (498,870) | (76,500) | (10,960) | (8,787) | (589,101) | 53,243 | (498,349) | (10,099) | (8,611) | (463,816) |

The company's net liability exposure to the U.S. dollar increased at December 31, 2025 compared to December 31, 2024 primarily due to a payable for securities purchased reflecting the final installment payment relating to the Additional BIAL Investment, and decrease in U.S. dollar cash and cash equivalents due to deployment into Indian Investments.

The following table illustrates the potential impact on pre-tax earnings and net earnings of a hypothetical appreciation or depreciation of the Indian rupee against the U.S. dollar and all other currencies.

| | December 31, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Net foreign currency exposure | Hypothetical $ change effect on pre-tax earnings | Hypothetical $ change effect on net earnings[(1)] | Net foreign currency exposure | Hypothetical $ change effect on pre-tax earnings | Hypothetical $ change effect on net earnings[(1)] |
| **Change in Indian rupee exchange rate** | | | | | | |
| 10.0% appreciation | (530,191) | 58,910 | 43,299 | (417,434) | 46,382 | 34,091 |
| 5.0% appreciation | (559,646) | 29,455 | 21,649 | (440,625) | 23,191 | 17,045 |
| No change | (589,101) | – | – | (463,816) | – | – |
| 5.0% depreciation | (618,556) | (29,455) | (21,649) | (487,007) | (23,191) | (17,045) |
| 10.0% depreciation | (648,011) | (58,910) | (43,299) | (510,198) | (46,382) | (34,091) |

*(1) For the purpose of this sensitivity analysis, the hypothetical $ change effect on net earnings includes an income tax impact that is calculated using the company's marginal tax rate. Actual income tax expense (recovery) may differ significantly when earnings (losses) are realized.*

Certain shortcomings are inherent in the method of analysis presented, including the assumption that the hypothetical appreciation or depreciation of the Indian rupee against the U.S. dollar and all other currencies occurred with all other variables held constant.

*Interest Rate Risk*

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Typically, as interest rates rise, the fair value of fixed income investments decline and, conversely, as interest rates decline, the fair value of fixed income investments rise. In each case, the longer the maturity of the financial instrument, the greater the consequence of a change in interest rates. The company's interest rate risk management strategy is to position its fixed income portfolio based on its view of future interest rates and the yield curve, balanced with liquidity requirements. General economic conditions, political conditions and many other factors can also adversely affect the bond markets and, consequently, the value of fixed income securities held. Interest rate movements in India may affect the company's equity and net earnings. A sustained increase in market interest rates may result in higher cost of capital for portfolio companies, which all else being equal would negatively impact the company's private company equity valuations. The Portfolio Advisor and Fairfax actively monitor interest rates in India and the potential impact changes in interest rates may have on the company's investment portfolio. There were no significant changes to the company's framework used to monitor, evaluate and manage interest rate risk at December 31, 2025 compared to December 31, 2024.

The company's exposure to interest rate risk decreased in 2025 primarily reflecting net sales of Government of India bonds to partially fund the Additional BIAL Investment, Sanmar Rights Offer, and other operating

requirements. The table that follows displays the potential impact of changes in interest rates on the company's fixed income portfolio based on parallel 200 basis point shifts up and down, in 100 basis point increments which the company believes to be reasonably possible in the current economic environment. This analysis was performed on each individual security, with the hypothetical effect on net earnings.

| | December 31, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Fair value of fixed income portfolio | Hypothetical $ change effect on net earnings[1] | Hypothetical % change in fair value | Fair value of fixed income portfolio | Hypothetical $ change effect on net earnings[1] | Hypothetical % change in fair value |
| **Change in interest rates** | | | | | | |
| 200 basis point increase | 61,964 | (2,214) | (4.4)% | 171,973 | (6,447) | (4.7)% |
| 100 basis point increase | 63,366 | (1,124) | (2.2)% | 176,171 | (3,276) | (2.4)% |
| No change | 64,810 | – | – | 180,507 | – | – |
| 100 basis point decrease | 66,303 | 1,162 | 2.3% | 184,995 | 3,392 | 2.5% |
| 200 basis point decrease | 67,841 | 2,359 | 4.7% | 189,635 | 6,900 | 5.1% |

*(1) For the purpose of this sensitivity analysis, the hypothetical $ change effect on net earnings includes an income tax impact that is calculated using the company's marginal tax rate. Actual income tax expense (recovery) may differ significantly when earnings (losses) are realized.*

Certain shortcomings are inherent in the method of analysis presented above. Computations of the prospective effects of hypothetical interest rate changes are based on numerous assumptions, including the maintenance of the level and composition of fixed income securities at the indicated date, and should not be relied on as indicative of future results. Actual values may differ from the projections presented should market conditions vary from assumptions used in the calculation of the fair value of individual securities; such variations include non-parallel shifts in the term structure of interest rates and a change in individual issuer credit spreads.

*Market Price Fluctuations*

Market price fluctuation is the risk that the fair value or future cash flows of an equity investment will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual investment or its issuer, or other factors affecting all similar investments in the market.

The company's exposure to market price risk increased to $3,972,524 at December 31, 2025 from $3,381,206 at December 31, 2024. Refer to note 6 for the potential impact on net earnings of various combinations of changes in significant unobservable inputs in the company's internal valuation models for the company's investments classified as Level 3 in the fair value hierarchy.

The company estimates the potential impact on net earnings from a 20% increase or decrease in the fair value of its Public Indian Investments at December 31, 2025 to be a hypothetical increase or decrease in net earnings of $211,681 (December 31, 2024 – increase or decrease in net earnings of $179,271). For the purpose of this sensitivity analysis, the hypothetical $ change effect on net earnings includes an income tax impact that is calculated using the company's marginal tax rate. Actual income tax expense (recovery) may differ significantly when earnings (losses) are realized.

***Credit Risk***

Credit risk is the risk of loss resulting from the failure of a counterparty to honour its financial obligations to the company, and arises predominantly from cash and cash equivalents and investments in debt instruments. There were no significant changes to the company's exposure to credit risk (except as set out in the discussion which follows) or the framework used to monitor, evaluate and manage credit risk at December 31, 2025 compared to December 31, 2024.

*Cash and Cash Equivalents*

At December 31, 2025 the company's cash and cash equivalents of $8,112 (December 31, 2024 – $59,322) were primarily held in major financial institutions. The company monitors risks associated with cash and cash equivalents by regularly reviewing the financial strength and creditworthiness of these financial institutions. From these reviews, the company may transfer balances from financial institutions where it perceives heightened credit risk to others considered to be more stable.

*Investments in Debt Instruments*

The company's risk management strategy for debt instruments is to invest primarily in high credit quality issuers. Management considers high quality debt instruments to be those with a S&P or Moody's issuer credit rating of BBB/Baa or higher. While the company reviews third party credit ratings, it also carries out its own analysis and does not delegate the credit decision to rating agencies. The company endeavours to limit credit exposure by monitoring fixed income portfolio limits on individual corporate issuers and limits based on credit quality.

At December 31, 2025 the company's debt instruments were all considered to be subject to credit risk with a fair value of $64,810 (December 31, 2024 – $180,507), representing 1.6% (December 31, 2024 – 5.0%) of the total cash and investments portfolio.

The composition of the company's fixed income portfolio is presented in the table below:

| | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Fair value | Rating | Fair value | Rating |
| Government of India bonds[(1)] | 42,558 | Baa3/BBB | 149,484 | Baa3/BBB- |
| Other Indian Fixed Income | 22,252 | Not rated | 31,023 | Not rated |
| Total bonds | 64,810 | | 180,507 | |

*(1) Rated Baa3 by Moody's and BBB by S&P at December 31, 2025 (December 31, 2024 – Baa3 by Moody's and BBB- by S&P).*

The company's exposure to credit risk from its investments in fixed income securities decreased at December 31, 2025 compared to December 31, 2024 primarily reflecting net sales of Government of India bonds to partially fund the Additional BIAL Investment, Sanmar Rights Offer, and other operating requirements. Except as described above, there were no other significant changes to the composition of the company's fixed income portfolio classified according to each security's respective issuer credit rating at December 31, 2025 compared to December 31, 2024.

***Liquidity Risk***

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The company manages liquidity risk by maintaining sufficient liquid assets to enable settlement of financial commitments on their respective due dates. Unless otherwise noted, all accounts payable and accrued liabilities are due within three months, and income taxes payable, if any, must be remitted to the respective tax jurisdictions as they are due. There were no significant changes to the company's exposure to liquidity risk (except as set out in the discussion below) or the framework used to monitor, evaluate and manage liquidity risk at December 31, 2025 compared to December 31, 2024.

The company's known significant commitments over the next twelve months are principally comprised of the third installment payment relating to the Additional BIAL Investment, investment and advisory fees, interest expense, purchases of subordinate voting shares for cancellation under the company's automatic share purchase plan, and general and administration expenses.

At December 31, 2025 the company's payment obligations which are due beyond one year primarily relate to the recurring nature of expenses described above, and a principal repayment on the Unsecured Senior Notes due in February 2028, which bear interest at a fixed rate of 5.0% per annum, payable in semi-annual installments. In addition, under the Investment Advisory Agreement (defined in note 12), if a performance fee is payable for the fourth calculation period ending on December 31, 2026, the performance fee will be payable in cash, or at Fairfax's option, in subordinate voting shares.

At December 31, 2025, in addition to cash and cash equivalents of $8,112, the company held common shares of Public Indian Investments which carry no selling restrictions with a fair value of $1,220,061 and Government of India bonds with a fair value of $42,558. The company expects to continue to receive investment income on its holdings of fixed income securities and dividends from its equity investments to supplement its cash and cash equivalents. The company also has the ability to sell a portion of its Indian Investments to supplement its liquidity requirements, by way of private placements or in public markets for its Public Indian Investments, or through private sales or IPOs for its Private Indian Investments. To further augment its liquidity, the company can draw upon its Revolving Credit Facility. Accordingly, the company has adequate working capital to support its ongoing operations.

***Concentration Risk***

The company's cash and investments are primarily concentrated in India and in Indian businesses or businesses with customers, suppliers or business primarily conducted in, or dependent on, India. The market value of the company's investments, the income generated by the company and the company's performance will be particularly

sensitive to changes in the economic condition, interest rates, and regulatory environment in India. Adverse changes to the economic condition, interest rates or regulatory environment in India may have a material adverse effect on the company's business, cash flows, financial condition and net earnings. At December 31, 2025 and 2024 the company's total cash and investments composition by the issuer's country of domicile was primarily India, and at December 31, 2025 represented 99.9% (December 31, 2024 – 98.5%) of the total cash and investments portfolio.

The company's holdings of Public and Private Indian Investments (see note 5) at December 31, 2025 and 2024 are summarized by the issuer's primary industry sector in the table below:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Infrastructure | 2,187,387 | 1,631,988 |
| Financial services | 1,169,086 | 948,282 |
| Commercial and industrial | 475,924 | 631,281 |
| Ports and shipping | 162,379 | 200,678 |
| | 3,994,776 | 3,412,229 |

The company will not make an Indian Investment if, after giving effect to such investment, the total invested amount of such investment would exceed 20.0% of the company's total assets at the time of the investment; provided, however, that the company is permitted to complete up to two Indian Investments where, after giving effect to each such investment, the total invested amount of each such investment would be less than or equal to 25.0% of the company's total assets (the "Investment Concentration Restriction"). The company's investment limit for an Indian Investment in accordance with the Investment Concentration Restriction increased at December 31, 2025 from December 31, 2024 based on the change in its asset base. Indian Investments may be financed through equity or debt offerings as part of the company's objective to reduce its cost of capital and provide returns to common shareholders.

On January 28, 2025 the company obtained shareholder approval for a one-time deviation from the Investment Concentration Restriction in order to complete the Additional BIAL Investment described in note 5. At December 31, 2025 taking into account the one-time deviation noted above, the company determined that it was in compliance with the Investment Concentration Restriction.

***Capital Management***

The company's objectives when managing capital are to protect its lenders, to safeguard its ability to continue as a going concern, and to maintain an optimal capital structure to reduce the cost of capital in order to optimize returns for common shareholders. The company will seek attractive risk-adjusted returns, but will at all times seek downside protection and attempt to minimize the loss of capital. Total capital (comprised of borrowings, common shareholders' equity and non-controlling interests) increased from $3,455,611 at December 31, 2024 to $3,733,686 at December 31, 2025 principally reflecting an increase in common shareholders' equity as described below.

Common shareholders' equity increased from $2,826,495 at December 31, 2024 to $3,079,648 at December 31, 2025 primarily reflecting net earnings attributable to shareholders of $410,526, partially offset by unrealized foreign currency translation losses attributable to shareholders of $146,679 and purchases of subordinate voting shares for cancellation of $10,433 in 2025.

Non-controlling interests increased from $130,767 at December 31, 2024 to $155,168 at December 31, 2025, primarily reflecting net earnings attributable to non-controlling interests of $31,566 principally arising from net unrealized gains on the company's investment in BIAL held through Anchorage, partially offset by unrealized foreign currency translation losses attributable to non-controlling interests of $7,165 in 2025.

## 12. Related Party Transactions

***Payable to Related Parties***

The company's payable to related parties (excluding amounts related to Unsecured Senior Notes discussed below) was comprised as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Investment and advisory fees | 10,960 | 10,099 |
| | 10,960 | 10,099 |

*Investment Advisory Agreement*

The company and its subsidiaries have entered into an agreement with Fairfax and the Portfolio Advisor to provide administration and investment advisory services to the company and its subsidiaries (the "Investment Advisory Agreement"). As compensation for the provision of these services, the company and its subsidiaries pay an investment and advisory fee, and if applicable, a performance fee. Such fees are determined with reference to the company's common shareholders' equity.

*Performance Fee*

The performance fee is accrued quarterly and is calculated, on a cumulative basis, as 20% of any increase (including distributions) in book value per share (before factoring in the impact of the performance fee for the current calculation period) above a 5% per annum increase less any performance fees settled in prior calculation periods. On any date, book value per share is calculated as common shareholders' equity at the end of the reporting period, divided by the total number of common shares of the company effectively outstanding on that date. The amount of book value per share at any time which must be achieved before any performance fee would be payable is sometimes referred to as the "hurdle per share".

In March 2024 the company settled in cash, the performance fee payable of $110,158 due to Fairfax for the third calculation period (three-year period from January 1, 2021 to December 31, 2023).

The period from January 1, 2024 to December 31, 2026 (the "fourth calculation period") is the next consecutive three-year period for which a performance fee, if applicable, will be accrued. Under the Investment Advisory Agreement, if a performance fee is payable for the fourth calculation period ending on December 31, 2026, the performance fee will be payable in cash, or at Fairfax's option, in subordinate voting shares. The number of subordinate voting shares to be issued will be calculated based on the VWAP.

At December 31, 2025 and 2024 the company determined that no performance fee accrual was required related to the fourth calculation period. Accordingly, no performance fee was recorded in the consolidated statements of earnings (loss) in 2025 (2024 – nil).

*Investment and Advisory Fees*

The investment and advisory fees are calculated and payable quarterly as 0.5% of the value of undeployed capital and 1.5% of the company's common shareholders' equity less the value of undeployed capital. In 2025 the investment and advisory fees recorded in the consolidated statements of earnings (loss) were $42,155 (2024 – $40,405).

***Unsecured Senior Notes***

Fairfax, through its subsidiaries, holds $58,400 of the Unsecured Senior Notes under the same terms as the other participants. Amounts due to related parties related to the Unsecured Senior Notes were comprised as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Principal portion, presented within borrowings on the consolidated balance sheet | 58,400 | 58,400 |
| Interest portion, presented within accrued interest expense on the consolidated balance sheet | 1,006 | 1,006 |
| | 59,406 | 59,406 |

Interest expense recorded in the consolidated statements of earnings (loss) in 2025 included $2,920 related to amounts due to related parties (2024 – $2,920). Refer to note 7 for further details on the Unsecured Senior Notes.

***Fairfax's Voting Rights and Equity Interest***

At December 31, 2025 Fairfax, through its subsidiaries, owned 30,000,000 multiple voting shares (December 31, 2024 – 30,000,000) and owned and/or exercised control or direction over 28,504,470 subordinate voting shares (December 31, 2024 – 28,504,470) of Fairfax India. At December 31, 2025 Fairfax's aggregate ownership, control and/or direction of the subordinate voting shares and multiple voting shares represented a 95.3% voting interest and a 43.6% equity interest (December 31, 2024 – 95.2% and 43.4%) in Fairfax India.

***Management Compensation***

Pursuant to the Investment Advisory Agreement, Fairfax is required to provide a Chief Executive Officer, a Chief Financial Officer and a Corporate Secretary to the company. For so long as the Investment Advisory Agreement

remains in effect, all compensation payable to the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary of the company will be borne by Fairfax. In addition, all compensation payable to the Executive Vice Chairman, the Vice President and Vice President, Corporate Affairs is borne by Fairfax.

***Director Compensation***

Compensation for the company's Board of Directors for the years ended December 31, determined in accordance with IFRS Accounting Standards, was recognized in general and administration expenses in the consolidated statements of earnings (loss) and was as follows:

| | 2025 | 2024 |
|---|---|---|
| Retainers and fees | 180 | 180 |
| Share-based payments | 141 | 95 |
| | 321 | 275 |

## 13. Segment Reporting

The company has concluded that Fairfax India is engaged in a single geographic and business segment, that of investing in India and Indian Investments.

## 14. General and Administration Expenses

General and administration expenses for the years ended December 31 were comprised as follows:

| | 2025 | 2024 |
|---|---|---|
| Audit, legal, tax, and professional fees[(1)] | 3,992 | 2,778 |
| Salaries and employee benefit expenses | 1,516 | 1,246 |
| Administrative expenses | 1,662 | 1,693 |
| Other[(2)] | 587 | 2,197 |
| | 7,757 | 7,914 |

*(1) Audit, legal, tax, and professional fees were higher in 2025 primarily due to incremental professional fees related to the sale of Saurashtra common shares.*

*(2) Other expenses were lower in 2025 primarily due to higher brokerage fees on the sales of investments in the prior year.*

## 15. Supplementary Cash Flow Information

Cash and cash equivalents of $8,112 (December 31, 2024 – $59,322) were included in the consolidated balance sheets and statements of cash flows as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Cash and term deposits with banks | 8,112 | 39,351 |
| U.S. treasury bills | – | 19,971 |
| | 8,112 | 59,322 |

Details of certain cash flows provided by (used in) operating activities included in the consolidated statements of cash flows for the years ended December 31 were as follows:

| | 2025 | 2024 |
|---|---|---|
| **Purchases of investments** | | |
| Bonds | (3,510) | (241,560) |
| Common stocks | (196,573) | (112,070) |
| | (200,083) | (353,630) |
| **Sales of investments** | | |
| Bonds | 114,722 | 120,524 |
| Common stocks | 76,343 | 265,334 |
| | 191,065 | 385,858 |
| **Net interest and dividends received (paid)** | | |
| Net interest income received | 7,845 | 17,008 |
| Dividends received | 53,733 | 36,398 |
| Interest paid | (28,675) | (25,000) |
| | 32,903 | 28,406 |
| **Income taxes paid** | (14,267) | (8,107) |

**Index to Management's Discussion and Analysis of Financial Condition and Results of Operations**


Notes to Management's Discussion and Analysis of Financial Condition and Results of Operations . . . . . 72
Business Developments . . . . . 72
Overview . . . . . 72
Book Value per Share . . . . . 72
Capital Transactions . . . . . 74
Summary of Indian Investments . . . . . 74
Operating Environment . . . . . 76
Business Objectives . . . . . 77
Investment Objective . . . . . 77
Investment Strategy . . . . . 77
Investment Selection . . . . . 78
Investment Restrictions . . . . . 78
Indian Investments . . . . . 79
Public Indian Investments . . . . . 79
Private Indian Investments . . . . . 86
Results of Operations . . . . . 96
Consolidated Balance Sheet Summary . . . . . 97
Financial Risk Management . . . . . 99
Capital Resources and Management . . . . . 99
Liquidity . . . . . 99
Contractual Obligations . . . . . 100
Accounting and Disclosure Matters . . . . . 100
Management's Evaluation of Disclosure Controls and Procedures . . . . . 100
Management's Report on Internal Control Over Financial Reporting . . . . . 101
Critical Accounting Estimates and Judgments . . . . . 101
Material Accounting Policy Changes . . . . . 101
Future Accounting Changes . . . . . 101
Risk Management . . . . . 101
Overview . . . . . 101
Risks . . . . . 102
Other . . . . . 111
Quarterly Data . . . . . 111
Stock Prices and Share Information . . . . . 112
Compliance with Corporate Governance Rules . . . . . 112
Forward-Looking Statements . . . . . 113
Glossary of Non-GAAP and Other Financial Measures . . . . . 114

**Management's Discussion and Analysis of Financial Condition and Results of Operations**
**(as of March 6, 2026)**

*(Figures and amounts are in US$ and $ thousands except share and per share amounts and as otherwise indicated. Figures may not add due to rounding.)*

**Notes to Management's Discussion and Analysis of Financial Condition and Results of Operations**

(1) Readers of the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should review the entire Annual Report for additional commentary and information. Additional information relating to the company, including its annual information form, can be found on SEDAR+ at www.sedarplus.ca. Additional information can also be accessed from the company's website www.fairfaxindia.ca.

(2) Unless otherwise noted, consolidated financial information of the company within this MD&A is derived from the consolidated financial statements of the company prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), and is presented in U.S. dollars with the Indian rupee as the functional currency of the company and its consolidated subsidiaries.

(3) Management analyzes and assesses the financial position of the consolidated company in various ways. Certain of the measures included in this Annual Report, which have been used consistently and disclosed regularly in the company's Annual Reports and interim financial reporting, do not have a prescribed meaning under IFRS Accounting Standards and may not be comparable to similar measures presented by other companies. Please refer to the Glossary of Non-GAAP and Other Financial Measures located at the end of this MD&A for details.

**Business Developments**

**Overview**

Fairfax India Holdings Corporation's ("the company" or "Fairfax India") subordinate voting shares trade on Toronto Stock Exchange ("TSX") under the symbol FIH.U. The multiple voting shares of the company are not publicly traded. Fairfax Financial Holdings Limited ("Fairfax") is Fairfax India's ultimate parent and acts as its administrator. Fairfax is a holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and the associated investment management. Hamblin Watsa Investment Counsel Ltd. (the "Portfolio Advisor"), a wholly-owned subsidiary of Fairfax and registered portfolio manager in the province of Ontario, is the portfolio advisor of the company and its consolidated subsidiaries, and is responsible to source and advise with respect to all investments.

The following narrative sets out the company's key business developments in 2025 and 2024.

**Book Value per Share**

Common shareholders' equity at December 31, 2025 was $3,079,648 (December 31, 2024 – $2,826,495). The book value per share at December 31, 2025 was $22.94 compared to $20.96 at December 31, 2024 representing an increase in 2025 of 9.4%, primarily reflecting net earnings attributable to shareholders of Fairfax India of $410,526 (primarily attributed to net gains on investments and interest and dividend income, partially offset by a provision for income taxes, investment and advisory fees, and interest expense), partially offset by unrealized foreign currency translation losses attributable to shareholders of Fairfax India of $146,679. The company also purchased for cancellation 620,658 subordinate voting shares during 2025 for a net cost of $10,433 ($16.81 per subordinate voting share) through its normal course issuer bid.

The table below presents the book value per share and book value per share before cumulative performance fees for the period from the company's IPO date of January 30, 2015 to December 31, 2025, and the annual growth rate and the compound annual growth rate in book value per share and book value per share before cumulative performance fees.

| | Book value per share | Annual growth in book value per share | Book value per share before cumulative performance fees | Annual growth in book value per share before cumulative performance fees |
|---|---|---|---|---|
| January 30, 2015[1] | $10.00 | – | $10.00 | – |
| December 31, 2015 | $ 9.50 | (5.0)% | $ 9.50 | (5.0)% |
| December 31, 2016 | $10.25 | 7.9% | $10.25 | 7.9% |
| December 31, 2017 | $14.46 | 41.1% | $15.24 | 48.7% |
| December 31, 2018 | $13.86 | (4.1)% | $14.59 | (4.3)% |
| December 31, 2019 | $16.89 | 21.9% | $18.11 | 24.1% |
| December 31, 2020 | $16.37 | (3.1)% | $17.29 | (4.5)% |
| December 31, 2021 | $19.65 | 20.0% | $21.50 | 24.3% |
| December 31, 2022 | $19.11 | (2.7)% | $20.63 | (4.0)% |
| December 31, 2023 | $21.85 | 14.3% | $24.13 | 17.0% |
| December 31, 2024 | $20.96 | (4.1)% | $23.19 | (3.9)% |
| December 31, 2025 | $22.94 | 9.4% | $25.31 | 9.1% |
| Compound annual growth in book value per share[2] | | 7.9% | | 8.9% |

*(1) On January 30, 2015 Fairfax India completed its IPO at an offering price of $10.00 per share.*

*(2) The company's book value per share of $22.94 at December 31, 2025 represented a compound annual growth rate from the IPO price of $10.00 per share of 7.9% (a growth of 8.9% before cumulative performance fees).*

The company had strong performance from the closing of its IPO in January 2015 to December 31, 2025. As a result, the company's book value per share of $22.94 at December 31, 2025 represented a compound annual growth rate during that period of 7.9% (8.9% before cumulative performance fees described in note 12 (Related Party Transactions) to the consolidated financial statements for the year ended December 31, 2025) from the IPO price of $10.00 per share, outperforming the compound annual growth rate of the U.S. dollar S&P BSE Sensex Index of 6.6% during the same period.

The company has issued and purchased common shares since it was federally incorporated on November 25, 2014 as follows:

| Date | Number of subordinate voting shares | Number of multiple voting shares[1] | Total number of shares | Average issue/purchase price per share | Net proceeds/ (purchase cost) |
|---|---|---|---|---|---|
| 2014 – issuance of shares | – | 1 | 1 | $10.00 | – |
| 2015 – issuance of shares | 76,678,879 | 29,999,999 | 106,678,878 | $ 9.62 | 1,025,825 |
| 2016 – purchase of shares | (1,797,848) | – | (1,797,848) | $11.78 | (21,178) |
| 2017 – issuance of shares | 42,553,500 | – | 42,553,500 | $11.60 | 493,504 |
| 2017 – purchase of shares | (1,900) | – | (1,900) | $14.21 | (27) |
| 2018 – issuance of shares[2] | 7,663,685 | – | 7,663,685 | $14.93 | 114,437 |
| 2018 – purchase of shares | (2,234,782) | – | (2,234,782) | $14.42 | (32,218) |
| 2019 – purchase of shares | (230,053) | – | (230,053) | $13.03 | (2,998) |
| 2020 – purchase of shares | (3,160,910) | – | (3,160,910) | $ 9.14 | (28,905) |
| 2021 – issuance of shares[3] | 546,263 | – | 546,263 | $ 9.55 | 5,217 |
| 2021 – purchase of shares | (8,781,482) | – | (8,781,482) | $14.45 | (126,869) |
| 2022 – purchase of shares | (2,964,452) | – | (2,964,452) | $12.00 | (35,582) |
| 2023 – purchase of shares | (2,872,391) | – | (2,872,391) | $12.97 | (37,246) |
| 2024 – purchase of shares | (559,047) | – | (559,047) | $15.07 | (8,424) |
| 2025 – purchase of shares | (620,658) | – | (620,658) | $16.81 | (10,433) |
| | 104,218,804 | 30,000,000 | 134,218,804 | | |

*(1) Multiple voting shares that may only be issued to Fairfax or its affiliates and are not publicly traded.*

*(2) Subordinate voting shares issued to Fairfax on March 9, 2018 for settlement of the performance fee accrued at December 31, 2017 of $114,437. Issuance of the subordinate voting shares was a non-cash transaction and were issued at the VWAP of $14.93 in accordance with the Investment Advisory Agreement.*

*(3) Subordinate voting shares issued to Fairfax on March 5, 2021 for settlement of the performance fee accrued at December 31, 2020 of $5,217. Issuance of the subordinate voting shares was a non-cash transaction and were issued at the VWAP of $9.55 in accordance with the Investment Advisory Agreement.*

On September 26, 2025 the company announced that the TSX accepted its intention to commence a normal course issuer bid to purchase up to 5,551,115 subordinate voting shares during the period from September 30, 2025 to September 29, 2026. Prior to the above announcement, the company had an existing normal course issuer bid to purchase up to 5,585,509 subordinate voting shares which commenced on September 30, 2024 and expired on September 29, 2025. Decisions regarding any future purchases will be based on market conditions, share price and other factors including opportunities to invest capital for growth. The Notice of Intention to Make a Normal Course Issuer Bid is available, without charge, by contacting the Corporate Secretary of the company.

In connection with the normal course issuer bid, the company also entered into an automatic share purchase plan with its designated broker to allow for the purchase of subordinate voting shares during times when the company normally would not be active in the market. Such purchases are determined by the broker in its sole discretion based on the parameters established by the company prior to commencement of the applicable trading black-out period.

**Capital Transactions**

On February 20, 2025 the company, through FIH Mauritius, completed the acquisition of an additional 10.0% equity interest in BIAL from Siemens Project Ventures GmbH ("Siemens") for a purchase price of $255,000 (22.1 billion Indian rupees) ("Additional BIAL Investment"), under deferred payment terms. Refer to the Indian Investments section of this MD&A for further details on the Additional BIAL Investment.

To facilitate the Additional BIAL Investment, the company amended its unsecured revolving credit facility ("Revolving Credit Facility") on February 14, 2025 to provide for the issuance of letters of credit and increase its commitment from $175,000 to $250,000 (reflecting a temporary increase to be reduced over a period of approximately 18 months from the date of the amendment). On February 20, 2025 the company delivered a letter of credit in favour of Siemens representing the deferred BIAL purchase price of $170,850. In August 2025, the company had drawn $79,000 to fund the second installment payment relating to the Additional BIAL Investment, and the full amount drawn was repaid in December 2025. Following the completion of the second installment payment, the company's outstanding letter of credit was reduced from $170,850 to $76,500 (representing the final installment payment), and the Revolving Credit Facility commitment was reduced from $250,000 to $225,000 in accordance with the terms of the amendment.

On November 13, 2025 the Revolving Credit Facility terms were amended to increase the commitment to $200,000 (not taking into account the temporary increase described above), and extend the maturity date from October 2, 2026 to November 13, 2028, with an option to extend for an additional year.

On December 18, 2025 the terms were further amended and a new lender was added to the syndicate, resulting in a commitment of $245,000 which shall be reduced to $220,000 on October 1, 2026 in connection with the temporary increase described above. At December 31, 2025 the Revolving Credit Facility was undrawn and the company had a $76,500 letter of credit issued and outstanding, resulting in a remaining capacity of $168,500 (December 31, 2024 – undrawn with a capacity of $175,000).

During 2025, the company continued to purchase shares under its normal course issuer bid, and purchased for cancellation 620,658 subordinate voting shares for a net cost of $10,433 (2024 – 559,047 subordinate voting shares for a net cost of $8,424).

For further details refer to notes 7 (Borrowings) and 8 (Total Equity) to the consolidated financial statements for the year ended December 31, 2025.

**Summary of Indian Investments**

Throughout this MD&A, the term "Indian Investments" refers to deployed capital invested in Public and Private Indian Investments as disclosed in note 5 (Indian Investments) to the consolidated financial statements for the year ended December 31, 2025. Detailed descriptions of the Indian Investments committed to, acquired and sold in 2025 and 2024 are provided in the Indian Investments section of this MD&A.

### *Track Record*

The company's investment performance since inception has been strong for both its public and private company investments (as measured in U.S. dollars). It has monetized and realized significant gains on its Indian Investments, that have been reinvested. The company expects to continue to take advantage of the strong Indian economic environment in the future. The table below provides a summary of the company's existing and monetized Indian Investments, including their compounded annualized return in U.S. dollars since the company's inception:

| | | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|---|
| **Existing Indian Investments:** | **Initial investment date** | **Ownership %** | **Cash consideration[1]** | **Fair value** | **Net change** | **Cumulative interest and dividends[2]** | **Compounded annualized return[3]** |
| **Public Indian Investments:** | | | | | | | |
| Common stocks: | | | | | | | |
| IIFL Finance[4] | December 2015 | 15.2% | 101,118 | 438,146 | 337,028 | 18,716 | 20.1%* |
| IIFL Capital[4] | December 2015 | 27.2% | 51,055 | 341,610 | 290,555 | 19,925 | 23.3%* |
| 5paisa[4] | December 2015 | 24.6% | 16,603 | 28,759 | 12,156 | – | 7.8%* |
| Fairchem Organics[5] | February 2016 | 55.3% | 34,203 | 57,971 | 23,768 | 3,350 | 8.9% |
| CSB Bank | October 2018 | 40.0% | 136,348 | 353,575 | 217,227 | – | 15.0% |
| | | | 339,327 | 1,220,061 | 880,734 | 41,991 | 18.5% |
| **Private Indian Investments:** | | | | | | | |
| Common stocks: | | | | | | | |
| NCML | August 2015 | 91.0% | 188,288 | 41,896 | (146,392) | 823 | (14.3)% |
| Sanmar | April 2016 | 39.3% | 217,112 | 101,621 | (115,491) | – | (13.4)% |
| BIAL[6] | March 2017 | 74.0% | 1,157,982 | 2,187,387 | 1,029,405 | 2,241 | 11.0% |
| IH Fund[7] | January 2019 | – | 9,872 | 6,996 | (2,876) | 6,273 | 3.7% |
| Seven Islands | March 2019 | 48.5% | 83,846 | 162,379 | 78,533 | 70,355 | 16.9% |
| Maxop | November 2021 | 67.0% | 51,448 | 95,486 | 44,038 | – | 17.8% |
| Jaynix | February 2022 | 70.0% | 32,504 | 65,930 | 33,426 | 8,097 | 23.7% |
| Global Aluminium | October 2024 | 65.0% | 82,729 | 90,768 | 8,039 | – | 7.9% |
| Other Indian Fixed Income | November 2023 | – | 24,013 | 22,252 | (1,761) | 537 | (2.4)% |
| | | | 1,847,794 | 2,774,715 | 926,921 | 88,326 | 7.5% |
| **Total existing Indian Investments** | | | 2,187,121 | 3,994,776 | 1,807,655 | 130,317 | 10.4% |

| **Monetized Indian Investments:** | **Initial investment date** | **Last sale date** | **Cash consideration[1]** | **Cash proceeds[1]** | **Cash proceeds less cash consideration** | **Cumulative interest and dividends[2]** | **Compounded annualized return[3]** |
|---|---|---|---|---|---|---|---|
| **Partially monetized[8]:** | | | | | | | |
| CSB Bank | October 2018 | June 2024 | 33,144 | 71,298 | 38,154 | – | 15.5% |
| IIFL Finance[4] | December 2015 | December 2023 | 35,711 | 177,324 | 141,613 | 7,467 | 24.9%* |
| Fairchem Organics[5] | February 2016 | February 2022 | 7,787 | 45,585 | 37,798 | 86 | 49.7% |
| | | | 76,642 | 294,207 | 217,565 | 7,553 | 25.5% |
| **Fully monetized:** | | | | | | | |
| Saurashtra | February 2017 | November 2025 | 30,018 | 74,623 | 44,605 | 16,581 | 14.2% |
| Other Indian Fixed Income | November 2021 | February 2025 | 7,395 | 7,547 | 152 | 1,077 | 5.1% |
| Other Public Indian Investments | March 2018 | July 2024 | 182,148 | 286,033 | 103,885 | 9,326 | 27.7% |
| NSE | July 2016 | April 2024 | 26,783 | 188,948 | 162,165 | 15,048 | 32.8% |
| 360 ONE[4] | December 2015 | May 2023 | 107,044 | 243,465 | 136,421 | 40,492 | 16.7%* |
| Privi Speciality[5] | August 2016 | April 2021 | 54,975 | 164,895 | 109,920 | 1,985 | 27.1% |
| Sanmar Bonds[9] | April 2016 | December 2019 | 299,000 | 433,873 | 134,873 | – | 11.0% |
| | | | 707,363 | 1,399,384 | 692,021 | 84,509 | 18.0% |
| **Total monetized Indian Investments** | | | 784,005 | 1,693,591 | 909,586 | 92,062 | 19.0% |
| ** Aggregate: IIFL Finance, IIFL Capital, 5paisa and 360 ONE* | | | | | | | *20.2%* |

*(1) Cash consideration and cash proceeds reflect U.S. dollar amounts translated from Indian rupees at foreign currency exchange rates at time of purchase or sale.*

*(2) Cumulative interest and dividends is comprised of interest and dividend income recorded and received over the period of the company's investment.*

*(3) Compounded annualized return reflects the U.S. dollar annualized internal rate of return calculated for each of the company's existing and monetized Indian Investments, taking into account (i) the timing of cash flows (including cash consideration of purchases, cash proceeds on sales, cumulative interest and dividends received, and return of capital distributions) over the period of the company's investment, and (ii) the fair value at the end of the reporting period for existing Indian Investments.*

*(4) In December 2015 and February 2017 the company acquired common shares of IIFL Holdings Limited ("IIFL Holdings") for aggregate cash consideration of $276,734. In October 2017 IIFL Holdings spun off its wholly-owned subsidiary, 5paisa, and in May 2019, also spun off its wholly-owned subsidiaries IIFL Capital (formerly IIFL Securities) and 360 ONE WAM Limited ("360 ONE", formerly IIFL Wealth), and renamed the remaining business to IIFL Finance. As a result, the initial cash consideration of $276,734 paid for IIFL Holdings and cumulative interest and dividends have been allocated to each of the spun-off entities based on their respective fair values at the dates of spin off. Cash consideration also includes any cash paid for purchases subsequent to spin offs.*

*(5) Cash consideration for Fairchem Organics and Privi Speciality Chemicals Limited ("Privi Speciality") reflects the company's initial cash consideration for Fairchem Speciality Limited and Privi Organics Limited, respectively, prior to their merger in 2017 and demerger in 2020. Cash consideration for Fairchem Organics also includes cash paid for purchases subsequent to the demerger.*

*(6) Cash consideration for BIAL includes remaining deferred consideration of $76,500 to be paid in the third quarter of 2026.*

*(7) Cash consideration for IH Fund reflects the company's initial cash consideration less return of capital distributions received in cash.*

*(8) On partially monetized investments, cash consideration and cumulative interest and dividends reflect amounts proportionate to shares sold.*

*(9) Cash proceeds for Sanmar Bonds reflect the bonds' total principal and interest.*

## Operating Environment

### *Global Economic Environment*

According to the World Economic Outlook Update (January 2026) published by the International Monetary Fund ("IMF"), global GDP growth is forecasted at 3.3% in 2026 and 3.2% in 2027, relatively in line with estimated growth of 3.3% in 2025. Headwinds from shifting trade policies, including tariffs imposed by the United States ("U.S. Tariffs"), are expected to be offset by tailwinds from continued enthusiasm for investment into artificial intelligence, however, the risk outlook remains tilted to the downside. A re-evaluation of expectations of productivity growth from artificial intelligence could lead to a decline in investment and potential financial market correction, while escalation of political tensions and other global geopolitical conflicts could disrupt the economy through impacts to financial markets, supply chains, and commodity prices.

Global headline inflation is expected to decline in 2026 and 2027, however, larger fiscal deficits and higher public debt may put pressure on long term interest rates and broader financial conditions. The resilience exhibited so far has been largely concentrated in a small number of sectors, namely technology, communications, and industrials, but these sectors remain susceptible to disruption and shocks from broader risk factors, including changes in trade policy and sector-specific tariffs.

### *Indian Economy*

According to latest data released by the Government of India, India's GDP growth is projected at 7.6% for fiscal year 2026. Growth is to be driven by domestic factors such as healthy agricultural prospects, positive impact of GST rationalization, lower inflation, and healthy balance sheets of corporates and financial institutions. Some external factors such as services exports are expected to remain strong, while merchandise exports face some headwinds. Trade uncertainties continue to pose downside risks to the outlook, however, the recent conclusion of various trade and investment negotiations present upside potential.

India remains focused on leveraging strong domestic demand and policy reforms to maintain macroeconomic stability and lay a foundation for future growth. In 2025, major milestones were reached, including S&P upgrading India's long term sovereign credit rating from BBB- to BBB, which marks the first upgrade in more than a decade. In the face of continuing volatility from trade tensions, the outlook for India's growth in 2026 is positive with expectations of robust private consumption and investment, aided by easing inflation and favourable rural conditions.

The Reserve Bank of India ("RBI") cut its benchmark rate significantly during 2025, reducing the rate by a cumulative 125 bps to 5.25% by the end of the year. The rate cuts were accompanied by measures to ensure adequate liquidity in the banking system, and aimed to support growth to combat the global trade tensions and overall economic uncertainty that arose during the year. The RBI maintained its monetary policy stance at neutral, with the intention of remaining flexible to the evolving political landscape and economic environment.

### *Union Budget for Fiscal Year 2026-27*

On February 1, 2026 Finance Minister Nirmala Sitharaman presented the 2026-27 Union Budget of India, focusing on six pillars of growth and development: (i) sustaining economic growth; (ii) strengthening the foundations of growth; (iii) people-centric development; (iv) trust-based governance; (v) ease of doing business and living; and (vi) fiscal matters.

Underpinning the budget is an overall goal of assisting the poor, underprivileged and disadvantaged through building resilience to global dynamics, enhancing the capabilities of the people, and ensuring that all communities

have access to resources, amenities, and opportunities. The Indian government has undertaken comprehensive economic reforms towards creating employment and accelerating growth, including GST simplification, notification of Labour Codes, and rationalization of mandatory Quality Control Orders.

The budget also outlines a number of tax updates across different sectors. Changes within the financial sector include an increase in securities transaction tax, share buybacks to be taxed as capital gains, and the removal of certain deductions previously allowed related to income from mutual fund units. Various tax breaks were added to encourage international participation, including relaxations and exemptions for non-residents, and a tax holiday for foreign companies that provide global cloud services using Indian data centres until 2047. The income tax structure remains unchanged from the previous year.

Infrastructure investment and development is a priority, with significant expenditure planned for high-speed rails, new national waterways, and the introduction of "India Semiconductor Mission 2.0" along with an Electronics Component Manufacturing Scheme, which will focus on turning India into a global hub for electronic manufacturing and design.

***Indian Market Indices and Foreign Exchange Rate***

The U.S. dollar S&P BSE Sensex increased 3.8% during 2025, supported by recently implemented tax reforms and an influx of domestic liquidity, which helped lower inflation and boost corporate margins. Muted investor sentiment earlier in the year due to trade tensions and uncertainty around U.S. Tariffs contributed to the depreciation of the Indian rupee by 4.7% against the U.S. dollar in 2025.

Consistent with the Indian market, the fair values of the company's Public Indian Investments experienced some volatility but primarily increased during 2025. In line with the depreciation of the Indian rupee, the company recorded unrealized foreign currency translation losses as the company's net assets and net earnings are primarily denominated in Indian rupees.

The company's Indian Investments face varying degrees of impact in response to changes in the global economic environment. Further discussion specific to each Indian Investment is included in the Indian Investments section under the respective heading of each Indian Investment of this MD&A.

**Business Objectives**

**Investment Objective**

Fairfax India is an investment holding company whose objective is to achieve long term capital appreciation, while preserving capital, by investing in public and private equity securities and debt instruments in India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India ("Indian Investments"). The company makes all or substantially all of its investments either directly or through one of its wholly-owned consolidated subsidiaries based in Mauritius, FIH Mauritius Investments Ltd ("FIH Mauritius") and FIH Private Investments Ltd ("FIH Private"). In 2019 the company formed Anchorage, a consolidated subsidiary of FIH Mauritius based in India.

**Investment Strategy**

The company invests in businesses that are expected to benefit from India's pro-business political environment, its growing middle class and its demographic trends that are likely to drive strong growth for several years. Sectors of the Indian economy that the company believes will benefit most from such trends include infrastructure, financial institutions, consumer services, logistics, manufacturing, aviation, transportation, retail and exports. The company is not limited to investing solely in these sectors and intends to invest in other sectors as and when opportunities arise.

The company utilizes, and expects to benefit significantly from, the experience and expertise of Fairfax, the Portfolio Advisor, Fairbridge Capital Private Limited ("Fairbridge"), and their respective networks in India, to source and evaluate investment opportunities for the company.

The company employs a conservative, fundamental value-based approach to identifying and investing in high quality public and private Indian businesses. This approach is designed to compound book value per share over the long term. The company will seek attractive risk-adjusted returns, but will at all times seek downside protection and attempt to minimize the loss of capital.

The company intends to make Indian Investments with a view to be a strategic partner to grow the business and as a result optimize investment returns for the shareholders of Fairfax India. The level and nature of this strategic relationship will vary by investment. It may include one or more of the following, as deemed appropriate by the

company: (i) board appointment or nomination rights; (ii) board observer rights; (iii) input on management selection; (iv) the provision of managerial assistance; and (v) ongoing monitoring and cooperation with the board and management of the portfolio business to ensure that its strategy is being implemented in a manner that is consistent with the investment objectives of the company and with the company's and Fairfax's fundamental values (as set forth in Fairfax's guiding principles which are included in Fairfax's publicly available annual reports).

Fairfax India's involvement with the Indian Investments may include providing specialized guidance or expertise in limited circumstances or on a temporary basis and does not extend to any involvement in the day-to-day operations of those Indian Investments. Activities are expected to be ancillary and undertaken to maximize returns from investments. Board representation is sought only to maintain protective rights and to maximize the value of the company's investment for its shareholders.

The company may from time to time seek to monetize any of its Indian Investments. The circumstances under which the company may sell some or all of its investments include: (i) where the company believes that the Indian Investments are fully valued or that the original investment thesis has played out; or (ii) where the company has identified other investment opportunities which it believes present more attractive risk-adjusted return opportunities and additional capital is needed to make such alternative investments.

The company may exit its private Indian Investments ("Private Indian Investments" as disclosed in the Indian Investments section of this MD&A) either through initial public offerings ("IPO") or private sales. For publicly traded Indian Investments ("Public Indian Investments" as disclosed in the Indian Investments section of this MD&A), exit strategies may include selling the investments through private placements or in public markets.

**Investment Selection**

To identify potential investments, the company principally relies on the experience and expertise of Fairfax, the Portfolio Advisor, Fairbridge, and their respective networks in India.

The following is an illustrative list of criteria that the company, Fairfax, the Portfolio Advisor and Fairbridge believe to be paramount when identifying and investing in Indian Investments:

*Attractive valuation* – The company's conservative fundamental value approach leads it to focus on businesses that have positive, stable cash flows that can be purchased at discounted multiples. The company does not invest in start-up businesses or businesses that have speculative business plans.

*Experienced and aligned management* – The company focuses on businesses with experienced, entrepreneurial management teams with strong, long term track records. The company generally requires the portfolio businesses to have in place, either prior to or immediately following investment by the company, proper incentives to drive the businesses' profitability and maintain effective governance structures.

*Strong competitive position in industry* – The company seeks to invest in businesses that hold leading and defendable market positions, possess strong brand power and are well-positioned to capitalize on the growth opportunities in the Indian economy. The company also seeks to invest in businesses that demonstrate significant competitive advantages as compared to their peers, such that they are in a position to protect their market position and profitability.

*Alignment of the management team with the values of the company* – The company, Fairfax, the Portfolio Advisor and Fairbridge all seek to adhere to the highest standards of business practices and ethics. The company requires that the management teams at each of its portfolio businesses adhere to a similar standard of business practices and ethics and adhere to the company's fundamental values, as described above.

The Portfolio Advisor, the company and their affiliates conduct thorough due diligence investigations when evaluating any Indian Investment prior to making a recommendation to the company and its subsidiaries to invest. This generally includes consultations with Fairfax's network of current and former management teams, consultants, competitors, investment bankers and senior executives to assess, among other things, the industry dynamics, the character of the management team and the viability of the business plan.

More specifically, due diligence in respect of a particular investment opportunity typically includes, among other items as deemed necessary from time to time: (i) review of historical and projected financial information; (ii) on-site visits; (iii) interviews with management, employees, customers and vendors; (iv) review of material agreements; (v) background checks; and (vi) research relating to the businesses' management, industry, markets, products and services, and competitors.

**Investment Restrictions**

The company will not make an Indian Investment if, after giving effect to such investment, the total invested amount of such investment would exceed 20.0% of the company's total assets at the time of the investment;

provided, however, that the company is permitted to complete up to two Indian Investments where, after giving effect to each such investment, the total invested amount of each such investment would be less than or equal to 25.0% of the company's total assets (the "Investment Concentration Restriction"). The company's investment limit for an Indian Investment in accordance with the Investment Concentration Restriction increased at December 31, 2025 from December 31, 2024 based on the change in its asset base.

On January 28, 2025 the company obtained shareholder approval for a one-time deviation from the Investment Concentration Restriction in order to complete the Additional BIAL Investment described in the Indian Investments section of this MD&A. At December 31, 2025 taking into account the one-time deviation noted above, the company determined that it was in compliance with the Investment Concentration Restriction.

**Indian Investments**

**Cautionary Statement Regarding Financial Information of Significant Indian Investments**

Fairfax India has agreed to voluntarily provide within the MD&A, summarized financial information prepared in accordance with recognition, measurement and presentation principles consistent with IFRS Accounting Standards for Indian Investments for which it had previously filed a business acquisition report in accordance with section 8.2 of *National Instrument 51-102 Continuous Disclosure Obligations.* IIFL Finance Limited, IIFL Capital Services Limited, Sanmar Chemical Enterprises Limited, Bangalore International Airport Limited and CSB Bank Limited (collectively, "Significant Indian Investments"), prepare their financial statements in accordance with Indian Accounting Standards ("Ind AS"), with the exception of the financial statements of CSB Bank prepared in accordance with Indian Generally Accepted Accounting Principles ("Indian GAAP") as a result of the RBI's decision to defer implementation of Ind AS for scheduled commercial banks until further notice. Ind AS are based on and substantially converged with IFRS Accounting Standards. Fairfax India is limited with respect to the amount of independent verification it is able to perform on the Significant Indian Investments' financial statements. The summarized financial information contained in this MD&A was prepared exclusively for Fairfax India. Such financial information is the responsibility of the respective management teams and has been prepared by them using recognition, measurement and presentation principles consistent with IFRS Accounting Standards, and provided to the company in Indian rupees.

The company's Significant Indian Investments have fiscal years ending on March 31. Summarized financial information of the company's Significant Indian Investments has generally been provided for the periods subsequent to the company's investment and to the extent that the most recent interim financial information is available to the company's management. Significant Indian Investments' summarized financial information should be read in conjunction with Fairfax India's historical consolidated financial statements including the notes thereto and the related MD&A as well as Fairfax India's other public filings.

Fairfax India has no knowledge that would indicate that the Significant Indian Investments' summarized financial information contained herein requires material modifications. However, readers are cautioned that the Significant Indian Investments' summarized financial information contained in this MD&A may not be appropriate for their purposes.

**Public Indian Investments**

The fair values of Fairfax India's Public Indian Investments with shares listed on both the BSE and the National Stock Exchange of India ("NSE of India"), are determined using the bid prices of those investments (without adjustments or discounts) at the balance sheet date.

The changes in fair value of the company's Public Indian Investments in 2025 and 2024 are presented in the tables disclosed in note 5 (Indian Investments) to the consolidated financial statements for the year ended December 31, 2025.

**Investment in IIFL Finance Limited**

***Business Overview***

IIFL Finance Limited ("IIFL Finance") is a publicly traded retail-focused diversified financing company located in Mumbai, India that offers home loans, gold loans, micro, small and medium enterprise loans, and microfinance loans, in addition to its non-core segments of loans for construction and real estate finance and capital market finance.

Additional information can be accessed from IIFL Finance's website www.iifl.com.

At December 31, 2025 the company had appointed one of the nine IIFL Finance board members.

### *Key Business Drivers, Events and Risks*

IIFL Finance's key business drivers include its access to well-diversified sources of funds, a diversified asset portfolio with a strategic focus on households, and its extensive network of physical branches and various digital channels, which enable it to deliver credit to underserved segments and under penetrated geographical areas in India. At December 31, 2025 IIFL Finance had over 4,750 branches across India, making it one of the largest retail focused non-banking financial companies ("NBFC").

On March 4, 2024 the RBI ordered IIFL Finance to immediately cease the sanctioning and disbursing of gold loans, in connection with the results of an inspection which identified material supervisory concerns related to IIFL Finance's gold loan portfolio. Upon completion of a special audit that verified IIFL Finance had remediated the deficiencies, the RBI lifted the restrictions on September 19, 2024, permitting IIFL Finance to resume its gold loan business. IIFL Finance's gold loan operations have since normalized, resulting in record high gold loan assets under management ("AUM") levels which continue to be supported by strong customer retention, stable asset quality and improving yields.

At December 31, 2025 IIFL Finance had AUM of approximately $10.9 billion (983 billion Indian rupees) (December 31, 2024 – $8.3 billion (714 billion Indian rupees)) comprised of gold loans (44%), home loans (32%), micro, small and medium enterprise loans (10%), and microfinance (9%), with the remainder relating to non-core and discontinued segments. In consideration of broader macroeconomic trends pertaining to asset quality stress, IIFL Finance took a disciplined approach to rebalance its loan portfolio during 2025 by discontinuing higher risk segments such as unsecured business loans and certain microfinance loans. The well diversified asset portfolio is predominantly retail in nature with small loan ticket sizes, mitigating the risk of asset concentration and exposure to cyclical movements.

### *Valuation and Consolidated Financial Statement Impact*

On April 17, 2024 IIFL Finance announced a rights offering which enabled existing shareholders to participate in a common share issuance on a pro rata basis of 1 newly issued equity share for every 9 equity shares held, at a price of 300.00 Indian rupees per share ("IIFL Finance Rights Offer"). On May 17, 2024 in connection with the IIFL Finance Rights Offer, the company acquired an additional 6,911,076 common shares of IIFL Finance with a fair value of $33,089 (representing IIFL Finance's market price on the date of acquisition) for cash consideration of $24,879 (2.1 billion Indian rupees) (based on the IIFL Finance Rights Offer exercise price). The company's commitment to participate in the IIFL Finance Rights Offer gave rise to a forward derivative asset. As a result of the difference between market price and exercise price, the company recorded a gain on the IIFL Finance forward derivative of $8,210.

At December 31, 2025 the fair value of the company's investment in IIFL Finance was $438,146 (December 31, 2024 – $311,401), comprised of 64,552,521 common shares of IIFL Finance representing a 15.2% equity interest (December 31, 2024 – 15.2%). IIFL Finance's share price increased by 47.7% from 413.00 Indian rupees per share at December 31, 2024 to 610.05 Indian rupees per share at December 31, 2025.

The company did not receive dividend income from IIFL Finance during 2025. In 2024 the consolidated statements of earnings (loss) included dividend income earned from the company's investment in IIFL Finance of $2,776.

#### *Subsequent to December 31, 2025*

On February 13, 2026 the company received dividend income on its investment in IIFL Finance of approximately $2.8 million (258.2 million Indian rupees).

### *IIFL Finance's Summarized Financial Information*

IIFL Finance's fiscal year ends on March 31. Summarized below are IIFL Finance's balance sheets at September 30, 2025 and March 31, 2025.

**Balance Sheets**
***(unaudited – US$ thousands)***

| | September 30, 2025[1] | March 31, 2025[1][2] |
|---|---|---|
| Financial assets | 8,285,905 | 7,639,273 |
| Non-financial assets | 275,145 | 274,880 |
| Financial liabilities | 6,873,647 | 6,239,646 |
| Non-financial liabilities | 39,515 | 41,822 |
| Total equity | 1,647,888 | 1,632,685 |

*(1) The net assets of IIFL Finance were translated at September 30, 2025 at $1 U.S. dollar = 88.79 Indian rupees and at March 31, 2025 at $1 U.S. dollar = 85.47 Indian rupees. The exchange rates used were the spot rates prevailing on those respective dates.*

*(2) Certain prior period comparative figures have been restated for comparability to be consistent with current period's presentation.*

Financial assets increased principally reflecting an increased loan portfolio and improved liquidity position. Non-financial assets increased primarily due to higher prepaid expenses and other advances, partially offset by a decrease in deferred tax assets. Financial liabilities increased primarily reflecting net proceeds from borrowings, in addition to higher payables principally related to IIFL Finance's assigned and securitized loan portfolio. Non-financial liabilities decreased primarily due to a decrease in statutory remittances.

Summarized below are IIFL Finance's statements of earnings for the six months ended September 30, 2025 and 2024.

**Statements of Earnings**
***(unaudited – US$ thousands)***

| | Six months ended September 30, 2025[1] | Six months ended September 30, 2024[1][2] |
|---|---|---|
| Revenue | 725,052 | 621,269 |
| Earnings before income taxes | 105,604 | 35,466 |
| Net earnings | 80,054 | 29,317 |

*(1) Amounts for the six months ended September 30, 2025 and 2024 were translated into US$ using the average exchange rates of $1 U.S. dollar = 86.46 Indian rupees and $1 U.S. dollar = 83.60 Indian rupees prevailing during those respective periods.*

*(2) Certain prior period comparative figures have been restated for comparability to be consistent with current period's presentation.*

IIFL Finance's revenue increased primarily reflecting higher interest income consistent with an increase in AUM, combined with net gains on derecognition of financial instruments compared to net losses in the prior period. Earnings before income taxes and net earnings increased primarily due to higher revenue, and the impact of a provision of approximately $70 million (5.9 billion Indian rupees) recorded in the prior period related to the restructuring of certain assets. This was partially offset by higher finance costs and other administrative expenses, and higher impairment provisions (excluding the provision described above).

**Investment in CSB Bank Limited**

### *Business Overview*

CSB Bank Limited ("CSB Bank") is a publicly traded company located in Thrissur, India, established in 1920 and is a full-service bank offering retail banking, non-resident Indian banking services, small-to-medium enterprise ("SME") and wholesale banking services through 846 branches and 818 automated teller machines across India.

Additional information can be accessed from CSB Bank's website www.csb.bank.in.

At December 31, 2025 the company had appointed two of the eleven CSB Bank board members.

### *Key Business Drivers, Events and Risks*

CSB Bank's key business drivers relate to its ability to provide financial services in India, particularly in the areas of retail, SMEs, gold and corporate lending and to mobilize low cost deposits in the form of current accounts,

savings accounts and non-resident Indian deposits. CSB Bank's vision is to transition from a small bank to mid-sized bank by fiscal year 2030 ("Sustain Build and Scale", or "SBS 2030"), by focusing on the following pillars: (i) culture and leadership; (ii) governance and compliance; (iii) risk management; (iv) customer centricity; and (v) technology. As part of its 2030 vision, CSB Bank also aims to leverage its universal banking license and expand its services in the non-gold loan portfolio. In May 2025, CSB Bank successfully transitioned to its new centralized banking system, which will enable consistent service and accelerate growth. In the next phase of its SBS 2030 goal, CSB Bank will embark on the 'Scale' phase beginning fiscal year 2027 with a focus on retail growth, implementing enhanced technology to introduce new products, and improve customer experience and acquisition rates.

CSB Bank emphasizes a balance between advances and deposits, both of which demonstrated growth that outpaced industry trends during fiscal year 2025. At December 31, 2025 CSB Bank reported gross loans and advances of $4.1 billion (372 billion Indian rupees) (December 31, 2024 – $3.4 billion (289 billion Indian rupees)) comprised of gold loans (51%), wholesale loans (24%), retail loans (13%) and SME loans (12%), and deposits of $4.5 billion (405 billion Indian rupees) (December 31, 2024 – $3.9 billion (334 billion Indian rupees)), of which 21% was comprised of lower cost, current savings accounts. While gold loans continue to drive growth, CSB Bank aims to strengthen its SME, corporate lending and retail segments.

Banks in India are highly regulated by the RBI including specific regulations on shareholder voting rights, shareholdings and board representation. The company is subject to a dilution schedule from the RBI, requiring the company to bring down its shareholding in CSB Bank to 40.0% within 5 years (which was completed during 2024), to 30.0% within 10 years, and 26.0% within 15 years of the investment completion date of August 7, 2019.

### *Valuation and Consolidated Financial Statement Impact*

In accordance with the RBI dilution schedule, on June 27, 2024 the company sold 16,868,645 common shares of CSB Bank for gross proceeds of $71,298 (6.0 billion Indian rupees), resulting in realized gains of $43,001.

At December 31, 2025 the fair value of the company's investment in CSB Bank was $353,575 (December 31, 2024 – $254,756) comprised of 69,394,331 common shares representing a 40.0% equity interest (December 31, 2024 – 40.0%). CSB Bank's share price increased by 45.7% from 314.30 Indian rupees per share at December 31, 2024 to 457.95 Indian rupees per share at December 31, 2025.

### *CSB Bank's Summarized Financial Information*

CSB Bank's fiscal year ends on March 31. Summarized below are CSB Bank's balance sheets at September 30, 2025 and March 31, 2025.

**Balance Sheets**
***(****unaudited – US$ thousands****)***

| | **September 30, 2025[1]** | **March 31, 2025[1]** |
|---|---|---|
| Financial assets | 5,586,192 | 5,514,085 |
| Non-financial assets | 140,424 | 142,805 |
| Financial liabilities | 5,198,862 | 5,141,012 |
| Non-financial liabilities | 11,498 | 7,379 |
| Shareholders' equity | 516,256 | 508,499 |

*(1) The net assets of CSB Bank were translated at September 30, 2025 at $1 U.S. dollar = 88.79 Indian rupees and at March 31, 2025 at $1 U.S. dollar = 85.47 Indian rupees. The exchange rates used were the spot rates prevailing on those respective dates.*

Financial assets increased primarily due to increased loans and advances to customers, partially offset by lower investment securities. Non-financial assets in U.S. dollars decreased primarily due to the weakening of the Indian rupee relative to the U.S. dollar compared to the prior period, partially offset by increased intangible assets related to software purchases. Financial liabilities increased principally due to higher deposits from banks, partially offset by net repayment of borrowings. Non-financial liabilities increased primarily due to higher unearned revenue.

Summarized below are CSB Bank's statements of earnings for the six months ended September 30, 2025 and 2024.

**Statements of Earnings**
*(unaudited – US$ thousands)*

| | Six months ended September 30, 2025[1] | Six months ended September 30, 2024[1] |
|---|---|---|
| Revenue | 161,312 | 131,059 |
| Earnings before income taxes | 50,508 | 45,812 |
| Net earnings | 37,649 | 34,094 |

*(1) Amounts for the six months ended September 30, 2025 and 2024 were translated into US$ using the average exchange rates of $1 U.S. dollar = 86.46 Indian rupees and $1 U.S. dollar = 83.60 Indian rupees prevailing during those respective periods.*

Revenue increased primarily due to increased other income principally reflecting premiums on sales of priority sector lending certificates, in addition to higher net interest income reflecting higher loans and advances. Earnings before income taxes and net earnings increased primarily reflecting higher revenue, partially offset by impairment losses of financial assets compared to an impairment recovery in the prior period.

**Investment in IIFL Capital Services Limited**

***Business Overview***

IIFL Capital Services Limited ("IIFL Capital", formerly IIFL Securities Limited) is a publicly traded independent full-service retail and institutional brokerage and investment advisory firm located in Mumbai, India, providing diversified financial services which include broking services, wealth management, financial products distribution, institutional research and investment banking services.

Additional information can be accessed from IIFL Capital's website www.iiflcapital.com.

At December 31, 2025 the company did not have any representation on the board of IIFL Capital.

***Key Business Drivers, Events and Risks***

IIFL Capital is a key player in both retail and institutional segments of the capital market, with a wide distribution network of over 3,100 external wealth managers and over 100 branches across India. IIFL Capital's current strategy for growth involves the transformation of its legacy execution-focused platform into a comprehensive wealth management platform with a focus on the affluent segment, while leveraging its market-leading institutional broking and investment banking franchises. As the wealth management business gains momentum, IIFL Capital expects its revenue profile to diversify further and recalibrate towards a higher share of recurring revenue, thereby reducing the risk of market-related volatility. IIFL Capital's significant presence in investment banking and institutional broking businesses is expected to offer synergies through the wide customer base of diverse investors, shared market intelligence, and strong capabilities in research and execution.

At December 31, 2025 IIFL Capital's non-institutional business segment had AUM of approximately $29.0 billion (2,606 billion Indian rupees) (December 31, 2024 – $28.6 billion (2,448 billion Indian rupees)). IIFL Capital's institutional broking franchise business provides comprehensive research coverage for 315 stocks in more than 20 sectors, accounting for over 70% of India's market capitalization. The investment banking business continues to have a strong deal pipeline despite recent volatility across capital markets, completing 45 transactions during 2025, including the largest IPO in India during the year.

***Valuation and Consolidated Financial Statement Impact***

At December 31, 2025 the fair value of the company's investment in IIFL Capital was $341,610 (December 31, 2024 – $322,990), comprised of 84,641,445 common shares of IIFL Capital representing a 27.2% equity interest (December 31, 2024 – 27.3%). IIFL Capital's share price increased by 11.0% from 326.70 Indian rupees per share at December 31, 2024 to 362.75 Indian rupees per share at December 31, 2025.

In 2025 the consolidated statements of earnings (loss) included dividend income earned from the company's investment in IIFL Capital of $2,932 (2024 – $3,058).

*Subsequent to December 31, 2025*

On February 10, 2026 IIFL Capital declared a dividend of 3 Indian rupees per share. Fairfax India expects to receive approximately $3 million (253.9 million Indian rupees).

### *IIFL Capital's Summarized Financial Information*

IIFL Capital's fiscal year ends on March 31. Summarized below are IIFL Capital's balance sheets at September 30, 2025 and March 31, 2025.

**Balance Sheets**
***(unaudited – US$ thousands)***

| | September 30, 2025[1] | March 31, 2025[1] |
|---|---|---|
| Financial assets | 957,147 | 866,780 |
| Non-financial assets | 66,756 | 64,027 |
| Financial liabilities | 695,755 | 623,202 |
| Non-financial liabilities | 11,104 | 13,944 |
| Total equity | 317,044 | 293,661 |

*(1) The net assets of IIFL Capital were translated at September 30, 2025 at $1 U.S. dollar = 88.79 Indian rupees and at March 31, 2025 at $1 U.S. dollar = 85.47 Indian rupees. The exchange rates used were the spot rates prevailing on those respective dates.*

Financial assets increased principally reflecting higher loan receivables related to margin trading facilities, in addition to higher client and exchange receivables. Non-financial assets increased primarily due to an increase in capital and other advances and current tax assets, partially offset by lower fixed assets and right of use assets. Financial liabilities increased primarily reflecting net proceeds from debt securities during the period, partially offset by net repayments on other borrowings. Non-financial liabilities decreased primarily due to a decrease in statutory dues and advances from customers.

Summarized below are IIFL Capital's statements of earnings for the six months ended September 30, 2025 and 2024.

**Statements of Earnings**
***(unaudited – US$ thousands)***

| | Six months ended September 30, 2025[1] | Six months ended September 30, 2024[1] |
|---|---|---|
| Revenue | 142,017 | 161,187 |
| Earnings before income taxes | 40,187 | 61,151 |
| Net earnings | 30,152 | 46,367 |

*(1) Amounts for the six months ended September 30, 2025 and 2024 were translated into US$ using the average exchange rates of $1 U.S. dollar = 86.46 Indian rupees and $1 U.S. dollar = 83.60 Indian rupees prevailing during those respective periods.*

IIFL Capital's revenue decreased primarily reflecting lower retail brokerage income principally driven by regulatory changes implemented since December 2024 which have negatively impacted derivative trading volumes, as well as lower gains on sale of properties compared to the prior period. Earnings before income taxes decreased primarily reflecting lower revenue as discussed above, in addition to higher employee costs, partially offset by lower fee and commission expenses consistent with lower trading volumes. The decrease in net earnings reflects the above changes, partially offset by lower tax expenses.

**Investment in Fairchem Organics Limited**

### *Business Overview*

Fairchem Organics Limited ("Fairchem Organics") is a publicly traded specialty chemical manufacturer located in Ahmedabad, India. Fairchem Organics manufactures oleochemicals used in the paints, inks, adhesives, lubricants and cosmetics industries, as well as intermediate neutraceutical and health products. It has developed an in-house technology that uses machinery designed and manufactured by leading European companies to physically separate and convert waste generated during the production of soya, sunflower and corn oils into valuable neutraceutical and fatty acids.

Additional information can be accessed from Fairchem Organics' website www.fairchem.in.

At December 31, 2025 the company had appointed one of the six Fairchem Organics board members.

### *Key Business Drivers, Events and Risks*

Fairchem Organics' key business drivers relate to the success of its oleochemicals business and vertical integration into value added products, such as fatty acids and natural vitamin E. As environmental concerns have increased,

the demand for sustainable and biodegradable oleochemicals used in lubricants, paper printing, paints and coatings, and animals feed industries experienced strong growth in recent years.

The close proximity to raw materials available in Asia (India, Malaysia and Indonesia) has resulted in a shift of oleochemical production away from the U.S. and Europe. As India is one of the largest consumers of soft oils, the easy access to raw materials and lower costs, combined with efficient manufacturing processes and strong customer and supplier relationships have provided Fairchem Organics with certain competitive advantages over its international peers. Fairchem Organics also has little or no direct competition for some of its products and is recognized for the superior quality of its products. These competitive advantages continue to be maintained through research and development aimed at improving product yield, and optimizing manufacturing processes while ensuring quality.

Fairchem Organics' current growth initiatives include investing in the development of new value-added oleochemical products through forward integration processes and introduction of new raw materials, increasing capacity, and enhancing its customer base by diversifying into new geographical markets and creating new applications for prime products. Fairchem Organics expects significant growth in the application of its new high-grade isostearic product (launched in fiscal year 2024) in the cosmetics industry as certifications have been received and trials by international consumers have been completed. Additional certifications are also in progress to expand sales opportunities, and Fairchem Organics anticipates this will contribute to improved near term sales volumes in Europe.

In September 2024, the Indian government raised the import duty on certain crude and refined vegetable oils (used as inputs in Fairchem Organics' products) by approximately 20% in an effort to protect farmers from lower seed oil prices. Fairchem Organics' pricing flexibility on its dimer acid product is limited due to competition from Chinese manufacturers, therefore higher import duties in India have negatively impacted margins and profitability. Although the import duty was reduced to 10% in May 2025, which was expected to help reduce raw material prices and relieve margin pressures, raw material prices have remained firm largely due to elevated global vegetable oil prices. Furthermore, Fairchem Organics' exports of dimer acid and development pipeline of its isostearic product to the U.S. have been largely discontinued due to the imposition of U.S. Tariffs.

Demand for both products may recover if tariffs are reduced on imports from India (as supported by recent trade deal announcements), or if similar tariffs for dimer acid are also imposed on its primary competition from Chinese manufacturers.

***Valuation and Consolidated Financial Statement Impact***

During December 2024, the company completed market purchases of 324,000 common shares of Fairchem Organics for $4,462 (379.4 million Indian rupees).

At December 31, 2025 the fair value of the company's investment in Fairchem Organics was $57,971 (December 31, 2024 – $102,234), comprised of 7,202,656 common shares of Fairchem Organics representing a 55.3% equity interest (December 31, 2024 – 55.3%). Fairchem Organics' share price decreased by 40.5% from 1,215.20 Indian rupees per share at December 31, 2024 to 723.40 Indian rupees per share at December 31, 2025.

In 2025 the consolidated statements of earnings (loss) included dividend income earned from the company's investment in Fairchem Organics of $624 (2024 – $618).

*Subsequent to December 31, 2025*

In January 2026, Fairchem Organics completed a share buyback from its shareholders, resulting in the purchase for cancellation of 425,000 shares for approximately $3.7 million (340 million Indian rupees). The company did not tender any shares and as a result, its equity interest in Fairchem Organics increased from 55.3% to 57.2%.

**Investment in 5paisa Capital Limited**

***Business Overview***

5paisa Capital Limited ("5paisa") is a publicly traded online financial services provider located in Mumbai, India with a "do-it-yourself" investment brokerage model that allows customers to execute investment transactions for low brokerage fees. 5paisa is primarily engaged in providing a technology platform through online and mobile applications for trading securities on the BSE and NSE of India.

Additional information can be accessed from 5paisa's website www.5paisa.com.

At December 31, 2025 the company did not have any representation on the board of 5paisa.

### *Key Business Drivers, Events and Risks*

5paisa's key business driver relates to its ability to provide digital investment and lending solutions, a relatively newer segment with the potential to achieve critical mass in the near future with the spread of the Internet, mobile penetration, telecommunication and data services throughout India. 5paisa's services are targeted towards retail investors and high volume traders who actively invest and trade in securities markets, and seek "do-it-yourself" services at a low cost. 5paisa remains focused on innovation based on understanding customer behaviour, and constantly strives to achieve technological superiority through the developments of its robust trading platform, advanced mobile app, its artificial intelligence powered robo-advisory platform, and the paperless account opening process.

As previously noted, SEBI, the principal regulator of the securities market in India, announced several regulatory changes during 2024 to reduce market speculation and volatility, promote fairness in the industry, and increase transparency for retail investors. Beginning October 1, 2024 all stock exchanges, depositories and clearing corporations must charge brokers uniform transaction fees, where previously transaction fees varied based on trade volume, with discounts provided for higher volumes. This has impacted all brokers, but particularly those brokers benefiting from high volume discounts. The regulatory change, among other measures implemented by SEBI, contributed to reduced client participation particularly in the derivatives segment, resulting in subdued exchange turnover. While these changes had an adverse impact on 5paisa's profitability, market participants have largely adjusted to the new regulatory norms and turnover volumes are showing signs of recovery, with strong domestic institutional investment and traction in retail participation reflecting improved market sentiment.

At December 31, 2025 the 5paisa mobile application reached 23.1 million users and its total customer base exceeded 5.0 million. During 2025, over 88% of customer acquisitions were attributed to customers onboarded to the digital platform without intervention or assistance. 5paisa remains focused on improving the quality of customer acquisitions and investing in new technologies to strengthen revenue and optimize costs.

### *Valuation and Consolidated Financial Statement Impact*

At December 31, 2025 the fair value of the company's investment in 5paisa was $28,759 (December 31, 2024 – $41,883), comprised of 7,670,130 common shares of 5paisa representing a 24.6% equity interest (December 31, 2024 – 24.6%). 5paisa's share price decreased by 27.9% from 467.50 Indian rupees per share at December 31, 2024 to 337.00 Indian rupees per share at December 31, 2025.

## Private Indian Investments

### Cautionary Statement Regarding the Valuation of Private Indian Investments

In the absence of an active market for the company's Private Indian Investments, fair values for these investments are determined by management using industry acceptable valuation methodologies after considering the history and nature of the business, operating results and financial conditions, outlook and prospects, general economic, industry and market conditions, contractual rights relating to the investment, public market comparables (if available) and, where applicable, other pertinent considerations. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed. The amounts at which the company's Private Indian Investments could be disposed of may differ from the fair values assigned and those differences may be material.

The changes in fair value of the company's Private Indian Investments in 2025 and 2024, including details on valuation methodologies and current model assumptions are disclosed in note 5 (Indian Investments) to the consolidated financial statements for the year ended December 31, 2025.

### Investment in Bangalore International Airport Limited

### *Business Overview*

Bangalore International Airport Limited ("BIAL") is a private company located in Bengaluru, India. BIAL, under a concession agreement with the Government of India until the year 2068, has the exclusive rights to carry out the development, design, financing, construction, commissioning, maintenance, operation and management of the Kempegowda International Airport Bengaluru ("KIAB") through a public-private partnership. KIAB is the first greenfield airport in India built to the highest level of international standards through a public-private partnership.

BIAL's principal lines of business are as follows:

*Aeronautical revenue from the airport*

Aeronautical revenue is revenue earned from airlines for providing services such as landing, parking and housing fees ("aeronautical services"). BIAL's aeronautical revenues are also primarily driven by user development fees ("UDFs") charged to airlines and passengers and determined by the Airports Economic Regulatory Authority of India (the "regulator") in five-year control periods and are fixed in a manner to generate a regulated return over time on invested equity (the "Regulatory Asset Base") for the airport operator. Under the current regulatory approach applicable to BIAL, aviation concessions (which include cargo, ground handling, fuel throughput, and into-plane services) are treated as aeronautical services. In addition, the regulator also attributes 30.0% of non-aeronautical revenue (described below) as a part of aeronautical revenue when computing the regulated return.

*Non-aeronautical revenue from the airport*

All revenue sources from the airport other than aeronautical revenue (which includes aviation concessions, as described earlier) are treated as non-aeronautical revenue. This includes revenue from activities such as vehicle parking, advertising, retail and duty-free shops, and food and beverages. BIAL earns its non-aeronautical revenue from concession arrangements that reflect a percentage of revenue sharing, with a minimum guaranteed revenue each year. Non-aeronautical revenue is expected to grow substantially due to the increase in the number of passengers using the airport, the availability of additional space for development and the increasing propensity of passengers to spend money.

*Real estate monetization*

The airport is located on approximately 4,000 acres of land and the concession agreement provides for development of a portion of this land for commercial purposes such as hotels, retail establishments, offices and industrial or entertainment parks. This permits BIAL to monetize approximately 460 acres after providing for the land required to build roads, utilities, landscaping and other services. Over time, there is potential for significant upside from monetization of this real estate. Real estate monetization activities will primarily be carried out by BIAL and its wholly-owned subsidiaries, Bengaluru Airport City Limited ("BACL") and Bangalore Airport Hotel Limited ("BAHL"), through various business models including own-development projects, land subleases, revenue sharing arrangements and joint ventures.

*Other revenue*

BIAL's other lines of business include: (i) Hotel operations related to the Taj Bangalore located next to the airport within Bengaluru Airport City; and (ii) the operation of domestic and international lounge services at Terminal 2. These hotel and lounge services operate under BIAL's wholly-owned subsidiaries, BAHL and Bengaluru Airport Services Limited, respectively.

Additional information can be accessed from BIAL's website www.bengaluruairport.com.

At December 31, 2025 the company had appointed seven of the fourteen BIAL board members.

***Key Business Drivers, Events and Risks***

KIAB is the busiest airport in South India, and the third largest in the country. The airport handled domestic passenger traffic of 36.8 million and international passenger traffic of 7.0 million during 2025, representing year over year growth of 4.3% and 28.7%, respectively. This growth has been supported by increased capacity from major domestic and international carriers, the launch of new routes, and the start of operations by new international airlines.

In anticipation of continued growth in passenger and air traffic, BIAL's current airport infrastructure expansion plan focuses on enhancing accessibility and optimizing existing airport operations. Such plans include new airport metro stations, upgrades to existing terminals, additional airplane taxiways, and new tunnels, connectors and walkways. BIAL's plans to increase the overall capacity of the airport also remain underway, and include the construction of the second phase of Terminal 2 by fiscal year 2029 and a third terminal building by fiscal year 2034. The combined capacity of the existing terminal, Terminal 2 and Terminal 3 is expected to be beyond 90 million passengers per annum.

BIAL, with support from the Government of Karnataka, has also entered into various partnerships with major Indian airlines (Air India and IndiGo) and aerospace companies for the construction of comprehensive maintenance, repair and overhaul facilities for aircrafts and other aerospace facilities on BIAL's monetizable

leasehold land. These strategic alliances are expected to boost air travel connectivity to and from India and will help establish KIAB as a premier aviation hub for Southern India, driving growth in both domestic and international passenger traffic.

As Bengaluru's historically populated areas have become congested, the city is expanding towards the airport's direction. Therefore, real estate monetization plans carried out by BACL include the development of Bengaluru Airport City as a world class mixed-use destination. Several key assets are in varying stages of development and construction, including (i) business parks; (ii) a retail, dining and entertainment village; (iii) a multi-purpose concert arena; (iv) a large central kitchen; (v) a convention and exhibition centre; and (vi) other assets, including a medical district. The remaining land is expected to be comprised of diversified asset classes, with the majority to be completed over an approximate 10 to 15 year timeframe.

In 2025, BIAL refinanced its borrowings through the issuance of non-convertible debentures for approximately 90 billion Indian rupees (approximately $1.0 billion), representing the largest unlisted private placement of non-convertible debentures in India's airport sector. The transaction provides for an extended maturity profile and significant savings in borrowing costs due to an AAA credit rating, enabling BIAL to conserve capital and focus resources on funding its capital expansion plans.

***Valuation and Consolidated Financial Statement Impact***

On February 20, 2025 the company, through FIH Mauritius, completed the acquisition of an additional 10.0% equity interest in BIAL from Siemens for a purchase price of $255,000.

In accordance with the terms of the agreement, on the closing date, the company paid an initial installment of $84,150 and delivered a letter of credit in favour of Siemens, representing the deferred purchase price of $170,850. On August 26, 2025 the company paid the second installment payment of $94,350, and subsequently reduced the outstanding letter of credit to $76,500. At December 31, 2025 the payable for securities purchased of $76,500 presented in the company's consolidated balance sheet reflects the third and final installment to be paid to Siemens in the third quarter of 2026.

At December 31, 2025 the company held a 74.0% equity interest in BIAL (December 31, 2024 – 64.0%), and its internal valuation model indicated that the fair value of the company's investment in BIAL was $2,187,387 (December 31, 2024 – $1,631,988).

At December 31, 2025 the company held 43.6% out of its 74.0% (December 31, 2024 – 43.6% out of its 64.0%) equity interest in BIAL through Anchorage. As a result, the company's fully-diluted equity interest in BIAL was 69.0% (December 31, 2024 – 59.0%). Refer to note 8 (Total Equity, under the heading Non-controlling interests) to the consolidated financial statements for the year ended December 31, 2025 for further discussion on Anchorage.

***BIAL's Summarized Financial Information***

BIAL's fiscal year ends on March 31. Summarized below are BIAL's balance sheets at September 30, 2025 and March 31, 2025.

**Balance Sheets**
***(unaudited – US$ thousands)***

| | **September 30, 2025[1]** | **March 31, 2025[1][2]** |
|---|---|---|
| Current assets | 477,729 | 441,651 |
| Non-current assets | 1,451,592 | 1,464,611 |
| Current liabilities | 540,519 | 185,861 |
| Non-current liabilities | 965,584 | 1,348,890 |
| Shareholders' equity | 423,218 | 371,511 |

*(1) The net assets of BIAL were translated at September 30, 2025 at $1 U.S. dollar = 88.79 Indian rupees and at March 31, 2025 at $1 U.S. dollar = 85.47 Indian rupees. The exchange rates used were the spot rates prevailing on those respective dates.*

*(2) Certain prior period comparative figures have been restated for comparability to be consistent with current period's presentation.*

Current assets increased primarily reflecting higher cash flows from operations, and an increase in other receivables. Non-current assets in U.S. dollars decreased principally due to the weakening of the Indian rupee relative to the U.S. dollar compared to the prior period, in addition to the depreciation of property, plant and equipment and lower deferred tax assets. This was partially offset by capital expenditure purchases related to BIAL's airport infrastructure expansion plan and an increase in investments in sublease arrangements related to

real estate monetization plans. Current liabilities increased primarily due to increased current maturities of borrowings (consistent with decreased non-current liabilities), principally representing the portion of term loans subsequently refinanced as part of the second tranche of BIAL's issuance of non-convertible debentures completed in October 2025. The decrease in non-current liabilities was partially offset by an increase in security deposits received from subleases.

Summarized below are BIAL's statements of earnings for the six months ended September 30, 2025 and 2024.

**Statements of Earnings**
***(unaudited – US$ thousands)***

| | Six months ended September 30, 2025[1] | Six months ended September 30, 2024[1][2] |
|---|---|---|
| Revenue | 284,771 | 233,544 |
| EBITDA | 210,941 | 163,698 |
| Net earnings | 67,376 | 33,421 |

*(1) Amounts for the six months ended September 30, 2025 and 2024 were translated into US$ using the average exchange rates of $1 U.S. dollar = 86.46 Indian rupees and $1 U.S. dollar = 83.60 Indian rupees prevailing during those respective periods.*

*(2) Certain prior period comparative figures have been restated for comparability to be consistent with current period's presentation.*

The increase in revenue primarily reflected higher passenger traffic and air traffic movement levels across both domestic and international segments, as well as higher gains recognized on sublease arrangements. The higher passenger traffic levels also translated into higher non-aeronautical revenues, and reflected higher spend by passengers. The increase in EBITDA was principally attributable to the increased revenues as discussed above, and also reflected improved operating margins. Net earnings increased primarily due to higher EBITDA, partially offset by increased finance costs and higher tax expense consistent with improved earnings.

**Investment in Seven Islands Shipping Limited**

***Business Overview***

Seven Islands Shipping Limited ("Seven Islands"), a private company located in Mumbai, India, is the second largest private sector tanker shipping company in India and transports liquid and gas cargo along the Indian coast as well as in international waters. Its vessels are Indian owned and primarily operate as Indian registered and flagged vessels. Seven Islands' subsidiary, Seven Islands Shipping International FZE ("SISIF"), is located in the United Arab Emirates and operates foreign-flagged vessels. At December 31, 2025 Seven Islands, together with SISIF, owned 29 vessels, including 2 gas carriers, with a total deadweight capacity of approximately 1.4 million metric tons.

Additional information can be accessed from Seven Islands' website www.sishipping.com.

At December 31, 2025 the company had appointed one of the seven Seven Islands board members.

***Key Business Drivers, Events and Risks***

Seven Islands' key business drivers relate to its ability to acquire vessels from reputable vessel owners within the international market and quickly deploy those vessels through charter contracts with India's largest oil and gas companies. Seven Islands' business model is susceptible to overall shipping cycles and could be impacted by industry downturns in terms of lower rates and increased competition. However, Seven Islands operates primarily in the crude oil, oil products and liquefied petroleum gas transport segments wherein India has one of the fastest growing energy consumption rates, mitigating business deployment risk for oil and gas tankers in India in comparison with other countries. In addition, India has witnessed a decline in the fleet of other shipping companies, due to lower operational efficiencies, forming a gap that Seven Islands has been able to fill.

Seven Islands currently operates three foreign-flagged vessels under its wholly-owned subsidiary, SISIF, which is based in a free economic trade zone within the United Arab Emirates. These vessels can employ both Indian and foreign crew members, and receive certain benefits comparable to Indian owned and flagged vessels, including the absence of corporate tax.

A key focus for Seven Islands is the modernization of its fleet, as regulations currently dictate a maximum age limit for Indian vessels. India's maritime regulator has proposed a sustainability-based framework, referred to as the Revised Age Norms and Sustainability Indexing for Ships, which will use environmental and efficiency criteria to evaluate the exit age of ships. These regulation changes remain under consideration, but, if adopted, could extend the operational life of older vessels.

Geopolitical tensions continue to impact the crude oil market, affecting both oil supply chains and demand patterns. As the ban on Russian oil by western nations and the European Union remains intact, Russia has been exporting oil to China and India at higher volumes. While these changes contributed to an initial uptick in charter rates due to increased demand for medium-sized vessels and longer-haul routes, the effects are now subsiding. Further, the recent announcement of a trade deal between the U.S. and India has reduced U.S. Tariffs previously imposed on India, and may lead to disruption of trade routes and charter rates, particularly if there are adjustments to India's import mix, such as a decline in Russian oil intake. Seven Islands primarily operates along the Indian coast, Arabian Gulf, and Southeast Asia, shipping oil for Indian oil companies, however, it is indirectly impacted by changes to trade dynamics.

Seven Islands remains somewhat insulated from volatility, at least in the short term, as the majority of its revenue contracts are on time charter for six months to over two years. Furthermore, although the majority of Seven Islands' expenses are denominated in Indian rupees, its revenues and vessel acquisitions are denominated in U.S. dollars, mitigating the exposure to the depreciation of the Indian rupee.

***Valuation and Consolidated Financial Statement Impact***

At December 31, 2025 the company held a 48.5% equity interest in Seven Islands (December 31, 2024 – 48.5%) and its internal valuation model indicated that the fair value of the company's investment in Seven Islands was $162,379 (December 31, 2024 – $145,990).

In 2025 the consolidated statements of earnings (loss) included dividend income earned from the company's investment in Seven Islands of $34,423 (2024 – $29,878).

**Investment in Sanmar Chemical Enterprises Limited**

***Business Overview***

Sanmar Chemical Enterprises Limited ("Sanmar"), a private company located in Chennai, India, is one of the largest polyvinyl chloride ("PVC") manufacturers in India, operating in India and Egypt. Sanmar also manufactures caustic soda, calcium chloride, chloromethanes, refrigerant gases, industrial salt and specialty chemical intermediates. Sanmar has an aggregate installed PVC capacity of approximately 838,000 metric tons per annum, comprised of approximately 438,000 metric tons per annum in India and 400,000 metric tons per annum in Egypt.

Sanmar's principal lines of business are as follows:

*Chemplast Sanmar Limited ("Chemplast") – a public company*

Chemplast is listed on both the BSE and NSE of India, and is currently the largest specialty paste PVC manufacturer in India. A significant portion of Chemplast's revenues are derived from integrated operations. Chemplast's product range falls into two distinct groups: specialty chemicals business (including specialty paste PVC resins, its custom manufactured chemicals ("CMC") business, and refrigerant gases), and value-added chemicals (such as caustic soda and chloromethanes). Specialty paste PVC resin is primarily used in the artificial leather industry to produce footwear, auto parts, furniture upholstery and mats. The CMC business is involved in manufacturing advanced intermediates for agro-chemical, pharmaceutical, and fine chemicals sectors. Refrigerant gases are used in cooling and HVAC systems, and Chemplast is expanding to environmentally friendly refrigerant gases through a new greenfield manufacturing facility. Caustic soda is primarily used in the manufacturing of paper and pulp, textiles, alumina, soaps and detergents, and is also the basic feedstock for various chemicals. Chloromethanes are primarily used in pharmaceutical and agro-chemical sectors. At December 31, 2025 Sanmar held a 55.0% equity interest in Chemplast (December 31, 2024 – 55.0%).

Chemplast Cuddalore Vinyls Limited ("CCVL") is currently the second largest suspension PVC manufacturer in India. Suspension PVC is primarily used in pipes and fittings, window and door profiles. The majority of CCVL's revenues are generated through direct sales to end customers.

*TCI Sanmar Chemicals S.A.E. ("Sanmar Egypt")*

Sanmar Egypt is the largest Indian investor in Egypt's chemical business and the largest caustic soda, calcium chloride and PVC manufacturer in Egypt. Calcium chloride granules are used worldwide for dust control, de-icing, drilling operations and as a food additive. Sanmar Egypt sells directly to end customers and also through distributors. PVC is mainly sold in key target markets like Egypt, Turkey and parts of southern Europe.

Additional information can be accessed from Sanmar's website www.sanmargroup.com.

At December 31, 2025 the company had appointed one of the four Sanmar board members.

### *Key Business Drivers, Events and Risks*

Sanmar continues to draw strength from strong brand equity, experienced management, dominant market position in the chemicals industry, and long term demand outlook for PVC and caustic soda industry in India and across global markets. Sanmar's key business drivers relate to the execution of its plan to drive the growth of its CMC business, and increase PVC manufacturing capacity in India (specifically specialty PVC) to align with the growing long term demand for PVC. Sanmar's expansion projects at Chemplast in its CMC and refrigerant gas businesses remain focal points for growth plans. The second phase of the CMC expansion was commissioned during fiscal year 2025, with the third phase currently underway.

The international PVC market remains subdued, as global PVC prices continue to trade at suppressed levels due to excess supply from China. As a result, several countries, including India and Egypt, have imposed anti-dumping duties on imports of certain PVC products in an effort to protect domestic producers. However in November 2025 the Indian government did not proceed with the implementation of anti-dumping duties on imports from several countries into India. It also rescinded certain quality control initiatives, citing the need to avoid unnecessary intervention for widely traded raw material intermediates, and potential for higher input costs to disrupt supply chains and reduce competitiveness. Domestic PVC producers continue to lobby for some form of protection against dumping. Conversely, caustic soda prices have improved over the prior year, which has partially mitigated the negative impacts of the downward trend of PVC prices.

Efforts to improve the foreign currency crisis in Egypt over the past two years, such as the unification of the central bank exchange rate with market rates, expansion of the IMF loan program, in addition to several significant foreign investment announcements, have contributed to foreign reserves in Egypt reaching record highs in 2025. The improved availability of U.S. dollars in Egypt has helped Sanmar Egypt's gradual shift in PVC sales mix from exports to higher margin domestic sales.

In March 2025 Sanmar carried out a series of transactions which involved the subscription of newly issued Sanmar equity shares by one of Sanmar's promoter affiliates, where proceeds were primarily used towards the settlement of debt due to other promoter affiliates. Furthermore, Sanmar completed a rights offer in December 2025 (described below) to enable Sanmar Egypt to meet lender requirements amid tightened liquidity conditions. Despite the challenging liquidity environment, Sanmar Egypt has been able to support its working capital requirements through extended credit terms from suppliers and increased customer advances with support from promoter affiliates, and working capital loans.

### *Valuation and Consolidated Financial Statement Impact*

As a result of the share issuance in March 2025 noted above, Fairfax India's equity interest in Sanmar was diluted from 42.9% to 39.3%.

In December 2025 Sanmar completed a rights offer to issue new shares to existing shareholders on a pro rata basis ("Sanmar Rights Offer"), in order to enable an equity infusion of $46,000 at Sanmar Egypt in accordance with lender requirements. Fairfax India contributed $18,073 (1.6 billion Indian rupees) based on its pro rata share, resulting in equity interest in Sanmar remaining unchanged.

At December 31, 2025 the company held a 39.3% equity interest in Sanmar (December 31, 2024 – 42.9%) and the fair value of the company's investment in Sanmar was $101,621 (December 31, 2024 – $201,446).

At December 31, 2025 the portion of fair value derived from Sanmar's equity interest in Chemplast was $97,306 (December 31, 2024 – $217,604). The fair value of Sanmar was primarily comprised of its investment in Chemplast due to a low equity value attributable to Sanmar Egypt, combined with the impact of net debt due to Sanmar's promoter affiliates. The share price of Chemplast decreased by 48.7% from 499.00 Indian rupees per share at December 31, 2024 to 255.95 Indian rupees per share at December 31, 2025.

### *Sanmar's Summarized Financial Information*

Sanmar's fiscal year ends on March 31. Summarized below are Sanmar's balance sheets at September 30, 2025 and March 31, 2025.

**Balance Sheets**
***(unaudited – US$ thousands)***

| | September 30, 2025[1] | March 31, 2025[1] |
|---|---|---|
| Current assets | 361,003 | 357,940 |
| Non-current assets | 2,066,962 | 2,104,817 |
| Current liabilities | 774,895 | 732,481 |
| Non-current liabilities | 1,179,812 | 1,185,937 |
| Total equity | 473,258 | 544,339 |

*(1) The net assets of Sanmar were translated at September 30, 2025 at $1 U.S. dollar = 88.79 Indian rupees and at March 31, 2025 at $1 U.S. dollar = 85.47 Indian rupees. The exchange rates used were the spot rates prevailing on those respective dates.*

Current assets increased primarily reflecting increased supplier advances and inventories, partially offset by lower fixed deposits held. Non-current assets in U.S. dollars decreased primarily due to the weakening of the Indian rupee relative to the U.S. dollar compared to the prior period, partially offset by purchases of property, plant, and equipment principally related to the CMC expansion project. Current liabilities increased primarily reflecting increased current maturities of borrowings and proceeds from a new working capital facility, and increased customer advances at Sanmar Egypt, partially offset by lower feedstock payables in connection with lower raw material prices. Non-current liabilities in U.S. dollars decreased primarily due to the weakening of the Indian rupee relative to the U.S. dollar, partially offset by net proceeds from long term borrowings.

Summarized below are Sanmar's statements of earnings (loss) for the six months ended September 30, 2025 and 2024.

**Statements of Earnings (Loss)**
***(unaudited – US$ thousands)***

| | Six months ended September 30, 2025[1] | Six months ended September 30, 2024[1] |
|---|---|---|
| Revenue | 447,931 | 469,169 |
| EBITDA | 43,629 | 33,433 |
| Net loss | (59,938) | (64,020) |

*(1) Amounts for the six months ended September 30, 2025 and 2024 were translated into US$ using the average exchange rates of $1 U.S. dollar = 86.46 Indian rupees and $1 U.S. dollar = 83.60 Indian rupees prevailing during those respective periods.*

Revenue decreased reflecting continued decrease in PVC volumes and prices due to dumping from other countries amid tariff tensions and slower global demand, and lower export incentive rates in Egypt, partially offset by higher caustic soda volumes and prices. EBITDA increased primarily reflecting lower feedstock prices at Sanmar Egypt, partially offset by lower contributions from suspension PVC and caustic soda. Net loss decreased due to higher EBITDA described above, and a recovery of taxes compared to a provision in the prior period, partially offset by higher borrowing costs due to new project loans at Chemplast and working capital facilities for Sanmar Egypt, and higher depreciation due to the capitalization of projects commissioned throughout fiscal year 2025.

**Investment in Maxop Engineering Company Private Limited**

### *Business Overview*

Maxop Engineering Company Private Limited ("Maxop"), a private company located in New Delhi, India, is a precision aluminum die casting and machining solution provider for customers in the automotive and industrial sectors. Maxop operates from ten manufacturing facilities located in India with total installed casting capacity of over 20,000 metric tons, and caters to customers in Asia, North America and Europe.

Additional information can be accessed from Maxop's website www.maxop.com.

At December 31, 2025 the company had appointed one of the five Maxop board members.

### *Key Business Drivers, Events and Risks*

Maxop's key business drivers relate to the growing demand and increasing scope of industrial applications for aluminum die casting, a process which manufactures lightweight parts and provides high flexibility for complex shapes. The automotive industry is a major consumer of aluminum die-cast products as it provides an effective alternative to reduce vehicle weight in order to meet increasingly strict fuel economy standards. The die casting market is expected to benefit from significant growth in global demand for vehicle production, in large part due to the rising popularity of electric vehicles.

Accordingly, the automotive parts die casting segment makes up a significant portion of Maxop's revenue profile across domestic and export sales. Maxop is also a supplier of fully machined precision components, and diversifies its revenue mix by catering to general engineering product segments in the non-automotive sector with applications such as air conditioning and food processing machine parts. Maxop has also undertaken the construction of a new plant dedicated to manufacturing aluminum extrusion products, primarily catering to its existing customer base in the automotive sector. The new plant is expected to commence operations in fiscal year 2027.

The outlook for the global automotive market in 2026 is subdued amid concerns over international trade and geopolitical conflicts impacting supply chains, with wider variations notable on a regional basis. While recent developments around U.S. Tariffs have raised manufacturing costs and reduced demand in the U.S., demand for automotive parts in India has risen in the near term, benefitting from recent GST reforms as the tax savings have helped make vehicles more affordable. Maxop continues to actively work with customers to mitigate impacts from the U.S. Tariffs, but has also shifted focus to the domestic market to take advantage of the increase in demand. Additionally, Maxop is making strides to diversify into other sectors outside of the automotive industry, to further mitigate impacts from the U.S. Tariffs.

Maxop continues to successfully pursue new contracts and part nominations from both new and existing customers, and remains focused on key initiatives including improving operational and manufacturing processes, expanding manufacturing facilities to serve regions and industries with significant growth outlooks, as well as carefully evaluating its infrastructure expansion plans to ensure increased capacity will be supported by customer demand. Maxop also mitigates its exposure to volatility in input prices through its aluminum processing plants which transform scrap metal to aluminum ingots for its aluminum die casting and machinery supply segment.

### *Valuation and Consolidated Financial Statement Impact*

At December 31, 2025 the company held a 67.0% equity interest in Maxop (December 31, 2024 – 67.0%) and its internal valuation model indicated that the fair value of the company's investment in Maxop was $95,486 (December 31, 2024 – $97,176).

## Investment in Global Aluminium Private Limited

### *Business Overview*

Global Aluminium Private Limited ("Global Aluminium"), a private company located in Hyderabad, India, is an aluminum extrusions manufacturer with in-house capabilities to produce anodized and powder-coated aluminum products. Global Aluminium operates from two manufacturing facilities located in India with total production and value-addition capacity of approximately 65,000 metric tons.

Additional information can be accessed from Global Aluminium's website www.globalaluminium.com.

At December 31, 2025 the company had appointed one of the two Global Aluminium board members.

### *Key Business Drivers, Events and Risks*

Global Aluminium's key business drivers relate to the wide ranging application of aluminum extrusion products, particularly for premium industrial uses across diverse industries including architecture, aeronautics, electronics and electrical, and automotive sectors. As environmental concerns have increased in recent years, demand for aluminum products has particularly grown in the building and construction, automotive and renewable energy industries. A push towards electric vehicles and tightening fuel efficiency standards have increased the usage of aluminum in the automotive industry.

Global Aluminium has invested in design capabilities which allows it to focus on industrial customers with requirements for complex profiles subject to high value-addition processes. Additionally, Global Aluminium has developed a reputation for high quality products with minimal defects, quick turnaround times and highly responsive after-sales service. Its current strategic initiatives include technological upgrades to improve efficiency and customization capabilities, increasing production capacity, and expanding export revenues and value-added services by hiring sales representatives in the U.S., Europe, and Australia.

The U.S. Tariffs remain a challenge for Global Aluminium as European countries and the U.S. have reported a slowdown in the consumption of aluminum extrusions. Restrictions on Russian metals entering U.S. markets through European suppliers have resulted in an excess supply of aluminum in Europe and the ongoing developments between the U.S. and China have resulted in Chinese exporters competing more heavily in the European and Australian markets. To mitigate the impacts of U.S. Tariffs, Global Aluminium is focused on growing export sales in other countries, redirecting volumes to the Indian domestic market, and developing more value-added services.

***Valuation and Interim Consolidated Financial Statement Impact***

On October 11, 2024 Fairfax India completed the acquisition of an effective 65.0% equity interest in Global Aluminium for a purchase price of $82,729 (7.0 billion Indian rupees). The transaction required Global Aluminium to merge with its wholly-owned subsidiary, which was completed in December 2025.

At December 31, 2025 the company held a 65.0% equity interest in Global Aluminium (December 31, 2024 – 65.0%) and its internal valuation model indicated that the fair value of the company's investment in Global Aluminium was $90,768 (December 31, 2024 – $81,237).

**Investment in Jaynix Engineering Private Limited**

***Business Overview***

Jaynix Engineering Private Limited ("Jaynix"), a private company based in Gujarat, India, is a manufacturer of non-ferrous electrical connectors and electrical assemblies, and is a critical Tier 1 supplier to major electrical original equipment manufacturers primarily in North America.

Additional information can be accessed from Jaynix's website www.jaynix.com.

At December 31, 2025 the company had appointed one of the five Jaynix board members.

***Key Business Drivers, Events and Risks***

Jaynix's key business drivers relate to its ability to grow its customer base and product offerings in North America and Europe while maintaining high product quality. Jaynix leverages its low-cost manufacturing operations across five manufacturing plants in India to cater to markets in North America and Europe, and has in-house capabilities to design products and scale its manufacturing production capacities. Its current growth initiatives involve increasing production capacity and developing new products, including Jaynix-branded lugs and neutral bars. Accordingly, two new factory buildings are under construction and expected to commence operations over the next year. Additionally, investments have been made to upgrade existing machinery and acquire new machinery, including the purchase of specialized sheet metal machinery to meet customer demand for complete product assemblies. Jaynix is also currently evaluating options to expand its manufacturing presence to North America.

Jaynix is able to maintain its competitive advantage as the requirement for specific certifications presents a barrier to entry for other competitors seeking to enter the North American and European markets, while Jaynix's management has operational expertise in obtaining and maintaining these certifications. During 2024, an additional certification lab was added to support business growth and capacity expansions. Jaynix is also able to maintain stable product margins as raw material costs (primarily aluminum costs), are passed through to the customer.

The imposition of U.S. Tariffs has resulted in an overall slowdown in consumption in the U.S., leading to lower demand from customers, despite the home and distribution markets showing signs of recovery. Jaynix's competitors, while based in the U.S., also import raw material or finished goods and may be similarly impacted. Additionally, Jaynix's high production capacity and low-cost manufacturing operations continue to be significant competitive advantages, as its U.S. competitors will require investments in technology and a longer lead time to scale operations and reduce labour costs. The recent developments of the trade deal announcement between India and the U.S. are expected to improve customer sentiment. Given the current demand environment, Jaynix is focusing on capability expansion rather than capacity expansion, positioning itself to respond efficiently when market conditions strengthen.

***Valuation and Interim Consolidated Financial Statement Impact***

At December 31, 2025 the company held a 70.0% equity interest in Jaynix (December 31, 2024 – 70.0%) and its internal valuation model indicated that the fair value of the company's investment in Jaynix was $65,930 (December 31, 2024 – $81,577).

In 2025 the consolidated statements of earnings (loss) included dividend income earned from the company's investment in Jaynix of $8,097 (2024 – nil).

**Investment in National Commodities Management Services Limited**

***Business Overview***

National Commodities Management Services Limited ("NCML"), a private company located in Gurugram, India, is an integrated agriculture value chain solutions provider, with services including grain procurement, storage and preservation, testing and certification, collateral management, and commodity and weather intelligence. NCML also operates silos constructed under concession agreements with the Food Corporation of India ("FCI"), and an NBFC which focuses on rural and agri-business financing.

Additional information can be accessed from NCML's website www.ncml.com.

At December 31, 2025 the company had appointed two of the five NCML board members.

***Key Business Drivers, Events and Risks***

NCML's key business drivers relate to its ability to achieve long term modernization of its grain storage facilities, the expansion of its commodity management solutions line of businesses with adjacent services, and the successful construction and operation of the silos under concession agreements with the FCI. At December 31, 2025, all seven of NCML's silo projects were operational. The delayed completions have led to certain penalties imposed by the FCI which have temporarily restricted the profitability on operational silos. Between 2020 and 2023 NCML and FCI agreed to terminate nine out of the sixteen original silo projects due to inability to procure suitable land and other construction-related challenges.

Market conditions for the Indian agriculture business are influenced by several factors, including weather conditions, crop production and demand, and government policy. In an effort to safeguard and strengthen domestic food security and moderate food prices, the Indian government implemented export restrictions on certain agricultural crops and imposed stock limits on wheat for wholesalers, retailers and processors. The above factors have generally led to lower commodity deposits into storage facilities. However, the outlook for food inflation has recently improved with substantial seasonal correction in vegetable prices and higher production estimates, which may support the ease of restrictions. NCML has closely monitored market demand in order to optimize its warehousing capacity and utilization, resulting in improved operating margins.

NCML's overall business growth continues to be constrained by funding limitations, therefore NCML has focused on strengthening its liquidity. Additional capital may also be released through the sale of excess land parcels and warehouse assets, and the scaling down of businesses with less favourable risk-reward characteristics.

***Valuation and Consolidated Financial Statement Impact***

*NCML Common Shares*

At December 31, 2025 the company held a 91.0% equity interest in NCML (December 31, 2024 – 91.0%) and its internal valuation model indicated that the fair value of the company's equity investment in NCML was $41,896 (December 31, 2024 – $44,250).

*NCML Non-convertible Debentures*

On November 9, 2023 the company invested $24,013 (2.0 billion Indian rupees) in 9.47% unsecured non-convertible debentures ("NCML NCD"), due November 8, 2028. At December 31, 2025 the fair value of the company's investment in the NCML NCD was $22,252 (including a deferred loss of $2,220) (December 31, 2024 – $23,361, including a deferred loss of $2,965), and is presented within Other Indian Fixed Income within the table disclosed earlier in the Summary of Indian Investments section.

At December 31, 2025 the company's interest and dividends receivable included a carrying value of $2,430 (December 31, 2024 – $2,212) related to interest receivable on the NCML NCD. To help alleviate NCML's liquidity challenges due to delays in asset monetizations, the company has allowed NCML to defer interest payments on the NCML NCD accrued since January 1, 2024.

**Investment in India Housing Fund**

***Business Overview***

India Housing Fund ("IH Fund") is a closed-ended fund of 360 ONE Private Equity Fund registered as a Category II Alternative Investment Fund ("AIF") under SEBI AIF Regulations. IH Fund is a fund incorporated to focus on investing in India's real estate sector by investing in equity, debt and equity-linked instruments of real estate and construction companies involved in projects or ventures with expected growth potential.

At December 31, 2025 IH Fund had invested approximately $77 million at period end exchange rates (6.9 billion Indian rupees) in five real estate sector investments.

At December 31, 2025 the company had appointed one of the five members of IH Fund's Investment Committee.

***Key Business Drivers, Events and Risks***

The Indian real estate sector is a key growth driver of the country's economy and one of the largest employment generators in India. This sector is estimated to reach a value between $5 trillion and $10 trillion by 2047, reflecting structural growth supported by demographics, urbanization and infrastructure development. Indian real estate attracted approximately $10 billion of equity investment during 2025, marking an increase of 17% year over year, and exemplifying the growing attractiveness of India's real estate market. Inflows were driven by both domestic and foreign investors, with domestic institutional investors capturing more of the market than foreign institutional investors for the first time in over a decade, illustrating India's growing domestic strength. Looking ahead, investment activity in Indian real estate is expected to maintain this positive momentum in 2026.

***Valuation and Consolidated Financial Statement Impact***

At December 31, 2025 the company estimated the fair value of its investment in IH Fund was $6,996 (December 31, 2024 – $9,590).

During 2025 the company received distributions of $1,720 (2024 – $1,619) from IH Fund, and the consolidated statements of earnings (loss) included dividend income earned from the investment in IH Fund of $340 (2024 – $1,184).

**Investment in Saurashtra Freight Private Limited**

At December 31, 2024 the company held a 51.0% equity interest in Saurashtra Freight Private Limited ("Saurashtra") and its internal valuation model indicated that the fair value of the company's investment in Saurashtra was $54,688. On November 14, 2025 the company sold its 51.0% equity interest in Saurashtra for gross proceeds of $74,623 (6.6 billion Indian rupees), resulting in realized gains of $51,973.

In 2025 the consolidated statements of earnings (loss) included dividend income earned from the company's investment in Saurashtra of $1,769 (2024 – $4,419).

**Results of Operations**

Fairfax India's consolidated statements of earnings (loss) for the years ended December 31, 2025, 2024 and 2023 are shown in the following table:

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| **Income** | | | |
| Interest | 7,545 | 19,504 | 16,833 |
| Dividends | 48,185 | 41,946 | 28,831 |
| Net realized gains on investments | 53,493 | 218,871 | 193,203 |
| Net change in unrealized gains (losses) on investments | 527,593 | (167,654) | 361,702 |
| Net foreign exchange losses | (27,963) | (12,616) | (1,713) |
| | 608,853 | 100,051 | 598,856 |
| **Expenses** | | | |
| Investment and advisory fees | 42,155 | 40,405 | 39,382 |
| Performance fee | — | — | 69,385 |
| General and administration expenses | 7,757 | 7,914 | 12,672 |
| Interest expense | 29,372 | 25,521 | 25,521 |
| | 79,284 | 73,840 | 146,960 |
| **Earnings before income taxes** | 529,569 | 26,211 | 451,896 |
| Provision for income taxes | 87,477 | 58,948 | 68,050 |
| **Net earnings (loss)** | 442,092 | (32,737) | 383,846 |
| **Attributable to:** | | | |
| Shareholders of Fairfax India | 410,526 | (41,173) | 371,770 |
| Non-controlling interests | 31,566 | 8,436 | 12,076 |
| | 442,092 | (32,737) | 383,846 |
| **Net earnings (loss) per basic and diluted share** | $ 3.05 | $ (0.30) | $ 2.72 |

The company had net earnings attributable to shareholders of $410,526 (net earnings of $3.05 per basic and diluted share) in 2025 compared to a net loss attributable to shareholders of $41,173 (a net loss of $0.30 per basic and diluted share) in 2024.

The key components of results of operations for 2025 (with comparisons to 2024, except as otherwise noted) included the following:

**Net change in unrealized gains on investments** of $527,593 (2024 – net change in unrealized losses on investments of $167,654) were principally driven by changes in market prices of Public Indian Investments and fair values of Private Indian Investments determined using industry accepted valuation techniques and models, in addition to reversals of prior period unrealized gains upon sales. For more information on Indian Investments, see the Indian Investments section of this MD&A. For further analysis of the changes in fair value of Indian Investments, refer to note 5 (Indian Investments) to the consolidated financial statements for the year ended December 31, 2025.

**Net realized gains on investments** of $53,493 principally related to realized gains on the sale of Saurashtra common shares and Government of India bonds. Net realized gains on investments of $218,871 in 2024 principally related to realized gains on the sale of NSE and CSB Bank common shares, settlement of the IIFL Finance forward derivative upon completion of the IIFL Finance Rights Offer, and sale of Other Public Indian Investments.

**Interest** income of $7,545 in 2025 decreased from $19,504 in 2024 principally as a result of decreased holdings of Government of India bonds and government treasury bills, and lower interest earned from Other Indian Fixed Income.

**Dividends** of $48,185 in 2025 increased from $41,946 in 2024 primarily due to dividends received from Jaynix in the current year and higher dividends received from Seven Islands, partially offset by the impact of dividends from IIFL Finance in the prior year, and decreased dividends from Saurashtra due to its sale during the year.

**Net foreign exchange losses** of $27,963 in 2025 increased from $12,616 in 2024 principally due to sharper depreciation of the Indian rupee against the U.S. dollar during 2025, and primarily arose from foreign exchange losses on the company's U.S. dollar denominated borrowings.

**Total expenses** of $79,284 in 2025 increased from $73,840 in 2024 primarily due to incremental interest expense related to letter of credit fees and borrowings drawn under the Revolving Credit Facility during 2025 and higher investment and advisory fees.

**Provision for income taxes** of $87,477 in 2025 (2024 – $58,948) primarily reflected deferred income taxes as a result of net unrealized gains on the company's investments in equity shares acquired or spun out subsequent to April 1, 2017 (reflecting the changes to Indian capital gains tax rates with effect from July 23, 2024), in addition to current taxes recognized as a result of Indian capital gains tax on sales and withholding taxes on interest and dividends received. Refer to note 10 (Income Taxes) to the consolidated financial statements for the year ended December 31, 2025 for further detail.

**Consolidated Balance Sheet Summary**

The company's consolidated balance sheet at December 31, 2025 (with comparisons to December 31, 2024, except as otherwise noted) was primarily comprised of the following:

**Total Assets**

Total assets at December 31, 2025 of $4,049,757 (December 31, 2024 – $3,630,780) were principally comprised as follows:

**Total cash and investments** increased from $3,621,035 at December 31, 2024 to $4,045,446 at December 31, 2025. The company's total cash and investments composition by the issuer's country of domicile was as follows:

| | December 31, 2025 | | | | December 31, 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | India | Canada | Other | Total | India | U.S. | Canada | Other | Total |
| Cash and cash equivalents | 2,096 | 3,516 | 2,500 | 8,112 | 6,079 | 19,971 | 29,603 | 3,669 | 59,322 |
| Bonds: | | | | | | | | | |
| Government of India | 42,558 | – | – | 42,558 | 149,484 | – | – | – | 149,484 |
| Other Indian Fixed Income | 22,252 | – | – | 22,252 | 31,023 | – | – | – | 31,023 |
| | 64,810 | – | – | 64,810 | 180,507 | – | – | – | 180,507 |
| Common stocks: | | | | | | | | | |
| IIFL Finance | 438,146 | – | – | 438,146 | 311,401 | – | – | – | 311,401 |
| CSB Bank | 353,575 | – | – | 353,575 | 254,756 | – | – | – | 254,756 |
| IIFL Capital | 341,610 | – | – | 341,610 | 322,990 | – | – | – | 322,990 |
| Fairchem Organics | 57,971 | – | – | 57,971 | 102,234 | – | – | – | 102,234 |
| 5paisa | 28,759 | – | – | 28,759 | 41,883 | – | – | – | 41,883 |
| BIAL | 2,187,387 | – | – | 2,187,387 | 1,631,988 | – | – | – | 1,631,988 |
| Seven Islands | 162,379 | – | – | 162,379 | 145,990 | – | – | – | 145,990 |
| Sanmar | 101,621 | – | – | 101,621 | 201,446 | – | – | – | 201,446 |
| Maxop | 95,486 | – | – | 95,486 | 97,176 | – | – | – | 97,176 |
| Global Aluminium | 90,768 | – | – | 90,768 | 81,237 | – | – | – | 81,237 |
| Jaynix | 65,930 | – | – | 65,930 | 81,577 | – | – | – | 81,577 |
| NCML | 41,896 | – | – | 41,896 | 44,250 | – | – | – | 44,250 |
| IH Fund | 6,996 | – | – | 6,996 | 9,590 | – | – | – | 9,590 |
| Saurashtra | – | – | – | – | 54,688 | – | – | – | 54,688 |
| | 3,972,524 | – | – | 3,972,524 | 3,381,206 | – | – | – | 3,381,206 |
| Total cash and investments | 4,039,430 | 3,516 | 2,500 | 4,045,446 | 3,567,792 | 19,971 | 29,603 | 3,669 | 3,621,035 |

**Cash and cash equivalents** decreased from $59,322 at December 31, 2024 to $8,112 at December 31, 2025 principally due to the installment payments on the Additional BIAL Investment, funds contributed to the Sanmar Rights Offer, payment of investment and advisory fees, payments of interest on borrowings and letter of credit, and purchases of subordinate voting shares for cancellation, partially offset by the sale of Saurashtra common shares, net sales of investments in Government of India bonds, and the receipt of dividend and interest income.

**Bonds and Common stocks –** The company is actively seeking investment opportunities in India and will continue to redirect capital from its cash and cash equivalents and Government of India bonds into Indian Investments as and when those opportunities are identified. For more information about recent Indian Investments, see the Indian Investments section of this MD&A. For more information on the company's total cash and investments holdings of $4,045,446 at December 31, 2025 (December 31, 2024 – $3,621,035) see note 6 (Cash and Investments) of the consolidated financial statements for the year ended December 31, 2025.

**Interest and dividends receivable** decreased from $8,849 at December 31, 2024 to $2,996 at December 31, 2025, primarily due to the receipt of dividends receivable related to Seven Islands accrued at December 31, 2024.

### Total Liabilities and Equity

Total liabilities at December 31, 2025 of $814,941 (December 31, 2024 – $673,518) were principally comprised as follows:

**Accrued interest expense** of $8,787 at December 31, 2025 (December 31, 2024 – $8,611) was comprised of accrued interest expense for the $500,000 principal 5.0% unsecured senior notes due February 26, 2028 ("Unsecured Senior Notes"), which are due in semi-annual installments, and accrued letter of credit fees under the Revolving Credit Facility.

**Income taxes payable** of $922 at December 31, 2025 (December 31, 2024 – $5,379) was primarily comprised of a provision relating to a prior year tax assessment for which partial payments were made during 2025.

**Payable to related parties** of $10,960 at December 31, 2025 (December 31, 2024 – $10,099) was comprised of investment and advisory fees payable to Fairfax. At December 31, 2025 and December 31, 2024 the company determined that no performance fee accrual was required related to the fourth calculation period.

**Payable for securities purchased** of $76,500 at December 31, 2025 (December 31, 2024 – nil) was comprised of the third installment payment relating to the Additional BIAL Investment to be paid in the third quarter of 2026.

**Deferred income taxes** increased from $149,780 at December 31, 2024 to $217,859 at December 31, 2025 primarily as a result of deferred taxes recognized due to unrealized gains on the company's investments in BIAL, CSB Bank, and on newly issued common shares of Sanmar, partially offset by the reversal of prior period deferred taxes due to the sale of Saurashtra and unrealized losses on the company's investment in Fairchem Organics.

**Borrowings** increased from $498,349 at December 31, 2024 to $498,870 at December 31, 2025, reflecting the amortization of issuance costs on the Unsecured Senior Notes.

**Total equity** at December 31, 2025 of $3,234,816 (December 31, 2024 – $2,957,262) was comprised of common shareholders' equity of $3,079,648 (December 31, 2024 – $2,826,495) and non-controlling interests of $155,168 (December 31, 2024 – $130,767). Refer to note 8 (Total Equity) to the consolidated financial statements for the year ended December 31, 2025.

**Comparison of 2024 to 2023** – Total assets of $3,630,780 at December 31, 2024 (December 31, 2023 – $3,821,535) and total liabilities of $673,518 at December 31, 2024 (December 31, 2023 – $736,761) were primarily impacted by unrealized foreign currency translation losses, and net change in unrealized gains on investments which resulted in higher deferred income taxes, in addition to purchases and sales of investments, and purchases of subordinate voting shares for cancellation. At December 31, 2024 no performance fee was accrued related to the fourth calculation period (December 31, 2023 – $110,158 related to the third calculation period).

**Financial Risk Management**

The primary goals of the company's financial risk management program are to ensure that the outcomes of activities involving elements of risk are consistent with the company's objectives and risk tolerance, while maintaining an appropriate balance between risk and reward and protecting the company's consolidated balance sheets from events that have the potential to materially impair its financial strength. There were no significant changes in the types of the company's risk exposures or the process used by the company for managing those risk exposures at December 31, 2025 compared to those identified at December 31, 2024, other than as outlined in note 11 (Financial Risk Management) to the consolidated financial statements for the year ended December 31, 2025.

**Capital Resources and Management**

The company's objectives when managing capital are to protect its lenders, to safeguard its ability to continue as a going concern, and to maintain an optimal capital structure to reduce the cost of capital in order to optimize returns for common shareholders. The company will seek attractive risk-adjusted returns, but will at all times seek downside protection and attempt to minimize the loss of capital. Total capital (comprised of borrowings, common shareholders' equity and non-controlling interests) increased from $3,455,611 at December 31, 2024 to $3,733,686 at December 31, 2025. Refer to note 11 (Financial Risk Management, under the heading Capital Management) to the consolidated financial statements for the year ended December 31, 2025 for additional details.

On November 26, 2025 Morningstar DBRS reaffirmed the company's Issuer Rating and the Unsecured Senior Notes rating at BBB, and changed the trend of Fairfax India's credit ratings from Stable to Positive.

At December 31, 2025 the Revolving Credit Facility was undrawn and the company had a $76,500 letter of credit issued and outstanding, resulting in a remaining available limit of $168,500 (December 31, 2024 – undrawn with an available limit of $175,000). Refer to the Capital Transactions section of this MD&A for additional information, including details relating to amendments during the year.

**Liquidity**

For a detailed discussion on short term and long term liquidity requirements and sources of liquidity, refer to note 11 (Financial Risk Management, under the heading Liquidity Risk) to the consolidated financial statements for the year ended December 31, 2025.

Highlights in 2025 (with comparisons to 2024) of major components of the statements of cash flows are presented in the following table:

| | 2025 | 2024 |
|---|---|---|
| **Operating activities** | | |
| Cash used in operating activities excluding the impact of net sales (purchases) of investments | (31,114) | (136,060) |
| Net sales of short term investments | — | 397 |
| Purchases of investments | (200,083) | (353,630) |
| Sales of investments | 191,065 | 385,858 |
| Cash used in operating activities | (40,132) | (103,435) |
| **Financing activities** | | |
| Borrowings: | | |
| Proceeds | 79,000 | — |
| Repayments | (79,000) | — |
| Purchases of subordinate voting shares for cancellation | (10,433) | (8,424) |
| Cash used in financing activities | (10,433) | (8,424) |
| **Decrease in cash and cash equivalents during the year** | (50,565) | (111,859) |

"Cash used in operating activities excluding the impact of net sales (purchases) of investments" provides a measure of the cash generated by (used in) the company's head office operations, primarily comprised of cash inflows (outflows) from interest and dividend income, performance fees, investment and advisory fees, interest expense, current income taxes and general and administration expenses, and excludes the impact of purchases and sales of investments. Cash used in operating activities excluding the impact of net sales (purchases) of investments of $31,114 in 2025 decreased from $136,060 in 2024, primarily due to the settlement of performance fees of $110,158 relating to the third calculation period in March 2024 and increased dividend income, partially offset by lower interest income received and higher income taxes paid.

Purchases of investments of $200,083 in 2025 primarily related to purchases of common shares of BIAL and Sanmar, in addition to purchases of Government of India bonds. Purchases of investments of $353,630 in 2024 primarily related to purchases of purchases of Government of India bonds and common shares of Global Aluminium, IIFL Finance and Fairchem Organics.

Sales of investments of $191,065 in 2025 primarily related to sales of Saurashtra common shares and Government of India bonds, and redemption of Other Indian Fixed Income. Sales of investments of $385,858 in 2024 primarily related to sales of remaining common shares of NSE and Other Public Indian Investments, partial sales of CSB Bank common shares, and sales of Government of India bonds. Refer to note 15 (Supplementary Cash Flow Information) to the consolidated financial statements for the year ended December 31, 2025 for details of purchases and sales of investments.

Proceeds and repayments of borrowings of $79,000 in 2025 (2024 – nil) related to amounts drawn under the Revolving Credit Facility to fund the second installment payment relating to the Additional BIAL Investment, which were fully repaid using proceeds from the sale of Saurashtra common shares and dividend income.

Purchases of subordinate voting shares for cancellation of $10,433 in 2025 (2024 – $8,424) related to the company's purchases of 620,658 subordinate voting shares under the terms of the normal course issuer bid (2024 – 559,047).

#### Contractual Obligations

The company's contractual obligations principally relate to its borrowings, fees due to Fairfax under the terms of the Investment Advisory Agreement, and the remaining installment payment relating to the Additional BIAL Investment as discussed in the Indian Investments section of this MD&A. Refer to note 7 (Borrowings) and note 12 (Related Party Transactions) to the consolidated financial statements for the year ended December 31, 2025 for further details on borrowings and fees due to Fairfax.

### Accounting and Disclosure Matters

#### Management's Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of the company's management, including the company's CEO and CFO, the company conducted an evaluation of the effectiveness of its disclosure controls and procedures as of

December 31, 2025, as required by Canadian securities legislation. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by the company in the reports it files or submits under securities legislation is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and reported to management, including the company's CEO and CFO, as appropriate, to allow required disclosures to be made in a timely fashion. Based on their evaluation, the CEO and CFO have concluded that as of December 31, 2025, the company's disclosure controls and procedures were effective.

#### Management's Report on Internal Control Over Financial Reporting

The company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined under National Instrument 52-109). The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). A company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS Accounting Standards, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The company's management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2025. In making this assessment, the company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control – Integrated Framework (2013)*. Based on this assessment, the company's management, including the CEO and CFO, concluded that, as of December 31, 2025, the company's internal control over financial reporting was effective based on the criteria in *Internal Control – Integrated Framework (2013)* issued by COSO.

#### Critical Accounting Estimates and Judgments

Please refer to note 4 (Critical Accounting Estimates and Judgments) to the consolidated financial statements for the year ended December 31, 2025.

#### Material Accounting Policy Changes

There were no material accounting policy changes during 2025. Please refer to note 3 (Summary of Material Accounting Policies) to the consolidated financial statements for the year ended December 31, 2025 for a detailed discussion of the company's accounting policies.

#### Future Accounting Changes

New standards and amendments that have been issued but are not yet effective are described in note 3 (Summary of Material Accounting Policies) to the consolidated financial statements for the year ended December 31, 2025. The company does not expect to adopt any of these new standards and amendments in advance of their respective effective dates.

### Risk Management

#### Overview

The primary goals of the company's financial risk management program are to ensure that the outcomes of activities involving elements of risk are consistent with the company's objectives and risk tolerance, while maintaining an appropriate balance between risk and reward and protecting the company's consolidated balance sheets from events that have the potential to materially impair its financial strength. There were no significant changes in the types of the company's risk exposures or the process used by the company for managing those risk exposures at December 31, 2025 compared to those identified at December 31, 2024, other than as outlined in note 11 (Financial Risk Management) to the consolidated financial statements for the year ended December 31, 2025.

**Risks**

The following risks, among others, should be considered in evaluating the outlook for the company. Additional risks not currently known to the company or that are currently deemed immaterial may also impair business operations. The company, its consolidated subsidiaries, Fairfax and the Portfolio Advisor monitor these risks on an on-going basis and take actions as needed to mitigate their impact. For further details about the risks relating to the company, please see Risk Factors in Fairfax India's most recent annual information form, which is available on SEDAR+ at www.sedarplus.ca.

***Oil Price Risk***

India imports a majority of its requirements of petroleum oil and petroleum products. The Government of India has deregulated prices and has been reducing the subsidy in respect of certain oil products, resulting in international crude prices having a greater effect on domestic oil prices. Global oil prices continued to be volatile, any increase or volatility in oil prices, as well as the impact of Indian rupee depreciation, which makes imports more expensive, and the pass-through of such increases to Indian consumers could have a material adverse impact on the Indian economy, including a rise in inflation and market interest rates resulting in a significant impact on the profitability of certain Indian Investments.

***Geographic Concentration of Investments***

Substantially all of the company's investments will be made in India and in Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India. As a result, the company's performance is particularly sensitive to economic changes in India. The market value of the company's investments, the income generated by the company and the company's performance is particularly sensitive to changes in the economic condition and regulatory environment in India. Adverse changes in the economic condition or regulatory environment of India may have a material adverse effect on the company's business, cash flows, financial condition and net earnings.

***Potential Lack of Diversification***

Although the company's investments are required to be in India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India, and the company is subject to the Investment Concentration Restriction, the company does not have any specific limits on investments in businesses in any one industry or size of business. The company's investments made to date have been made in portfolio companies in the logistics, financial services, chemical manufacturing, other manufacturing, aviation, transportation and real estate industries. The company's investments may be more susceptible to fluctuations in value resulting from adverse economic conditions affecting any such particular industry or segment of business in India than would be the case if the company were required to satisfy certain investment guidelines relating to business diversification. In addition, the company may from time to time be over-weighted in one industry or segment of business.

***Foreign Currency Fluctuation***

All of the company's portfolio investments have been and will be made in India and in Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India, and the financial position and results for these investments have been and are expected to be principally denominated in Indian rupees. The functional currency of the company and its consolidated subsidiaries is the Indian rupee and the company's presentation currency is the U.S. dollar. The company presents its consolidated financial statements in U.S. dollars to provide comparability with other North American investment entities. Accordingly, the income and expenses are translated at the average rates of exchange in effect during the applicable reporting period. Assets and liabilities are translated at the exchange rates in effect at the balance sheet date. As a result, the company's consolidated financial position is subject to foreign currency fluctuation risk, which could materially adversely impact its operating results and cash flows. Although the company may enter into currency hedging arrangements in respect of its foreign currency cash flows, there can be no assurance that the company will do so or, if it does, that the full amount of the foreign currency exposure will be hedged at any time.

***Volatility of the Indian Securities Markets***

Stock exchanges in India have, in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges in India have also experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the stock exchanges in India have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and

margin requirements. Furthermore, from time to time, disputes have occurred between listed businesses and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment. Such volatility in the trading performance may negatively affect the company's future income and earnings.

***Investments May Be Made in Foreign Private Businesses Where Information is Unreliable or Unavailable***

In pursuing the company's investment strategy, the company may seek to make investments in privately-held businesses as disclosed in note 5 (Indian Investments) to the consolidated financial statements for the year ended December 31, 2025. As minimal public information exists about private businesses, the company could be required to make investment decisions on whether to pursue a potential investment in a private business on the basis of limited information, which may result in an investment in a business that is not as profitable as the company initially suspected, if at all. Investments in private businesses pose certain incremental risks as compared to investments in public businesses, including that they:

- have reduced access to the capital markets, resulting in diminished capital resources and ability to withstand financial distress;
- may have limited financial resources and may be unable to meet their obligations under any debt securities that the company may hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the company realizing any guarantees that it may have obtained in connection with its investment;
- may have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on a portfolio investment and, as a result, the company; and
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position.

***Valuation Methodologies Involve Subjective Judgments***

The company's financial assets and liabilities are valued in accordance with IFRS Accounting Standards. Accordingly, the company is required to follow a specific framework for measuring the fair value of its investments and, in its audited consolidated financial statements, to provide certain disclosures regarding the use of fair value measurements.

The fair value measurement accounting guidance establishes a hierarchal disclosure framework that ranks the observability of market inputs used in measuring financial instruments at fair value. The observability of inputs depends on a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily quoted prices, or for which fair value can be measured from quoted prices in active markets, generally will have a high degree of market price observability and less judgment applied in determining fair value.

A portion of the company's portfolio investments are in the form of securities that are not publicly traded and thus have no readily ascertainable market prices. The fair value of securities and other investments that are not publicly traded may not be readily determinable. The company will value these securities quarterly at fair value as determined in good faith by the company and in accordance with the valuation policies and procedures under IFRS Accounting Standards. The company may utilize the services of an independent valuation firm to aid it in determining the fair value of these securities. The types of factors that may be considered in fair value pricing of the company's investments include the nature and realizable value of any collateral, the portfolio business' ability to make payments and its earnings, the markets in which the portfolio investment does business, comparisons to publicly traded companies, discounted cash flows and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, such valuations may fluctuate over short periods of time and may be based on estimates. Thus, the company's determinations of fair value may differ materially from the prices that would have been obtained if a ready market for these securities existed. The value of the company's total assets could be materially adversely affected if the company's determinations regarding the fair value of its investments were materially higher than the values that it ultimately realizes upon the disposition of such securities.

The value of the company's investment portfolio may also be affected by changes in accounting standards, policies or practices. From time to time, the company will be required to adopt new or revised accounting standards or guidance. It is possible that future accounting standards that the company is required to adopt could change the valuation of the company's investments.

Due to a wide variety of market factors and the nature of certain securities held and to be held by the company, there is no guarantee that the fair value determined by the company or any third party valuation agents will represent the value that will be realized by the company on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. Moreover, the valuations to be performed by the company or any third party valuation agents are inherently different from the valuation of the company's securities that would be performed if the company were forced to liquidate all or a significant portion of its securities, as liquidation valuation could be materially lower.

In addition, the values of the company's investments are subject to significant volatility, including due to a number of factors beyond the company's control. These include actual or anticipated fluctuations in the quarterly and annual results of these companies or companies in their industries, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, changes in industry conditions or government regulations, changes in management or capital structure and significant acquisitions or dispositions. In addition, because the company often holds substantial positions in its investees, the disposition of these securities often is delayed for, or takes place over, long periods of time, which can further expose the company to volatility risk. Even if the company holds an investment that may be difficult to liquidate in a single transaction, the company may not discount the market price of the security sufficiently for purposes of its valuations. If the company realizes value on an investment that is significantly lower than the value at which it was recorded in its balance sheet, the company would recognize investment losses.

***Financial Market Fluctuations***

The company invests in both private businesses and publicly traded businesses. With respect to publicly traded businesses, as disclosed in note 5 (Indian Investments) to the consolidated financial statements for the year ended December 31, 2025, fluctuations in the market prices of such securities may negatively affect the value of such investments. In addition, general instability in the public debt market and other securities markets may impede the ability of businesses to refinance their debt through selling new securities, thereby limiting the company's investment options with regard to a particular portfolio investment.

Global capital markets have experienced extreme volatility and disruption in recent years as evidenced by the failure of major financial institutions, significant write-offs suffered by the financial services sector, the re-pricing of credit risk, the unavailability of credit or the downgrading and the possibility of default by sovereign issuers, forced exit or voluntary withdrawal of countries from a common currency and/or devaluation. Despite actions of government authorities, these events have contributed to a worsening of general economic conditions, high levels of unemployment in certain Western economies and the introduction of austerity measures by certain governments.

Such worsening of financial market and economic conditions may have a negative effect on the valuations of, and the ability of the company to exit or partially divest from, investment positions. Adverse economic conditions may also decrease the value of collateral securing some of its positions, and require the company to contribute additional collateral.

Depending on market conditions, the company may incur substantial realized and unrealized losses in future periods, all of which may materially adversely affect its results of operations and the value of any investment in the company.

***Pace of Completing Investments***

The company's business is to identify, with the assistance of the Portfolio Advisor, suitable investment opportunities, pursuing such opportunities and consummating such investment opportunities. If the company is unable to source and manage its investments effectively, it would adversely impact the company's financial position and net earnings. There can be no assurance as to the pace of finding and implementing investment opportunities. Conversely, there may only be a limited number of suitable investment opportunities at any given time. This may cause the company, while it deploys cash proceeds not yet invested, to hold significant levels of cash, cash equivalents, short term U.S. treasury bills or Government of India or Indian corporate bonds. A lengthy period prior to which capital is deployed may adversely affect the company's overall performance.

***Minority Investments***

The company may make minority equity investments in which the company does not participate in the management or otherwise influence the business or affairs of such businesses. The company will monitor the performance of

each investment and maintain an ongoing dialogue with each business' management team. However, day-to-day operations will primarily be the responsibility of each business' management team and the company may not have the right to influence such operations.

***Reliance on Key Personnel and Risks Associated with the Investment Advisory Agreement***

The management and governance of the company depends on the services of certain key personnel, including the Portfolio Advisor, Fairfax, as administrator, and certain executive officers of the company. The loss of the services of any key personnel, particularly V. Prem Watsa, Chandran Ratnaswami and Gopalakrishnan Soundarajan, could have a material adverse effect on the company and materially adversely affect the company's financial condition and net earnings.

The company relies on the Portfolio Advisor and any of its sub-advisors, from time to time, including Fairbridge, with respect to the sourcing and advising with respect to their investments. Consequently, the company's ability to achieve its investment objectives depends in large part on the Portfolio Advisor and its ability to identify and advise the company on attractive investment opportunities. This means that the company's investments are dependent upon the Portfolio Advisor's business contacts, its ability to successfully hire, train, supervise and manage its personnel and its ability to maintain its operating systems. If the company were to lose the services provided by the Portfolio Advisor or its key personnel or if the Portfolio Advisor fails to satisfactorily perform its obligations under the Investment Advisory Agreement, the company's investments and growth prospects may decline.

The company may be unable to duplicate the quality and depth of management from the Portfolio Advisor if the company were to source and manage its own investments or if it were to hire another investment advisor. If the Portfolio Advisor should cease for whatever reason to be the investment advisor of the company or if Fairfax should cease to provide investment administration services to the company, the cost of obtaining substitute services may be greater than the fees the company will pay the Portfolio Advisor and Fairfax under the Investment Advisory Agreement, and this may adversely affect the company's ability to meet its objectives and execute its strategy which could materially and adversely affect the company's cash flows, net earnings and financial condition.

***Disruption of the Company's Information Technology Systems Could Significantly Affect the Company's Business***

The company relies on information technology in virtually all aspects of the company's business. A significant disruption or failure of the company's information technology systems could result in service interruptions, safety failures, security violations, regulatory compliance failures, and inability to protect information and assets against intruders, and other operational difficulties. Attacks perpetrated against the company's information systems could result in loss of assets and critical information, potential breach of privacy laws, expose the company to remediation costs, reputational damage, regulatory scrutiny, litigation and adversely affect the company's results of operations, financial condition and liquidity.

Cyber-attacks, including those perpetrated through the use of artificial intelligence, could further adversely affect the company's ability to operate facilities, information technology and business systems, or compromise confidential employee information. Cyber-attacks resulting in political, economic, social or financial market instability or damage to or interference with the company's assets may result in business interruptions, lost revenue, higher commodity prices, disruption in fuel supplies, lower energy consumption, unstable markets, increased security and repair or other costs, any of which may affect the company's consolidated financial results. Furthermore, instability in the financial markets as a result of terrorism, sustained or significant cyber-attacks, or war could also materially adversely affect the company's ability to raise capital.

The company has taken steps intended to mitigate these risks, including implementation of cybersecurity and cyber resilience measures, business continuity planning, disaster recovery planning and business impact analysis, and regularly update these plans and security measures, however, there can be no assurance that such steps will be adequate to protect the company from the impacts of a cyber-attack.

***Lawsuits***

The company may, from time to time, become party to a variety of legal claims and regulatory proceedings in Canada, India, Mauritius or elsewhere. The existence of such claims against the company or its affiliates, directors or officers could have various adverse effects, including the incurrence of significant legal expenses defending such claims, even claims without merit. The company manages day-to-day regulatory and legal risk primarily by implementing appropriate policies, procedures and controls. Internal and external legal counsel also work closely with the company to identify and mitigate areas of potential regulatory and legal risk. The company's results of operations, financial condition and liquidity could be materially adversely affected by any such legal risks.

***Use of Leverage***

The company may rely on the use of leverage when making its investments. As such, the ability to achieve attractive rates of return on such investments will significantly depend on the company's continued ability to access sources of debt financing on attractive terms. An increase in either market interest rates or in the risk spreads demanded by lenders would make it more expensive for the company to finance its investments and, in turn, would reduce net returns thereon. Increases in interest rates could also make it more difficult for the company to locate and consummate investments because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher price due to a lower overall cost of capital. Availability of capital from debt capital markets is subject to significant volatility and the company may not be able to access those markets on attractive terms, or at all, when completing an investment. In addition, the company is subject to a leverage covenant under the terms of the Unsecured Senior Notes. Any of the foregoing circumstances could have a material adverse effect on the financial condition and results of operations of the company.

***Significant Ownership by Fairfax May Adversely Affect the Market Price of the Subordinate Voting Shares***

At December 31, 2025 Fairfax, through its subsidiaries, owned 30,000,000 multiple voting shares (December 31, 2024 – 30,000,000) and owned and/or exercised control or direction over 28,504,470 subordinate voting shares (December 31, 2024 – 28,504,470) of Fairfax India. At December 31, 2025 Fairfax's aggregate ownership, control and/or direction of the subordinate voting shares and multiple voting shares represented a 95.3% voting interest and a 43.6% equity interest in Fairfax India (December 31, 2024 – 95.2% and 43.4%).

For so long as Fairfax, either directly or through one or more subsidiaries, maintains a significant voting interest in the company, Fairfax will have the ability to exercise substantial influence with respect to the company's affairs and significantly affect the outcome of shareholder votes, and may have the ability to prevent certain fundamental transactions.

Accordingly, the subordinate voting shares may be less liquid and trade at a relative discount compared to such subordinate voting shares in circumstances where Fairfax did not have the ability to significantly influence or determine matters affecting the company. Additionally, Fairfax's significant voting interest in the company may discourage transactions involving a change of control of the company, including transactions in which an investor, as a holder of subordinate voting shares, might otherwise receive a premium for its subordinate voting shares over the then-current market price.

***Trading Price of Subordinate Voting Shares Relative to Book Value per Share***

The company is neither a mutual fund nor an investment fund, and due to the nature of its business and investment strategy, and the composition of its investment portfolio, the market price of its subordinate voting shares, at any time, may vary significantly from its book value per share. This risk is separate and distinct from the risk that the market price of the subordinate voting shares may decrease.

***Weather Risk***

Certain Indian Investments are operating in industries exposed to weather risk. The revenues of these portfolio companies may be adversely affected during a period of severe weather conditions in India. Because weather events are unpredictable by nature, historical results of operations of certain Indian Investments may not be indicative of their future results of operations. As a result of the occurrence of one or more major weather catastrophes in any given period, the expected returns from Indian Investments impacted by weather risk may fall short of the company's expectations.

***Taxation Risks***

The company structures its business according to prevailing taxation law and practice in Canada, Mauritius and India. Any change in tax policy, tax legislation (including in relation to taxation rates), the interpretation of tax policy or legislation or practice could adversely affect the company's return earned on investments and on the capital available to be invested. Further, taxes and other constraints that would apply to the company and its consolidated subsidiaries in such jurisdictions may not apply to other parties, and such parties may therefore have a significantly lower effective cost of capital and a corresponding competitive advantage in pursuing investments. A number of other factors may increase the effective tax rates, which would have a negative impact on net earnings. These include, but are not limited to, changes in the valuation of our deferred tax assets and liabilities, and any reassessment of taxes by a taxation authority.

The company utilizes Fairfax's tax specialist personnel for assessing the income tax consequences of planned transactions and events and undertaking the appropriate tax planning. The company also consults with external tax professionals as needed. Tax legislation of each jurisdiction in which the company operates is interpreted to determine income taxes and expected timing of the reversal of deferred income tax assets and liabilities.

Any amendments to the capital gains and permanent establishment articles in the India-Mauritius Double Taxation Avoidance Agreement ("India-Mauritius DTAA"), or failure of FIH Mauritius, FIH Private and Anchorage to qualify for the benefits of the India-Mauritius DTAA, may result in capital gains derived from the company or its investments in India becoming subject to tax in India, which could have a material adverse effect on the company's business, financial condition and net earnings. In May 2016, India and Mauritius signed a protocol for amending their India-Mauritius DTAA. As a result, capital gains realized by Mauritius residents on dispositions of shares of Indian companies acquired on or after April 1, 2017 and disposed of after March 31, 2019 will be subject to tax in India at the full Indian domestic tax rate. Capital gains realized by Mauritius residents on dispositions of shares of Indian companies acquired prior to April 1, 2017 remain exempt from capital gains tax in India subject to compliance with the provisions of the Indian Income Tax Act ("ITA") and India-Mauritius DTAA.

On March 29, 2018 the Government of India enacted the Finance Act 2018 which repealed, with effect from April 1, 2018, the long term capital gains tax exemption which was available in respect of certain transfers of listed equity shares of Indian companies on which Securities Transaction Tax was paid at the time of acquisition and transfer of such shares. This repeal, effective from April 1, 2018, introduced a new tax framework for long term capital gains. Despite the repeal, grandfathering of the long term capital gains exemption in respect of any accrued gain on such shares held as of January 31, 2018 will generally be available to the extent of the accrued gain as of January 31, 2018. Capital gains realized by a tax resident of Mauritius on a transfer of equity shares of an Indian company which were acquired prior to April 1, 2017 will continue to be exempt from capital gains tax in India subject to compliance with the provisions of the ITA and India-Mauritius DTAA, notwithstanding the repeal of the long term capital gains tax exemption under Indian domestic law.

Under the new tax framework, the applicable tax rate for long term capital gains on the sale of equity shares (other than listed shares covered above) remains at 10.0% for the gains realized before July 23, 2024. However for gains on or after July 23, 2024, the rate has been increased to 12.5%, under the Indian domestic law, as amended by the Finance (No. 2) Act, 2024.

At December 31, 2025 the company evaluated the potential impact of the application of capital gains tax in India on any future dispositions of investments in equity shares held by FIH Mauritius, FIH Private and Anchorage. Changes to deferred income taxes recorded principally relate to net changes in unrealized gains and losses on the company's investment in equity shares acquired subsequent to April 1, 2017 (see note 10 (Income Taxes) to the consolidated financial statements for the year ended December 31, 2025). The company will continue to evaluate the potential impact of the Indian capital gains tax as it relates to any future dispositions of investments in equity shares of its Indian Investments.

There is a risk that Canadian or foreign tax laws, or the interpretation thereof, could change in a manner that adversely affects the company. Canada has enacted certain aspects of Pillar Two global minimum tax initiatives, and other jurisdictions in which the company operates are in the process of introducing, or may introduce, Pillar Two tax legislation, or new or revised domestic tax legislation in response to the Pillar Two global minimum tax initiatives. Certain aspects of the Pillar Two global minimum tax initiatives continue to evolve, which may result in the introduction of new or revised legislation. The company will continue to monitor future developments with respect to Pillar Two global minimum tax initiatives.

Under the General Anti-Avoidance Rule ("GAAR") which came into force effective April 1, 2017, the Indian tax authorities have been given the power to re-characterize or disregard any arrangement which qualifies as an 'impermissible avoidance arrangement' ("IAA"). IAA means an arrangement whose main purpose is to obtain a 'tax benefit' (e.g., a reduction or avoidance of tax that would be payable under the ITA), and, among other things, such arrangement 'lacks' or is 'deemed to lack' commercial substance in whole or in part. Further, where GAAR is invoked, the taxpayer would not have the option of being governed by the relevant Double Taxation Avoidance Agreement ("DTAA") provisions. GAAR applies on income arising on or after April 2017. However, GAAR does not apply to: (i) arrangements where tax benefits in a relevant tax year, in aggregate, to all the parties involved does not exceed 30 million Indian rupees; (ii) any income or gains on transfer, accruing, arising or deemed to accrue or arise to any person from investments made prior to April 1, 2017; (iii) foreign portfolio investors who are assessed under the ITA and who do not avail themselves of the benefits under the applicable DTAA and have invested in listed or unlisted securities in accordance with the SEBI (Foreign Institutional Investors) Regulations, 1995 and/or any other applicable regulations; and (iv) non-residents in relation to investments made by such non-residents by way of offshore derivative instruments or otherwise, directly or indirectly, in a foreign institutional investor. Recent jurisprudence has held that GAAR may be applied to an arrangement (irrespective of the date of such arrangement)

relating to investments made prior to April 1, 2017 if the arrangement is determined to be an IAA. If any arrangement is determined by the Indian tax authorities to be an IAA, any benefits from a tax perspective available under the ITA read with the DTAA with respect to such arrangement would be eliminated, which could have a material adverse effect on the company's business, financial condition and results of operations.

***Emerging Markets***

The company's investment objective is to achieve long term capital appreciation, while preserving capital, by investing in Indian Investments. Foreign investment risk is particularly high given that the company invests in securities of issuers based in or doing business in an emerging market country.

The economies of emerging market countries have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of emerging market countries may also be predominantly based on only a few industries or dependent on revenues from particular commodities. In addition, custodial services and other investment-related costs may be more expensive in emerging markets than in many developed markets, which could reduce the company's income from securities or debt instruments of emerging market country issuers.

There is a heightened possibility of imposition of withholding taxes on interest or dividend income generated from emerging market securities. Governments of emerging market countries may engage in confiscatory taxation or expropriation of income and/or assets to raise revenues or to pursue a domestic political agenda. In the past, emerging market countries have nationalized assets, companies and even entire sectors, including the assets of foreign investors, with inadequate or no compensation to the prior owners. There can be no assurance that the company will not suffer a loss of any or all of its investments or, interest or dividends thereon, due to adverse fiscal or other policy changes in emerging market countries.

Governments of many emerging market countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In some cases, the government owns or controls many companies, including some of the largest in the country. Accordingly, government actions could have a significant effect on economic conditions in an emerging country and on market conditions, prices and yields of securities in the company's portfolio.

Bankruptcy law and creditor reorganization processes may differ substantially from those in Canada and the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain emerging market countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain. In addition, it may be impossible to seek legal redress against an issuer that is a sovereign state.

Also, because publicly traded debt instruments of emerging market issuers represent a relatively recent innovation in the world debt markets, there is little historical data or related market experience concerning the attributes of such instruments under all economic, market and political conditions.

Other heightened risks associated with emerging markets investments include without limitation: (i) risks due to less social, political and economic stability, including the risk of war, terrorism, nationalization, limitations on the removal of funds or other assets, or diplomatic developments that affect investments in these countries; (ii) the smaller size of the market for such securities and a lower volume of trading, resulting in a lack of liquidity and in price volatility; (iii) certain national policies which may restrict the company's investment opportunities, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests and requirements that government approval be obtained prior to investment by foreign persons; (iv) certain national policies that may restrict the company's repatriation of investment income, capital or the proceeds of sales of securities, including temporary restrictions on foreign capital remittances; (v) the lack of uniform accounting and auditing standards and/or standards that may be significantly different from the standards required in Canada; (vi) less publicly available financial and other information regarding issuers; (vii) potential difficulties in enforcing contractual obligations; and (viii) higher rates of inflation, higher interest rates and other economic concerns. The company may invest to a substantial extent in emerging market securities that are denominated in Indian rupees, subjecting the company to a greater degree of foreign currency risk. Also, investing in emerging market countries may entail purchases of securities of issuers that are insolvent, bankrupt or otherwise of questionable ability to satisfy their payment obligations as they become due, subjecting the company to a greater amount of credit risk and/or high yield risk. Additionally, the demand for securities of the company may be more volatile due to general market volatility in demand for investments in emerging markets.

As reflected in the above discussion, investments in emerging market securities involve a greater degree of risk than, and special risks in addition to the risks associated with, investments in domestic securities or in securities of foreign developed countries.

***Legal, Tax and Regulatory Risks***

The existing legal, tax and regulatory framework in the Indian investment environment and the jurisdictions through which such investments are made could have a material adverse effect on the company and the Indian Investments.

Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in India are untested. As a result, the company may be subject to a number of risks, including: inadequate investor protection; contradictory legislation; incomplete, unclear and changing laws; ignorance or breaches of regulations on the part of other market participants; lack of established or effective avenues for legal redress; lack of efficient resolution of tax disputes; lack of standard practices; confidentiality customs characteristic of developed markets; and lack of enforcement of existing regulations. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the company and its operations. Existing regulatory controls and corporate governance of businesses in India occasionally confer fewer protections for minority shareholders. The concept of fiduciary duty to investors by officers and directors in some Indian companies is also limited when compared to such concepts in western markets. In certain instances, the company may take significant actions without the consent of investors and anti-dilution protection may also be limited.

Further, it is possible that there will be legal, tax and regulatory changes in the Indian investment environment that may have a material adverse impact on the company and the Indian Investments. Such changes could include changes in applicable tax law, treaties or regulations or their interpretation, including actions undertaken in connection with the Organisation for Economic Co-operation and Development's ("OECD") Base Erosion and Profit Shifting ("BEPS") project.

***MLI***

Under a mandate given by G20 nations to address global tax avoidance, in 2015, the OECD developed 15 action plans aimed at tackling BEPS strategies. Action Plan 15 of the BEPS project envisaged a multilateral instrument ("MLI") for modifying the global tax treaty network in a timely and synchronized manner.

In June 2017, India proposed to modify its existing 93 comprehensive tax treaties when it joined 66 other countries (including Canada and Mauritius) in signing the MLI. On June 25, 2019, the Government of India deposited its instrument of ratification of the MLI with the OECD. Mauritius deposited its instrument of ratification of the MLI with the OECD on October 18, 2019, but has excluded India from its covered tax agreements. Accordingly, the MLI currently does not apply in respect of the India-Mauritius DTAA. However, in a cabinet meeting held on February 23, 2024, the Mauritius Government agreed to sign a protocol to amend the India-Mauritius DTAA to comply with the BEPS minimum standards of the OECD. On March 13, 2024, the Government of India issued a press release announcing that India and Mauritius entered into four agreements to strengthen the bilateral ties, including a protocol amending the India-Mauritius DTAA to align with the BEPS minimum standards of the OECD. This amendment introduced Article 27B, which incorporates a Principal Purpose Test ("PPT") to prevent treaty abuse by denying treaty benefits if obtaining such benefits was one of the principal purposes of a transaction, unless the taxpayer can prove otherwise. Subsequently, on January 21, 2025, the Central Board of Direct Taxes ("CBDT") issued a circular providing guidance on the application of the PPT in India's various tax treaties. Since Article 27B was introduced in the India-Mauritius DTAA there has been uncertainty regarding whether the PPT would apply retrospectively to investments made before April 1, 2017. The CBDT has now confirmed that the PPT will only apply prospectively, ensuring that investments made before April 1, 2017 will not be subject to retrospective scrutiny. However, the protocol will only come into effect once both India and Mauritius have completed their internal procedures for enforcement.

***Economic Risk***

The Indian economy has grown rapidly during the past several years and there is no assurance that this growth rate will be maintained. India may experience substantial (and, in some cases, extremely high) rates of inflation or economic recessions causing a negative effect on the Indian economy. India may also impose restrictions on the exchange or export of currency, institute adverse currency exchange rates or experience a lack of available currency hedging instruments. Any of these events could have a material adverse effect on the Indian economy and in turn, the company.

***Reliance on Trading Partners***

The Indian economy is dependent on commodity prices and the economies of Asia (mainly Japan and China) and the U.S. as key trading partners. Reduction in spending on Indian products and services by any of these trading partners or a slowdown or recession in any of these economies could materially adversely affect the Indian economy and, in turn, the company.

The company's financial performance may be impacted by changes in tariffs, trade restrictions and agreements, or other regulatory measures imposed by domestic or foreign governments. The announced imposition of tariffs by the U.S. and retaliatory measures between governments may cause multifaceted effects on the global economy and, in particular, the Indian economy. The U.S. Tariffs may adversely impact the operations of the company's Indian Investments by causing supply chain disruptions, inflationary pressures, availability of capital and capital market volatility. The company continues to assess the direct and indirect impacts of the U.S. Tariffs, retaliatory tariffs and other protectionist measures on the valuations of its Private Indian Investments. Failure of the Indian Investments to mitigate the negative effects of such tariffs and other measures on their businesses could have a material adverse impact on the company's investment results and book value per share. While the management teams of the company's Indian Investments are taking steps to seek to mitigate the potential impact on their business, given that developments are ongoing with respect to tariffs and other measures, their impacts are uncertain and could adversely affect the company's business, financial condition and investment results.

***Economic Disruptions from Global Conflicts and the Development of Other Geopolitical Events Worldwide***

Supply chain disruptions and volatility in commodity prices persist in many regions of the world, worsened by supply shocks arising from global conflicts and other geopolitical events worldwide. For example, the recent escalation in hostilities in the Middle East, including the recent military conflict involving Iran, the U.S. and Israel, have resulted in worldwide geopolitical and macroeconomic uncertainty, and the company cannot predict how these conflicts will evolve or the timing and effects thereof. The company's Indian Investments rely, to a certain extent, on free movement of goods, services and capital from around the world. Any escalation or prolonged geopolitical tension could grow and bring about further disruption, instability and volatility in global markets, supply chains and/or operations, which could in turn adversely affect the company's Indian Investments and financial performance. If these conflicts continue for a significant time or further expand to other countries and, depending on the ultimate outcomes of these conflicts, which remain uncertain, they could have additional adverse effects on macroeconomic conditions.

Furthermore, the potential continuation and expansion of these conflicts could give rise to adverse changes in international trade policies and relations; regulatory enforcement; the company's ability to implement and execute its business strategy; terrorist activities; exposure to foreign currency fluctuations; and constraints, volatility, or disruption in the capital markets, any of which could magnify the impact of other risk factors discussed in this Annual Report and have a material adverse effect on the company's business, financial condition, results of operations or cash flows.

Given the ongoing and dynamic nature of the circumstances surrounding various global conflicts and other geopolitical events worldwide, it is difficult to predict how significant these continuing events or the occurrence of any similar events will be on the global economy, and the company's businesses and investments, or for how long any further disruptions in the future are likely to continue. Such further developments could have a material adverse effect on the company's business, financial condition, results of operations or cash flows.

**Other**

**Quarterly Data** (unaudited)

*Years ended December 31*

| *US$ thousands, except per share amounts* | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|---|---|---|---|---|---|
| **2025** | | | | | |
| Income (loss) | (212,807) | 330,925 | 49,034 | 441,701 | 608,853 |
| Expenses | 17,802 | 19,238 | 19,886 | 22,358 | 79,284 |
| Provision for (recovery of) income taxes | (19,142) | 33,128 | 13,333 | 60,158 | 87,477 |
| Net earnings (loss) | (211,467) | 278,559 | 15,815 | 359,185 | 442,092 |
| Net earnings (loss) attributable to shareholders | (211,224) | 278,113 | 3,222 | 340,415 | 410,526 |
| Net earnings (loss) per share | $ (1.57) | $ 2.06 | $ 0.02 | $ 2.53 | $ 3.05 |
| Net earnings (loss) per diluted share | $ (1.57) | $ 2.06 | $ 0.02 | $ 2.53 | $ 3.05 |
| **2024** | | | | | |
| Income (loss) | (282,292) | 290,795 | 88,724 | 2,824 | 100,051 |
| Expenses | 18,400 | 18,611 | 18,462 | 18,367 | 73,840 |
| Provision for (recovery of) income taxes | (7,483) | 18,037 | 32,950 | 15,444 | 58,948 |
| Net earnings (loss) | (293,209) | 254,147 | 37,312 | (30,987) | (32,737) |
| Net earnings (loss) attributable to shareholders | (293,504) | 254,142 | 33,971 | (35,782) | (41,173) |
| Net earnings (loss) per share | $ (2.17) | $ 1.88 | $ 0.25 | $ (0.27) | $ (0.30) |
| Net earnings (loss) per diluted share | $ (2.17) | $ 1.88 | $ 0.25 | $ (0.27) | $ (0.30) |

*Years ended December 31*

| *Indian rupees and in millions, except per share amounts*[1] | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|---|---|---|---|---|---|
| **2025** | | | | | |
| Income (loss) | (18,433) | 28,602 | 4,291 | 38,602 | 53,062 |
| Expenses | 1,542 | 1,647 | 1,736 | 1,985 | 6,910 |
| Provision for (recovery of) income taxes | (1,658) | 2,862 | 1,159 | 5,261 | 7,624 |
| Net earnings (loss) | (18,317) | 24,093 | 1,396 | 31,356 | 38,528 |
| Net earnings (loss) attributable to shareholders | (18,296) | 24,054 | 307 | 29,713 | 35,778 |
| Net earnings (loss) per share | (135.69) | 178.42 | 2.28 | 220.57 | 265.43 |
| Net earnings (loss) per diluted share | (135.69) | 178.42 | 2.28 | 220.57 | 265.43 |
| **2024** | | | | | |
| Income (loss) | (23,443) | 24,151 | 7,403 | 261 | 8,372 |
| Expenses | 1,528 | 1,553 | 1,547 | 1,551 | 6,179 |
| Provision for (recovery of) income taxes | (621) | 1,500 | 2,751 | 1,303 | 4,933 |
| Net earnings (loss) | (24,350) | 21,098 | 3,105 | (2,593) | (2,740) |
| Net earnings (loss) attributable to shareholders | (24,374) | 21,098 | 2,827 | (2,995) | (3,444) |
| Net earnings (loss) per share | (180.06) | 156.11 | 20.92 | (22.19) | (25.48) |
| Net earnings (loss) per diluted share | (180.06) | 156.11 | 20.92 | (22.19) | (25.48) |

*(1) Presented in the company's functional currency.*

Income of $441,701 in the fourth quarter of 2025 compared to $2,824 in the fourth quarter of 2024 increased primarily as a result of net gains on investments in the current period compared to net losses on investments in the prior period, in addition to lower net foreign exchange losses.

Dividend income of $34,423 in the fourth quarter 2025 increased from $32,769 in the fourth quarter 2024 principally due to higher dividends received from the company's investment in Seven Islands, partially offset by the impact of dividends received from Saurashtra in the prior period.

Net realized gains on investments of $52,256 in the fourth quarter of 2025 primarily related to the sale of the company's investment in Saurashtra. Net realized gains on investments of $217 in the fourth quarter of 2024 primarily related to sales of Government of India bonds.

Net change in unrealized gains on investments of $360,070 in the fourth quarter of 2025 principally related to unrealized gains on BIAL, IIFL Finance, IIFL Capital, CSB Bank and Global Aluminium, partially offset by unrealized losses on Sanmar and Seven Islands, in addition to the reversal of prior period gains upon the sale of Saurashtra.

Net change in unrealized losses on investments of $23,929 in the fourth quarter of 2024 principally related to unrealized losses on Sanmar, IIFL Finance, IIFL Capital and Seven Islands, partially offset by unrealized gains on BIAL, Jaynix and Maxop.

Total expenses of $22,358 in the fourth quarter of 2025 increased from $18,367 in the fourth quarter of 2024, primarily due to higher general and administrative expenses related to fees incurred on sale of Saurashtra, and incremental interest expense related to letter of credit fees and borrowings drawn under the Revolving Credit Facility during 2025.

The company reported net earnings attributable to shareholders of Fairfax India of $340,415 (net earnings of $2.53 per basic and diluted share) in the fourth quarter of 2025 compared to a net loss attributable to shareholders of Fairfax India of $35,782 (a net loss of $0.27 per basic share and diluted share) in the fourth quarter of 2024. The increase in profitability in the fourth quarter of 2025 primarily reflected the changes noted above, partially offset by a higher provision for income taxes in the current period.

Individual quarterly results have been (and are expected to continue to be) significantly impacted by net unrealized gains (losses) on the company's Indian Investments and net foreign exchange gains (losses), the timing of which is not predictable. Individual quarterly results have been (and may in the future be) affected by increased expenses impacted by the change in fair value of the company's Indian Investments which would result in a higher performance fee, if applicable, and investment and advisory fees.

### Stock Prices and Share Information

At March 6, 2026 the company had 104,218,804 subordinate voting shares and 30,000,000 multiple voting shares outstanding (an aggregate of 134,218,804 common shares effectively outstanding). Each subordinate voting share carries one vote per share at all meetings of shareholders except for separate meetings of holders of another class of shares. Each multiple voting share carries fifty votes per share at all meetings of shareholders except for separate meetings of holders of another class of shares. Fairfax, through its subsidiaries, owns all the issued and outstanding multiple voting shares, which are not publicly traded.

The table that follows presents the TSX high, low and closing U.S. dollar prices of the subordinate voting shares of Fairfax India, trading under the symbol FIH.U, for each quarter of 2025 and 2024.

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---|---|---|---|---|
| | | (US$) | | |
| **2025** | | | | |
| High | 20.69 | 18.70 | 20.33 | 18.30 |
| Low | 15.45 | 14.50 | 17.11 | 15.63 |
| Close | 17.00 | 18.59 | 17.25 | 17.29 |
| **2024** | | | | |
| High | 15.30 | 15.15 | 15.07 | 16.77 |
| Low | 13.88 | 13.55 | 14.00 | 14.50 |
| Close | 14.93 | 14.35 | 15.07 | 16.01 |

### Compliance with Corporate Governance Rules

Fairfax India is a Canadian reporting issuer with securities listed on the TSX and trading in U.S. dollars under the symbol FIH.U. It has in place corporate governance practices that comply with all applicable rules and substantially comply with all applicable guidelines and policies of the Canadian Securities Administrators and the practices set out therein.

The company's Board of Directors has adopted a set of Corporate Governance Guidelines (which include a written mandate of the Board), established an Audit Committee and Governance, Compensation and Nominating Committee, approved written charters for all of its committees, approved a Code of Business Conduct and Ethics and a Modern Slavery Policy applicable to all directors, officers and employees of the company and established, in conjunction with the Audit Committee, a Whistleblower Policy. The company continues to monitor developments in the area of corporate governance as well as its own procedures.

**Forward-Looking Statements**

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

Forward-looking statements are based on our opinions and estimates as of the date of this annual report and they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to the following factors that are described in greater detail elsewhere in this annual report: oil price risk; geographic concentration of investments; potential lack of diversification; foreign currency fluctuation; volatility of the Indian securities markets; investments may be made in foreign private businesses where information is unreliable or unavailable; valuation methodologies involve subjective judgments; financial market fluctuations; pace of completing investments; minority investments; reliance on key personnel and risks associated with the Investment Advisory Agreement; disruption of the company's information technology systems could significantly affect the company's business; lawsuits; use of leverage; significant ownership by Fairfax may adversely affect the market price of the subordinate voting shares; trading price of subordinate voting shares relative to book value per share risk; weather risk; taxation risks; emerging markets; legal, tax and regulatory risks; MLI; economic risk; reliance on trading partners; and economic disruptions from global conflicts and the development of other geopolitical events worldwide. Additional risks and uncertainties are described in the company's annual information form which is available on SEDAR+ at www.sedarplus.ca and on the company's website at www.fairfaxindia.ca. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect the company. These factors and assumptions, however, should be considered carefully.

Although the company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The company does not undertake to update any forward-looking statements contained herein, except as required by applicable securities laws.

**Glossary of Non-GAAP and Other Financial Measures**

Management analyzes and assesses the financial position of the consolidated company in various ways. Certain of the measures included in this Annual Report, which have been used consistently and disclosed regularly in the company's Annual Reports and interim financial reporting, do not have a prescribed meaning under IFRS Accounting Standards and may not be comparable to similar measures presented by other companies.

***Supplementary Financial Measures***

**Book value per share –** The company considers book value per share a key performance measure in evaluating its objective of long term capital appreciation, while preserving capital. This measure is also closely monitored as it is used to calculate the performance fee, if any, to Fairfax. This measure is calculated by the company as common shareholders' equity divided by the number of common shares outstanding. Those amounts are presented in the consolidated balance sheet and note 8 (Total Equity under the heading *Common Stock*), respectively, within the consolidated financial statements for the year ended December 31, 2025.

**Cumulative interest and dividends –** The company uses this measure to monitor cash flows generated from interest and dividend income for each Indian Investment. This measure is calculated by the company as the sum of interest and dividend income recorded and received over the period of the company's investment.

**Compounded annualized return –** The company uses this measure to assess the performance of its investments. This measure represents the U.S. dollar annualized internal rate of return and is calculated for each of the company's existing and monetized Indian Investments, taking into account (i) the timing of cash flows (including cash consideration of purchases, cash proceeds on sales, cumulative interest and dividends received, and return of capital distributions) over the period of the company's investment, and (ii) the fair value at the end of the reporting period for existing Indian Investments.

***Non-GAAP Financial Measures***

**Book value per share prior to the performance fee –** This measure adjusts common shareholders' equity in the book value per share calculation to remove the performance fee accrued at the end of the current reporting period, if any, as presented in note 12 (Related Party Transactions) within the consolidated financial statements for the year ended December 31, 2025, and is a key performance measure.

**Book value per share before cumulative performance fees –** This measure adjusts the common shareholders' equity in the book value per share calculation to add the performance fee accrued or payable at the end of the reporting period, if any, and adjusts the common shares outstanding at the end of the reporting period to remove the subordinate voting shares issued to settle performance fees in prior periods. The company issued 7,663,685 and 546,263 subordinate voting shares in connection with the first and second calculation periods, respectively. The company uses this measure to monitor the company's performance had it not been impacted by any performance fees.

**Cash used in operating activities excluding the impact of net sales (purchases) of investments –** The company uses this measure to monitor the cash generated by (used in) the company's head office operations, primarily comprised of cash inflows (outflows) from interest and dividend income, performance fees, investment and advisory fees, interest expense, current income taxes and general and administration expenses, and excludes the impact of purchases and sales of investments. This measure is a component of cash provided by (used in) operating activities as presented in the consolidated statement of cash flows within the consolidated financial statements for the year ended December 31, 2025.

**Cash and marketable securities –** The company uses this measure to monitor short term liquidity risk. This measure is calculated by the company as the sum of cash, cash equivalents, short term investments, and Government of India bonds. Those amounts are presented in note 6 (Cash and Investments) within the consolidated financial statements for the year ended December 31, 2025.

**Compound annual growth rate ("CAGR") –** The company uses the CAGR to measure performance of certain of the above-noted metrics over a specified period of time. CAGR is calculated using the formula: (ending value / beginning value) ^ (1 / number of years) – 1.

**Other Financial Measures related to Indian Investments**

The Annual Report contains certain financial information related to Indian Investments (and related financial measures derived therefrom) which are prepared under Indian Accounting Standards (Ind AS), with the exception of the financial statements of CSB Bank prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP), unless otherwise noted. Such financial information is prepared by and is the

responsibility of the respective Indian Investments' management teams. Fairfax India is limited with respect to the amount of independent verification it is able to perform on the Indian Investments' financial information.

Certain financial measures related to Indian Investments included in the Annual Report do not have a prescribed meaning under IFRS Accounting Standards and may not be comparable to similar measures presented by the company or other companies.

**Appendix to the Letter to Shareholders**

Management analyzes and assesses the financial position of the consolidated company in various ways. Certain of the measures included in its letter to shareholders do not have a prescribed meaning under IFRS Accounting Standards and may not be comparable to similar measures presented by other companies. Those measures are described below.

***Supplementary Financial Measures***

**Price to free cash flow –** The company uses this measure to evaluate certain equity valuations of Indian Investments. It is calculated as the fair value of the Indian Investment, divided by the investee company's forecasted free cash flows for its current fiscal year (fiscal year 2025-26). Free cash flow is calculated as cash flow from operations of the investee company, less maintenance-related capital expenditures and interest expense. References to normalized free cash flow refer to forecasted free cash flow for the investee company's fiscal year 2026-27.

**Proportion of Fairfax India's investments subject to public mark-to-market valuations –** The company uses this measure to determine the proportion of the company's Indian Investments with fair values based on published quotes in active markets, an important risk measure. This measure is calculated as the total fair value of the company's Public Indian Investments plus the fair value of the company's share of Chemplast Sanmar Limited (a publicly listed subsidiary of Sanmar, approximately $97.3 million), divided by the total fair value of the company's Indian Investments.

**Realized cash gain –** The company uses this measure to evaluate the return on its monetized Indian Investments. This measure is calculated based on U.S. dollar amounts translated at foreign currency exchange rates at the time of respective cash flows, and is calculated as the difference between (i) the sum of cash proceeds and cumulative interest and dividends received from monetized Indian Investments, and (ii) cash consideration originally paid for monetized Indian Investments.

**Total debt to equity –** The company uses this measure to monitor and manage its capital. This measure is calculated as total principal of Borrowings outstanding divided by common shareholders' equity at a point in time. These amounts are presented in note 7 (Borrowings) and the consolidated balance sheet, respectively, within the consolidated statements for the year ended December 31, 2025.

***Non-GAAP Financial Measures***

**Undeployed cash and investments –** The company uses this measure to monitor short term liquidity risk. This measure is calculated by the company as the sum of cash, cash equivalents, short term investments, and Government of India bonds. These amounts are presented in note 6 (Cash and Investments) within the consolidated financial statements for the year ended December 31, 2025.

**Directors of the Company**

Christopher D. Hodgson
*Corporate Director*

Sharmila Karve
*Corporate Director*

Honourable Jason Kenney
*Senior Advisor*
*Bennett Jones LLP*

Sumit Maheshwari
*Managing Director and Chief Executive Officer*
*Fairbridge Capital Private Limited*

R. William McFarland
*Corporate Director*

Satish Rai
*Corporate Director*

Chandran Ratnaswami
*Executive Vice Chairman of the Company*

Gopalakrishnan Soundarajan
*Chief Executive Officer of the Company*

Lauren C. Templeton
*President*
*Templeton and Phillips Capital Management, LLC*

Benjamin P. Watsa
*Chief Executive Officer*
*Marval Capital Ltd.*

V. Prem Watsa
*Chairman and Chief Executive Officer*
*Fairfax Financial Holdings Limited*

**Operating Management**

**FIH Mauritius Investments Ltd**

Amy Tan
*Chief Executive Officer*

**Officers of the Company**

Debbie Chalkley
*Chief Financial Officer*

Jennifer Pankratz
*General Counsel and Corporate Secretary*

Chandran Ratnaswami
*Executive Vice Chairman*

Amy Sherk
*Vice President*

Gopalakrishnan Soundarajan
*Chief Executive Officer*

John Varnell
*Vice President, Corporate Affairs*

V. Prem Watsa
*Chairman and Chief Executive Officer*
*Fairfax Financial Holdings Limited*

**Head Office**

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Suite 800
Toronto, Ontario, Canada M5J 2N7
Telephone: (416) 367-4755
Website: www.fairfaxindia.ca

**Auditor**

PricewaterhouseCoopers LLP

**Transfer Agent and Registrar**

Computershare Trust Company of Canada, Toronto

**Share Listing**

Toronto Stock Exchange
Stock Symbol: FIH.U

**Annual Meeting**

The annual meeting of the shareholders of Fairfax India Holdings Corporation will be held on Wednesday, April 15, 2026 at 9:30 a.m. (Toronto time) at The Ritz-Carlton Hotel, The Ritz-Carlton Ballroom, 181 Wellington Street West, Toronto, Canada M5V 3G7 and virtually through a web-based platform.