



DRI HEALTHCARE TRUST

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited)		As at		As at
(in thousands of U.S. dollars)		September 30, 2025		December 31, 2024
Assets				
Cash and cash equivalents		\$	35,608	\$ 36,502
Royalties receivable			52,886	62,362
Other current assets			1,313	303
Current assets			89,807	99,167
Intangible royalty assets, net of accumulated amortization	note 6		756,423	823,936
Financial royalty assets	note 16		55,357	57,527
Investment in marketable securities	note 15		6,090	4,235
Other non-current assets			1,369	2
Non-current assets			819,239	885,700
Total assets		\$	909,046	\$ 984,867
Liabilities				
Accounts payable and accrued liabilities	note 19	\$	8,006	\$ 4,821
Distributions payable to Unitholders	note 8		5,515	4,786
Performance fees payable	note 19		—	1,665
Current portion of credit facility	note 7		59,588	56,888
Current portion of unit-based compensation liability	note 10		1,386	2,093
Other current liabilities	note 8		4,265	11,616
Current liabilities			78,760	81,869
Credit facility	note 7		285,488	263,865
Preferred securities	note 7		105,750	110,937
Derivative instruments	note 15		1,494	425
Unit-based compensation liability	note 10		78	240
Other non-current liabilities	note 7		376	—
Total liabilities			471,946	457,336
Equity				
Unitholders' capital	note 8		551,056	562,583
Other equity reserves	note 8		(9,910)	(7,910)
Accumulated other comprehensive earnings (loss)	note 15		(1,397)	(425)
Accumulated retained earnings (deficit)			(102,649)	(26,717)
Total equity			437,100	527,531
Total liabilities and equity		\$	909,046	\$ 984,867

See accompanying notes to the unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET EARNINGS (LOSS) AND COMPREHENSIVE EARNINGS (LOSS)

(unaudited)

		Three months ended		Nine months ended	
		September 30,	September 30,	September 30,	September 30,
		2025	2024	2025	2024
(in thousands of U.S. dollars except per Unit data)					
Income					
Royalty income	note 6	\$ 46,884	\$ 40,959	\$ 131,311	123,331
Change in fair value of financial royalty assets	note 16	1,173	—	2,830	—
Unrealized gain (loss) on marketable securities	note 15	435	—	1,855	—
Other interest income		253	596	907	1,895
Total income		48,745	41,555	136,903	125,226
Expenses					
Amortization of intangible royalty assets	note 6	26,326	26,098	75,822	76,823
Impairment of intangible royalty assets	note 6	13,691	901	13,691	6,101
Management fees	note 19	—	1,470	6,733	8,459
Performance fees	note 19	—	—	533	231
Interest expense	note 7	10,252	8,377	28,887	25,416
Deal investigation and research expenses	note 10	1,119	1,056	3,531	3,923
Compensation expense	note 11	3,542	100	4,125	100
Unit-based compensation	note 12	1,150	347	2,580	7,589
General and administrative expenses	note 13	819	80	1,016	221
Other operating expenses	note 14	1,946	4,818	10,490	7,329
Total expenses		58,845	43,247	147,408	136,192
Gain (loss) on preferred securities	note 7	—	—	(971)	2,176
Other loss	note 2	—	—	—	(1,575)
Termination fee	note 19	(48,000)	—	(48,000)	—
Net earnings (loss) before tax		\$ (58,100)	\$ (1,692)	\$ (59,476)	(10,365)
Income tax recovery		240	—	240	—
Net earnings (loss)		\$ (57,860)	\$ (1,692)	\$ (59,236)	(10,365)
Other comprehensive earnings (loss)					
Net unrealized gain (loss) on derivative instruments	note 15	184	(1,632)	(972)	(207)
Comprehensive earnings (loss)		\$ (57,676)	\$ (3,324)	\$ (60,208)	(10,572)
Net earnings (loss) per Unit					
Basic	note 9	\$ (1.05)	\$ (0.03)	\$ (1.06)	(0.18)
Diluted	note 9	\$ (1.05)	\$ (0.03)	\$ (1.06)	(0.18)

See accompanying notes to the unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited) (in thousands of U.S. dollars)		Unitholders'	Other Equity	Accumulated Other Comprehensive	Accumulated	Total
		Capital	Reserves	Earnings (Loss)	Retained Earnings (Deficit)	Equity
Balance – December 31, 2023		\$ 561,503	\$ 2,150	\$ (1,089)	\$ (2,865)	\$ 559,699
Issuance of Units:						
Settlement of vested Restricted Units	note 10	3,335	—	—	—	3,335
Issuance of 2024 Warrants	note 8	—	4,322	—	—	4,322
Redemption of 2023 Warrants	note 8	—	(2,229)	—	—	(2,229)
Warrant issuance costs	note 8	—	(137)	—	—	(137)
Preferred securities and warrants refinancing	note 8	—	(18,212)	—	—	(18,212)
Repurchase and cancellation of Units	note 8	(3,917)	—	—	—	(3,917)
Cash distributions to Unitholders	note 8	—	—	—	(14,366)	(14,366)
Reimbursement from Manager	note 2	—	6,196	—	—	6,196
Other comprehensive earnings (loss)	note 15	—	—	(207)	—	(207)
Net earnings (loss)		—	—	—	(10,365)	(10,365)
Balance – September 30, 2024		\$ 560,921	\$ (7,910)	\$ (1,296)	\$ (27,596)	\$ 524,119
Balance – December 31, 2024		\$ 562,583	\$ (7,910)	\$ (425)	\$ (26,717)	\$ 527,531
Issuance of Units:						
Settlement of vested Restricted and Deferred Units	note 10	1,895	—	—	—	1,895
Repurchase and cancellation of Units	note 8	(13,193)	—	—	—	(13,193)
Excise tax on Unit repurchases	note 8	(229)	—	—	—	(229)
Reserve for Units subject to automated purchase plan	note 8	—	(2,000)	—	—	(2,000)
Cash distributions to Unitholders	note 8	—	—	—	(16,696)	(16,696)
Other comprehensive earnings (loss)	note 15	—	—	(972)	—	(972)
Net earnings (loss)		—	—	—	(59,236)	(59,236)
Balance – September 30, 2025		\$ 551,056	\$ (9,910)	\$ (1,397)	\$ (102,649)	\$ 437,100

See accompanying notes to the unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)
(in thousands of U.S. dollars)

Nine months ended
September 30, 2025

Nine months ended
September 30, 2024

Operating Activities

Net earnings (loss)		\$	(59,236)	\$	(10,365)
Adjustment for non-cash items:					
Interest expense	note 7		28,887		25,416
Amortization of intangible royalty assets	note 6		75,822		76,823
Impairment of intangible royalty assets	note 6		13,691		6,101
Depreciation of fixed assets and other intangible assets	note 13		136		—
Change in fair value of financial royalty assets	note 15		(2,830)		—
Unit-based compensation expense	note 10		2,580		7,589
Loss (gain) on preferred securities	note 7		971		(2,176)
Unrealized loss (gain) on marketable securities	note 15		(1,855)		—
			58,166		103,388
Changes in non-cash working capital:					
Royalties receivable			9,477		22,062
Other current assets			(1,011)		(226)
Other non-current assets			(503)		630
Accounts payable and accrued liabilities			(888)		(2,641)
Performance fees payable	note 19		(1,665)		(5,918)
Other current liabilities			649		465
Other non-current liabilities			376		—
			6,435		14,372
Cash provided by operating activities		\$	64,601	\$	117,760

Financing Activities

Repurchase and cancellation of Units	note 8		(13,193)		(3,917)
Distributions to Unitholders paid in cash	note 8		(15,967)		(28,813)
Drawings from credit facility	note 7		67,000		137,000
Repayment of credit facility	note 7		(43,341)		(51,937)
Cash interest paid, net	note 7		(22,106)		(19,702)
Debt issuance costs paid	note 7		(388)		(277)
Issuance of preferred securities and warrants	notes 7, 8		—		20,441
Partial redemption of 2024 Preferred Securities	note 7		(9,500)		—
Redemption of 2023 Warrants	notes 7, 8		—		(20,441)
Preferred securities and warrants issuance costs paid	notes 7, 8		—		(409)
Reimbursement from Manager	note 2		—		6,196
Cash provided by (used in) financing activities		\$	(37,495)	\$	38,141

Investing Activities

Purchase of royalty assets and other net assets, net of cash	note 5	\$	(32,000)	\$	(128,250)
Purchase of fixed assets and other intangible assets	note 19		(1,000)		—
Casgevy license fee	note 5		5,000		—
Cash transaction costs paid	note 5		—		(1,080)
Cash used in investing activities		\$	(28,000)	\$	(129,330)
Increase (decrease) in cash and cash equivalents		\$	(894)	\$	26,571
Cash and cash equivalents, beginning of year			36,502		62,835
Cash and cash equivalents		\$	35,608	\$	89,406

See accompanying notes to the unaudited interim condensed consolidated financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)
(in thousands of U.S. dollars except per unit data)

DRI Healthcare Trust was established as an unincorporated open-ended limited purpose trust under the laws of the Province of Ontario pursuant to a declaration of trust on October 21, 2020, as amended and restated on May 15, 2025. DRI Healthcare Trust is a “mutual fund trust” as defined in the *Income Tax Act* (Canada) but not a “mutual fund” within the meaning of applicable Canadian securities legislation. Effective July 1, 2025, DRI Healthcare Trust became a specified investment flow-through (“SIFT”) trust for the purposes of the *Income Tax Act* (Canada).

DRI Healthcare Trust was formed to provide Unitholders with differential exposure to the pharmaceutical and biotechnology industries through ownership and acquisitions of pharmaceutical royalties. Persis Capital Inc. (formerly DRI Capital Inc.) (“**former external manager**”) acted as an external manager for the Trust pursuant to the terms of a management agreement. The external manager provided management and other services up to June 30, 2025. On July 1, 2025, DRI Healthcare Trust completed the internalization of its investment management function. In connection with the internalization, DRI Healthcare Trust and the former external manager had entered into a certain termination agreement pursuant to which (i) the management agreement with the former external manager was terminated, effective June 30, 2025; and (ii) the former external manager agreed to indemnify the Trust and its affiliates in respect of, among other things, damages, if any, related to the events described in note 2. To extinguish the former external manager’s management agreement, along with all management and performance fee obligations, DRI Healthcare Trust paid a termination fee of \$48,000. The termination of the former external manager results in the elimination of management and performance fees on a go forward basis.

In addition, in connection with the internalization, DRI Healthcare Trust acquired certain relevant assets of the former external manager for a purchase price of \$1,000. As a result of the transaction contemplated by a certain asset purchase agreement entered into between the Trust and the former external manager, the employees of the former external manager transitioned to a subsidiary of DRI Healthcare Trust.

DRI Healthcare Trust’s Units are listed on the Toronto Stock Exchange (“**TSX**”) in Canadian dollars under the symbol “**DHT.UN**” and in U.S. dollars under the symbol “**DHT.U**”.

The registered address for DRI Healthcare Trust is 100 King Street West, Suite 6200, Toronto, Ontario, M5X 1B8, Canada.

Throughout these statements, “**Trust**”, “**we**”, “**us**” and “**our**” refer to DRI Healthcare Trust and its consolidated subsidiaries.

These unaudited interim condensed consolidated financial statements (the “**consolidated financial statements**”) were authorized for issuance by the board of trustees on November 5, 2025.

NOTE 1 | BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting*, using accounting policies consistent with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”). Accordingly, certain financial information and note disclosures normally included in annual financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB have been omitted or condensed. These consolidated financial statements should be read in conjunction with the Trust’s audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2024 (“**2024 consolidated financial statements**”).

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, adjusted for the revaluation of certain financial assets and liabilities recorded at fair value through net earnings (loss) as explained in note 3(e) to the Trust’s 2024 consolidated financial statements.

(c) Basis of Consolidation

These consolidated financial statements represent the accounts of DRI Healthcare Trust and its directly or indirectly owned subsidiaries. Control is achieved when the Trust has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of operations of subsidiaries are included in the consolidated financial statements from the date on which the Trust obtains control. All intercompany balances and transactions have been eliminated.

These consolidated financial statements include the accounts of DRI Healthcare Trust and its subsidiaries, as presented below:

Entity	Date of Control	Jurisdiction of Organization	Economic Interest ⁽ⁱ⁾
DRI Healthcare ICAV	February 19, 2021	Ireland	100%
DRI UK LP	July 22, 2025	Delaware, United States	100%
DRI UK LLC	July 22, 2025	Delaware, United States	100%
DRI Healthcare LP	February 19, 2021	Delaware, United States	100%
DRI Healthcare Acquisitions LP	February 19, 2021	Delaware, United States	100%
DRI Healthcare Acquisitions LP 1	February 19, 2021	Delaware, United States	100%
DRI Healthcare LP 2	February 22, 2021	Delaware, United States	100%
Drug Royalty LP 1	February 22, 2021	Delaware, United States	100%
Drug Royalty LP 3	February 22, 2021	Cayman Islands	100%
DRI Capital (US), Inc.	July 1, 2025	Delaware, United States	100%
DRI Healthcare Management Company Inc.	July 1, 2025	Canada	100%
DRC Management III LLC 1	February 19, 2021	Delaware, United States	100%
DRC Management III LLC 2	February 19, 2021	Delaware, United States	100%
DRC Management LLC 2	February 22, 2021	Delaware, United States	100%
DRI Healthcare GP, LLC	February 19, 2021	Delaware, United States	100%
TCD Royalty Sub, LP	September 30, 2021	Delaware, United States	100%

(i) Economic interest can be held directly or indirectly through wholly-owned subsidiaries.

DRI Capital (US), Inc. and DRI Healthcare Management Company Inc. are wholly-owned subsidiaries controlled directly by DRI Healthcare Trust and provide certain management and administrative services to the Trust.

DRI UK LLC was established as the general partner of DRI UK LP which holds certain intangible royalty assets in the investment portfolio.

(d) Functional and Presentation Currency

The functional and presentation currency of the Trust is the United States dollar ("**U.S. dollar**"). We present our consolidated financial statements in U.S. dollars. All dollar amounts are expressed in U.S. dollars unless otherwise indicated. Accordingly, all references to "**US\$**", "**\$**" or "**dollars**" are to U.S. dollars, and all references to "**C\$**" are to Canadian dollars. Dollar amounts in the tables and elsewhere in these consolidated financial statements are presented in thousands of U.S. dollars unless otherwise noted.

(e) Comparative information

Certain comparative figures have been adjusted to conform with the current period's presentation. Amounts previously reported as other operating expenses were reclassified to reflect the new financial statement line items relating to compensation expense and general and administrative expenses, as described in note 11 and note 13.

NOTE 2 | INVESTIGATION

In the second quarter of 2024, the Audit Committee of the board of trustees of the Trust, assisted by independent legal counsel and forensic accountants, commenced an internal investigation into irregularities related to certain alleged consulting and other expenses charged to the Trust, either directly or indirectly, by the former external manager, as directed by the former Chief Executive Officer. As a consequence of the investigation, it was determined that the Trust should not have been charged certain consulting and other expenses. These charges were made during the periods from and including fiscal 2021 through June 30, 2024 and totaled \$6,510.

The irregular charges relating to the three and nine months ended September 30, 2024 were nil and \$1,575, respectively, and are included in "other loss" on the interim condensed consolidated statements of net earnings (loss) and comprehensive earnings (loss).

Recovery of other losses

On July 9, 2024 and August 6, 2024, the former external manager reimbursed the Trust a total amount of \$6,510 for the losses associated with the irregular charges, of which \$6,196 was recorded in other equity and \$314 reduced a related-party receivable from the former external manager.

NOTE 3 | MATERIAL ACCOUNTING POLICIES

In the preparation of these consolidated financial statements, the Trust has consistently applied the material accounting policies as described in note 3 to the Trust's 2024 consolidated financial statements. The following accounting policies have been modified or added in the current year, as described below.

Income taxes

The Trust is a mutual fund trust and a SIFT trust, as defined in the *Income Tax Act* (Canada). The Trust itself is not subject to income taxes provided that all of the Trust's taxable income is distributed to Unitholders each year in cash or by way of additional Units by the end of the fiscal year. Income distributed by the Trust is included in the tax returns of the Unitholders.

Certain entities, directly or indirectly owned by the Trust are subject to income taxes. The Trust accounts for income taxes in accordance with IAS 12, *Income Taxes*. Income tax expense for these subsidiaries reflect taxes payable (recoverable) on taxable income (losses) for the period, calculated based on the enacted or substantively enacted tax rates at the reporting date.

Leases

The Trust recognizes a right-of-use (“**ROU**”) asset and a lease liability as at the lease commencement date in accordance with IFRS 16, *Leases*. The ROU asset is initially measured at cost which includes the initial lease liability, any lease payments made at or before the commencement date, and any direct costs incurred, and is subsequently depreciated on a straight-line basis over the lease term. The lease liability is initially measured at the present value of future lease payments over the anticipated lease term, discounted using the Trust’s incremental borrowing rate. The ROU asset is presented in the other non-current assets line of the consolidated statements of financial position, and the short- and long-term portions of the lease liability are presented in the other current liabilities line and other non-current liabilities line, respectively, of the consolidated statements of financial position. Short-term leases under 12 months and leases of low-value assets are expensed as incurred.

Property, equipment and other intangible assets

Property, equipment and other intangible assets are recorded at cost. Finite-life assets are amortized on a straight-line basis over their expected useful life or in the case of leasehold improvements over the term of the lease. Subsequently, these assets are carried at cost less accumulated amortization and any accumulated impairment losses. Assets with indefinite useful lives are not amortized but are tested annually for impairment. The residual values, useful life and methods of amortization for property and equipment are reviewed at each reporting date and adjusted prospectively, if necessary. Any loss resulting from the impairment of property, equipment and other intangible assets is expensed in the period the impairment is identified.

NOTE 4 | USE OF JUDGMENTS AND ESTIMATES

In the preparation of these consolidated financial statements, the Trust has used consistent judgments and estimates, as described in note 4 to the Trust’s 2024 consolidated financial statements.

NOTE 5 | ASSET TRANSACTIONS

Transactions Completed in 2025

(a) Orserdu II Milestone Payment

On January 24, 2025, the Trust paid \$10,000 to fund the Orserdu II milestone obligation, as a result of certain pre-specified events outlined in the purchase agreement having been met.

(b) Ekterly Optional Payment

On July 7, 2025, KalVista Pharmaceuticals, Inc. (“**KalVista**”) elected to receive the one-time optional payment of \$22,000 as part of the Ekterly transaction completed in 2024, as described below. As a result of the payment, the Trust’s royalty entitlement on net sales up to and including \$500,000 increased from 5.0% to 6.0% and the potential one-time sales-based milestone payment to KalVista increased from \$50,000 to \$57,000. The Trust funded the payment on July 9, 2025.

Veligrotug and VRDN-003 Transaction

Subsequent to September 30, 2025, the Trust acquired a royalty interest in the U.S. net sales of veligrotug and VRDN-003 from Viridian Therapeutics, Inc. (“**Viridian**”) for an aggregate purchase price of up to \$300,000, including a \$55,000 upfront payment and up to \$115,000 in near-term clinical and regulatory milestone payments. The transaction entitles the Trust to 7.50% on annual U.S. net sales up to and including \$600,000, 0.80% on annual U.S. net sales above \$600,000 and up to and including \$900,000, and 0.25% on annual U.S. net sales above \$900,000 and up to and including \$2,000,000. Royalty receipts will be collected quarterly on a one-quarter lag, with the first royalty receipt being paid in the quarter immediately following the first commercial sale of veligrotug in the U.S.

Transactions Completed in 2024

(a) Omidria Royalty Amendment

On February 1, 2024, the Trust expanded its interest in royalties on the U.S. net sales of Omidria by amending the existing Omidria royalty agreement entered into in 2022. For a purchase price of \$115,000, the amendment now entitles the Trust to receive a 30% royalty on U.S. net sales of Omidria until December 31, 2031, and all previously agreed-upon annual royalty caps have been eliminated. As part of the amendment, the Trust is no longer entitled to ex-U.S. royalties. In accordance with the terms of the amended royalty agreement, the royalty seller may be entitled to receive up to \$55,000 in potential sales-based milestone payments.

The Trust recognized acquired royalties receivable of \$3,560 related to the Trust’s royalty entitlement accrued from November 1, 2023 to February 1, 2024, the date of the amendment. Transaction costs of \$777 were capitalized as part of the royalty asset amendment.

(b) Additional Xenpozyme Royalty Stream

On June 28, 2024, the Trust purchased an additional royalty stream on Xenpozyme for \$13,250. This royalty is in addition to the Trust’s existing Xenpozyme royalty purchased in 2022. The transaction entitles the Trust to an additional royalty of approximately 1.0% on worldwide net sales of Xenpozyme. The Trust is entitled to receive semi-annual royalty payments in respect of net sales of Xenpozyme commencing from July 1, 2024 on a two-quarter lag from the respective half-year period. Transaction costs of \$315 were capitalized as part of the royalty transaction.

In accordance with the royalty agreement, additional milestone payments totaling up to \$32,500 may be paid upon achievement of certain performance thresholds.

(c) Casgevy Transaction

On October 3, 2024, the Trust acquired a share of payment rights on a Cas9 gene-editing technology for Casgevy for a purchase price of \$57,000. Casgevy is approved for the treatment of sickle cell disease and for the treatment of transfusion-dependent beta thalassemia and is marketed by Vertex Pharmaceuticals Inc.

The transaction entitles the Trust to a share of the annual license fees, which range from \$5,000 to \$40,000, and includes certain sales-based annual license fee increases. The Trust is also entitled to receive a mid-double-digit percentage of a \$50,000 contingent payment eligible under the license agreement. The first annual license fee payment was received in January 2025, and the payment streams are expected until 2034.

The Trust's entitlement to a share of the payment rights is classified as a financial asset, as described in note 3(e) to the Trust's 2024 consolidated financial statements. Transaction costs of \$1,940 were incurred and expensed to deal investigation and research costs in relation to the transaction during 2024.

(d) Ekterly Transaction

On November 4, 2024, the Trust acquired a royalty interest in the worldwide net sales of all formulations of the not-yet-approved Ekterly from KalVista for an aggregate purchase price of up to \$179,000, composed of a \$100,000 upfront payment, up to \$57,000 in a sales-based milestone payment and a one-time \$22,000 optional payment. The transaction entitles the Trust to a tiered royalty of 5.0% on net sales up to and including \$500,000, 1.1% on net sales above \$500,000 and up to and including \$750,000, and 0.25% on net sales above \$750,000. Royalty payments are expected to be received quarterly commencing in the first quarter after approval by the U.S. Food and Drug Administration ("FDA"). Transaction costs of \$1,834 were capitalized as part of the royalty transaction.

On July 7, 2025, Ekterly received FDA approval and KalVista elected to receive the one-time \$22,000 optional payment, which was funded on July 9, 2025. As a result of the payment, the Trust's royalty entitlement on net sales up to and including \$500,000 increased from 5.0% to 6.0% and the potential one-time sales-based milestone payment to KalVista increased from \$50,000 to \$57,000.

In addition to the royalty entitlement, the Trust also purchased in a private transaction 500,000 shares of KalVista common stock at a price of \$10 per share for a total cost of \$5,000.

Summary of Transactions Completed in 2024

The following is a summary of the transactions completed for the year ended December 31, 2024:

	Omidria Royalty Amendment	Additional Xenpozyme Transaction	Casgevy Transaction	Ekterly Transaction	Total for the year ended December 31, 2024
Assets					
Financial royalty assets	\$ —	\$ —	\$ 57,000	\$ —	\$ 57,000
Royalties receivable	3,560	—	—	—	3,560
Intangible royalty assets	111,440	13,250	—	100,000	224,690
Investment in marketable securities	—	—	—	5,000	5,000
Net acquired assets	\$ 115,000	\$ 13,250	\$ 57,000	\$ 105,000	\$ 290,250

NOTE 6 | ROYALTY ASSETS

The following table presents a roll of the intangible royalty assets held by the Trust.

	Cost	Accumulated Amortization and Impairment	Net Book Value
As at January 1, 2024	\$ 891,803	\$ (186,827)	\$ 704,976
Additions ⁽ⁱ⁾	125,782	—	125,782
Amortization	—	(76,823)	(76,823)
Impairment ⁽ⁱⁱ⁾	—	(6,101)	(6,101)
Dispositions ⁽ⁱⁱⁱ⁾	(1,475)	1,475	—
As at September 30, 2024	1,016,110	(268,276)	747,834
Additions ^(iv)	111,834	—	111,834
Amortization	—	(26,046)	(26,046)
Impairment ^(v)	—	(9,686)	(9,686)
As at December 31, 2024	1,127,944	(304,008)	823,936
Additions	22,000	—	22,000
Amortization	—	(75,822)	(75,822)
Impairment ^(vi)	—	(13,691)	(13,691)
Dispositions ^(vi)	(41,730)	41,730	—
As at September 30, 2025	\$ 1,108,214	\$ (351,791)	\$ 756,423

(i) Includes capitalized transaction costs of \$777 related to the amendment to the Omidria royalty agreement and \$315 related to the additional Xenpozyme transaction, as described in note 5.

(ii) During the year ended December 31, 2024, the Trust recognized an impairment loss of \$15,787 related to the Oracea royalty asset, as described below.

(iii) The Trust wrote off the cost and related accumulated amortization of \$1,475 and \$1,475, respectively, related to the Stelara royalty asset, which was fully amortized as the royalty arrangement expired during the year ended December 31, 2024.

(iv) Includes capitalized transaction costs of \$1,834 related to the Ekterly Transaction, as described in note 5.

(v) During the nine months ended September 30, 2025, the Trust recognized an impairment loss of \$13,691 related to the Vonjo II royalty asset, as described below.

(vi) The Trust wrote off the cost and related accumulated amortization of \$874 and \$874, respectively, related to the Ilaris royalty asset, and \$5,218 and \$5,218, respectively, related to the Simponi royalty asset, which were fully amortized as the royalty arrangements expired during the nine months ended September 30, 2025. During the nine months ended September 30, 2025, the Trust also wrote off the cost, related accumulated amortization and accumulated impairment of \$35,638, \$26,422 and \$9,216, respectively, related to the Natpara royalty asset, as the Trust does not expect to receive material royalties beyond Q2 2025.

As at September 30, 2025, the net book value of our intangible royalty assets was \$756,423 (December 31, 2024 – \$823,936), net of accumulated amortization and impairment of \$351,791 (December 31, 2024 – \$304,008). During the nine months ended September 30, 2025, the Trust recorded additions to the cost of its intangible royalty assets of \$22,000 (December 31, 2024 – \$237,616) related to the Ekterly one-time optional payment, as described below. The Trust also wrote off the cost, related accumulated amortization and accumulated impairment of \$41,730 related to fully amortized intangible royalty assets as the royalty arrangements are no longer expected to generate material royalties (December 31, 2024 – \$1,475). There was no change to the net book value of the intangible royalty assets as a result of these write-offs.

Ekterly Optional Payment

On July 7, 2025, the FDA approved Ekterly for the treatment of hereditary angioedema. As a result, the conditions for the one-time optional payment of \$22,000 outlined in the purchase agreement had been met and KalVista elected to receive the one-time optional payment. The Trust funded the payment on July 9, 2025 and recognized an increase in the cost base of the Ekterly royalty asset of \$22,000 for the three months ended September 30, 2025.

As a result of the election and payment, the Trust's royalty entitlement on net sales up to and including the first \$500,000 increased from 5.0% to 6.0% and the potential one-time sales-based milestone payment to KalVista increased from \$50,000 to \$57,000.

Vonjo II Impairment

Due to competitive pressures continuing to have a greater impact than initially anticipated combined with recent unfavorable net pricing changes impacting sales of Vonjo, these conditions represent indicators of potential impairment of the Trust's Vonjo I and Vonjo II intangible royalty assets. As such, the Trust is required to determine the recoverable amounts to assess if the Vonjo assets are impaired. The Trust calculated the recoverable amounts for Vonjo I and Vonjo II as at September 30, 2025 using a discounted cash flow model based on revised forecasted cash flows adjusted for the greater impact of competition, changes in net pricing and current market uptake of Vonjo. The key assumptions and sources of estimation uncertainty are related to the discount rate and future cash flows, including future sales of Vonjo and key competitors. Based on our analysis, the net book value of Vonjo II exceeded its recoverable amount, and the Trust recorded an impairment of \$13,691 for Vonjo II as at September 30, 2025. Based on the updated forecast the net book value of Vonjo I did not exceed its recoverable amount and no impairment was recognized related to this asset. As a result of recognizing the impairment, the net book value of the Vonjo II intangible royalty asset as at September 30, 2025 is \$39,015, which represents the recoverable amount.

Orserdu II Milestone

On December 26, 2024, as part of the Orserdu II Transaction, the Trust received notice that certain pre-specified events outlined in the purchase agreement had occurred, and the milestone conditions had been met. Consequently, the Trust recognized an increase in the cost base of the Orserdu II royalty asset and a related other current liability of \$10,000 for the year ended December 31, 2024, which was funded on January 24, 2025.

As a result of pre-specified events being met, certain royalty deductions have been exempted, leading to the recognition of an additional \$18,226 in royalty revenue for the year ended December 31, 2024. This includes \$15,745 related to the reclaiming of previous royalties and milestones earned since acquisition. The additional royalty revenue reclaimed is composed of (i) \$5,523 in milestones and \$9,589 in royalties for Orserdu II; and (ii) \$633 in milestones for Orserdu I. The exemption from certain deductions will apply at a similar rate to future royalties and milestones received.

Oracea Impairment

A subsidiary of Galderma S.A. ("**Galderma**"), the marketer of Oracea, and TCD Royalty Sub LP, a subsidiary of the Trust, had been engaged in patent infringement litigation with Lupin Inc. and Lupin Limited (together, "**Lupin**") in the U.S. District Court for the District of Delaware (the "**District Court**") since December 2021. Lupin had filed an abbreviated new drug application with the FDA to manufacture a generic version of Oracea prior to the expiration of key patents to which Galderma is the exclusive license holder.

On April 1, 2024, the District Court issued a decision of non-infringement in favor of Lupin. Consequently, Galderma filed an appeal of the District Court's decision with the United States Court of Appeals for the Federal Circuit. On April 9, 2024, Lupin launched its generic version of Oracea "at-risk" in the United States, prior to the appeal decision. On April 16, 2024, Galderma filed a motion for preliminary injunction to require Lupin to cease marketing its generic product while the appeal is pending and subsequently filed a motion to expedite the appeal. On September 5, 2024, the Federal Circuit heard oral arguments in the Lupin appeal. On December 6, 2024, the Federal Circuit affirmed for non-infringement of Lupin's generic product, allowing Lupin and other generics to stay on the market and additional generics to enter the market.

These events represented indicators of potential impairment of the Trust's Oracea royalty asset that required the Trust to determine the recoverable amount of Oracea to assess if the asset is impaired. The recoverable amount as of December 31, 2024 was calculated using a discounted cash flow model based on revised cash flows adjusted for the impact of the launch of generic competition by Lupin and the launch of other generics. Based on the Trust's analysis, the net book value of Oracea exceeded the recoverable amount and the Trust recorded an impairment of \$15,787 during the year ended December 31, 2024. As a result of recognizing the impairment, the net book value of the Oracea royalty asset as at December 31, 2024 was \$4,498, which represented the recoverable amount.

The following table presents details about the products underlying the Trust's royalty assets as at September 30, 2025:

Royalty Asset	Therapeutic Area	Primary Marketer(s)	Acquisition Quarter	Expected Royalty Expiry ^{(i), (ii)}
Casgevy ⁽ⁱⁱⁱ⁾	Hematology	Vertex Pharmaceuticals	Q4 2024	Q1 2034
Ekterly	Immunology	KalVista	Q4 2024	Q1 2042
Empaveli/Syfovre ^(iv)	Hematology/Ophthalmology	Apellis, Sobi	Q3 2022	Q4 2033
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	Q1 2021	Q1 2027
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	Q1 2021	Q1 2027
Natpara	Endocrinology	Takeda	Q1 2021	Q3 2025
Omidria	Ophthalmology	Rayner Surgical	Q3 2022	Q4 2031
Oracea	Dermatology	Galderma	Q3 2021	Q1 2028
Orserdu I	Oncology	Menarini	Q2 2023	Q1 2035
Orserdu II	Oncology	Menarini	Q3 2023	Q1 2035
Rydapt	Oncology	Novartis	Q1 2021	Q3 2028
Spinraza	Neurology	Biogen	Q1 2021	Q3 2031
Vonjo I	Hematology	Sobi	Q1 2022	Q2 2034
Vonjo II	Hematology	Sobi	Q3 2023	Q2 2034
Xenpozyme ^(v)	Lysosomal Storage Disorder	Sanofi	Q4 2022	Q4 2036
Xolair	Immunology	Roche, Novartis	Q1 2021	Q2 2033
Zejula	Oncology	GSK	Q3 2022	Q2 2033
Zytiga	Oncology	Johnson & Johnson	Q1 2021	Q2 2028
Other Products ^(vi)	Various	Various	Various	n/a

(i) Represents the quarter during which the final royalty payment is expected and is based on estimates of patent expiry dates in key geographies, loss of exclusivity and the contractual agreements of each royalty stream. These estimates may be impacted by regulatory, commercial or other product developments. Variance from the anticipated performance of royalty-bearing sales may also affect these estimates as a result of caps or other structuring.

(ii) The anticipated royalty terms for products in our portfolio may be shorter than the period of patent protection for the applicable product, depending on many factors, including the entry of generic drugs into the marketplace and competition, all of which are outside our control.

(iii) Casgevy is classified as a financial royalty asset on the consolidated statements of financial position due to the nature of the contractual cash flows from the transaction.

(iv) Empaveli/Syfovre includes two royalty streams on each product held directly.

(v) Xenpozyme includes two royalty streams as a result of the additional Xenpozyme stream acquired in Q2 2024, as described in note 5.

(vi) Other Products includes intangible royalty assets which are not individually material, as well as intangible royalty assets which are fully amortized or, where applicable, the entitlements to which have substantially expired.

The following table presents the Trust's royalty income and net book value by intangible royalty asset:

Intangible Royalty Asset	Royalty Income				Net Book Value	
	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024	As at September 30, 2025	As at December 31, 2024
Ekterly	\$ 821	\$ —	\$ 821	\$ —	\$ 122,065	\$ 101,834
Empaveli/Syfovre ⁽ⁱ⁾	123	(103)	4,900	5,233	20,081	22,082
Eylea I	1,244	1,455	3,612	4,068	4,743	7,577
Eylea II	268	315	778	879	2,464	3,936
Natpara	149	370	756	1,474	—	800
Omidria	9,152	8,841	24,403	28,440	170,215	191,128
Oracea	811	1,450	2,913	5,880	3,377	4,498
Orserdu I	9,535	7,419	24,055	18,163	66,337	71,697
Orserdu II	9,535	5,838	24,715	13,181	114,848	124,127
Rydapt	805	263	3,238	2,892	4,162	5,337
Spinraza	3,772	4,018	11,265	10,721	58,571	66,189
Vonjo I	3,045	2,601	8,489	9,916	47,428	51,599
Vonjo II	662	688	1,862	2,226	39,015	57,342
Xenpozyme ⁽ⁱⁱ⁾	1,165	1,234	3,513	2,219	36,805	39,425
Xolair	3,782	3,213	10,491	9,120	32,973	36,850
Zejula	1,228	1,052	3,463	3,058	24,797	27,269
Zytiga	391	1,851	773	4,545	7,773	10,680
Other Products ⁽ⁱⁱⁱ⁾	396	454	1,264	1,316	769	1,566
Total	\$ 46,884	\$ 40,959	\$ 131,311	\$ 123,331	\$ 756,423	\$ 823,936

(i) Empaveli/Syfovre includes two royalty streams on each product held directly.

(ii) Xenpozyme includes two royalty streams as a result of the additional Xenpozyme stream acquired in Q2 2024, as described in note 5.

(iii) Other Products includes intangible royalty assets which are not individually material, as well as intangible royalty assets which are fully amortized or, where applicable, the entitlements to which have substantially expired. Stelara, Simponi and Ilaris current period and comparative results have been moved to Other Products starting in Q1 2025.

Royalty Income

Royalty income for the three and nine months ended September 30, 2025 was \$46,884 and \$131,311, respectively (2024 – \$40,959 and \$123,331, respectively). The Trust records royalty income from intangible royalty assets from the date on which the Trust obtains control of those assets.

Net Book Value

During the nine months ended September 30, 2025, the Trust recorded additions to the cost of its royalty assets totaling \$22,000 (December 31, 2024 – \$237,616) related to the Ekterly one-time optional payment.

During the three and nine months ended September 30, 2025, the Trust recorded amortization expense of \$26,326 and \$75,822, respectively (2024 – \$26,098 and \$76,823, respectively). The Trust records amortization related to intangible royalty assets from the date on which the Trust obtains control of those assets.

During the three and nine months ended September 30, 2025, the Trust recognized an impairment loss of \$13,691 and \$13,691, respectively, related to the Vonjo II intangible royalty asset (2024 – \$901 and \$6,101, respectively, related to the Oracea intangible royalty asset). The impairment loss is recognized in the consolidated statements of net earnings (loss) and comprehensive earnings (loss). The recoverable amount of Vonjo II is \$39,015 as at September 30, 2025 and is based on a value in use calculation. The Trust determined the recoverable amount of the assets using a discounted cash flow model based on forecasted royalties and a discount rate of 8%. The net book value of the asset prior to recognizing an impairment exceeded the recoverable amount and the difference of \$13,691 was recognized as an impairment loss.

Refer to note 16 for details on the Trust's financial royalty assets.

NOTE 7 | CREDIT FACILITY AND PREFERRED SECURITIES

Credit Facility

On October 22, 2021, the Trust entered into a credit agreement (the “**credit agreement**”) for credit facilities composed of (i) a \$175,000 senior secured revolving acquisition credit facility (the “**acquisition credit facility**”); and (ii) a \$25,000 senior secured revolving working capital credit facility (the “**working capital credit facility**”), the proceeds from which were used for general business purposes and to finance transactions.

On April 20, 2022, the Trust entered into an amended and restated credit agreement (the “**amended credit agreement**”), as further amended and restated from time to time, that added a new tranche to the credit facilities consisting of a \$150,000 delayed draw term loan (the “**term credit facility**”) which can be drawn against to fund future transactions. As part of the first amendment, the interest rate for new drawings on the credit facility was revised from LIBOR plus a margin which may vary from 2.00% to 2.50% based on the Trust's leverage ratio to the Secured Overnight Financing Rate (“**SOFR**”) plus (i) a margin which may vary from 2.00% to 2.50% based on the Trust's leverage ratio; and (ii) a margin of 0.10% to 0.25% based on the term of the borrowing.

On March 30, 2023, the Trust further amended its amended credit agreement to revise the total credit available to \$225,000 under the acquisition credit facility and \$88,750 under the term credit facility, and to adjust certain financial covenants to provide greater flexibility (the "**credit facility**"). The interest rate on the amended credit agreement was also revised to SOFR plus (i) a margin which may vary from 2.00% to 2.75% based on the Trust's leverage ratio; and (ii) a margin of 0.10% to 0.25% based on the term of the borrowing. The range of standby fees was revised to 0.40% to 0.55% based on the Trust's leverage ratio. The maturity date of the amended credit agreement was also extended to March 30, 2026 from the original maturity date of October 22, 2024.

On October 31, 2023, the Trust increased the total credit available under its credit facility to \$500,000, composed of (i) a \$375,000 acquisition credit facility; (ii) a \$100,000 term credit facility; and (iii) a \$25,000 working capital credit facility. The Trust also extended the maturity date of the amended credit agreement from March 30, 2026 to October 31, 2026, which may be extended by one-year increments subject to obtaining approval from the lenders.

On November 1, 2024, the Trust increased the total credit available under its credit facility to \$631,625, composed of (i) a \$525,000 acquisition credit facility; (ii) a \$81,625 term credit facility; and (iii) a \$25,000 working capital credit facility. The Trust also extended the maturity date of the amended credit agreement by one year to November 1, 2027, which may be extended by one-year increments subject to obtaining approval from the lenders. As part of the amendment, the interest rate for drawings on the credit facility was revised to SOFR plus (i) a margin which may vary from 1.75% to 2.50% based on the Trust's leverage ratio; and (ii) a margin of 0.10% to 0.25% based on the term of the borrowing. The range of standby fees was also revised to 0.35% to 0.50% based on the Trust's leverage ratio. All other material terms of the amended credit agreement remain unchanged.

On May 12, 2025, the Trust further revised its amended credit agreement to reallocate \$25,000 of the acquisition credit facility to the working capital credit facility, increasing it to \$50,000. The credit available for investment remains unchanged as the working capital credit facility can be used for investment purposes. Furthermore, the interest rate on the amended credit agreement was revised to SOFR plus (i) a margin which may vary from 1.75% to 2.50% based on the Trust's leverage ratio; and (ii) a margin of 0.10%. All other material terms of the amended credit agreement remain unchanged.

Subsequent to September 30, 2025, the Trust amended its amended credit agreement to, among other things, convert and merge the term credit facility. The total credit available under the acquisition credit facility increased by \$70,000 and the outstanding amount under the acquisition credit facility increased by an amount corresponding to the outstanding amount under the term credit facility as at October 3, 2025, which was \$63,250. This increased the total credit available under the acquisition credit facility to \$570,000. The Trust also extended the maturity date of the amended credit agreement by two years to October 3, 2029, which may be extended by one-year increments subject to lender approval. Certain other terms were also adjusted to provide the Trust with greater flexibility. All other material terms of the amended credit agreement remain unchanged.

Interest payments are due on a quarterly basis and mandatory principal repayments totaling 3.75% of a predetermined reference amount are due on a quarterly basis for the acquisition credit facility and term credit facility. Principal repayments on the working capital credit facility are due on maturity. Principal repayments do not result in a corresponding decrease in the borrowing capacity under the acquisition credit facility and working capital credit facility. Principal repayments result in a corresponding cancellation in the borrowing capacity under the term credit facility; as a result there is no remaining available credit under the term credit facility as at September 30, 2025 (December 31, 2024 – nil).

During the nine months ended September 30, 2025, the Trust drew \$49,000 from its working capital credit facility to fund the internalization of its investment management function on July 1, 2025, as described in note 19. The Trust also drew \$18,000 from its acquisition credit facility to partially fund the one-time optional payment for Ekterly, as described in note 5. During the year ended December 31, 2024, the Trust drew on its acquisition credit facility to fund royalty transactions, as described in note 5. The details of the draws are presented below.

	Draw Date	Facility	Amount
2025			
Internalization and termination of management agreement	June 30, 2025	Working capital credit facility	\$ 49,000
Ekterly ⁽ⁱ⁾	July 9, 2025	Acquisition credit facility	18,000
Total			\$ 67,000
2024			
Omidria	January 3, 2024	Acquisition credit facility	\$ 115,000
Casgev ⁽ⁱ⁾	September 27, 2024	Acquisition credit facility	22,000
Ekterly	October 25, 2024	Acquisition credit facility	105,000
Total			\$ 242,000

(i) The Casgev and Ekterly transactions were partially funded by the Trust's existing cash and cash equivalents.

Subsequent to September 30, 2025, the Trust drew \$50,000 from its acquisition credit facility to partially fund the veligrotug and VRDN-003 transaction further described in note 5.

During the nine months ended September 30, 2025, the Trust made total mandatory credit facility repayments of \$43,341 (2024 – \$51,937).

The carrying amount of the Trust's credit facility is presented below.

	As at September 30, 2025			As at December 31, 2024
	Total Available Credit	Remaining Available Credit	Balance Outstanding	Balance Outstanding
Acquisition credit facility	\$ 500,000	\$ 264,437	\$ 235,563	\$ 247,122
Term credit facility	63,250	—	63,250	77,031
Working capital credit facility	50,000	1,000	49,000	—
	\$ 613,250	\$ 265,437	\$ 347,813	\$ 324,153
Deferred transaction costs, net of amortization	n/a	n/a	(2,737)	(3,400)
Total	\$ 613,250	\$ 265,437	\$ 345,076	\$ 320,753
Current portion of credit facility			\$ 59,588	\$ 56,888
Long-term portion of credit facility			285,488	263,865
Total			\$ 345,076	\$ 320,753

The following table presents the expected principal repayments to be made until the maturity of the credit facility as at September 30, 2025:

	Total
Remainder of: 2025	\$ 14,897
Full year: 2026	59,588
Full year: 2027	273,328
	\$ 347,813

The Trust is subject to certain financial as well as customary non-financial covenants under the amended credit agreement. Certain compliance requirements have also been revised as part of the amended credit agreement. Substantially all of the assets of the Trust are pledged as collateral under the amended credit agreement. As at September 30, 2025, the Trust was in compliance with all covenant requirements under the amended credit agreement.

Interest Rate Swap

On August 31, 2023, the Trust entered into an interest rate swap agreement to fix the interest rate on a notional amount of \$100,000 of the credit facility. On June 10, 2025, to reflect changes resulting from amendments to the amended credit agreement, the Trust extended the maturity on its original interest rate swap to November 1, 2027. On June 10, 2025 the Trust also entered into a second interest rate swap with equivalent terms for an additional notional amount of \$50,000. Under the agreements, the Trust pays a fixed rate and in exchange receives a SOFR interest rate, offsetting the floating component on a portion of the credit facility, as described in note 15.

During the three and nine months ended September 30, 2025, the Trust recorded a reduction in interest due to the interest rate swaps of \$18 and \$57, respectively (2024 – \$178 and \$531, respectively).

Preferred Securities

On February 8, 2023, the Trust completed a private placement of securities (the "**2023 Private Placement**") to a group of investors, the proceeds from which were used to repay amounts owing under the Trust's amended credit agreement. The 2023 Private Placement provided gross proceeds of \$95,000 to the Trust through the sale of \$95,000 principal amount of Series A Preferred Securities, \$19,760 principal amount of Series B Preferred Securities (collectively, the "**2023 Preferred Securities**") and the issuance of 6,369,180 warrants (the "**2023 Warrants**"). The 2023 Warrants are further described in note 8. The 2023 Preferred Securities were unsecured, subordinated debt securities of the Trust. The 2023 Preferred Securities paid cash interest at a rate of 7.04% per annum on the principal amount of the 2023 Preferred Securities, payable semi-annually on June 30 and December 31 of each year.

The Series A Preferred Securities had a maturity date of February 8, 2073 and the Series B Preferred Securities had a maturity date of December 27, 2027. The Series A Preferred Securities were redeemable at par, at the option of the Trust, at any time from and after December 27, 2027. The 2023 Preferred Securities were not redeemable by the Trust prior to December 27, 2027, except in the event of a change of control of the Trust, in which case the 2023 Preferred Securities were subject to a mandatory redemption.

The Trust initially recognized the 2023 Preferred Securities using a discount rate of 12.77%, which is indicative of the fair market value of the 2023 Preferred Securities at the time of issuance. The carrying amount of the 2023 Preferred Securities was being accreted to its par value up until December 27, 2027, which is the date at which the Series A Preferred Securities could be redeemed by the Trust and the stated maturity date for the Series B Preferred Securities. Deferred transaction costs of \$3,171 were initially recognized and were being amortized using the effective interest rate method over the same period as the 2023 Preferred Securities accretion period.

On April 23, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants. As a result of the refinancing, holders of the 2023 Preferred Securities and 2023 Warrants received gross proceeds of \$20,441 through the sale of \$135,202 principal amount of new Series C Preferred Securities (the "**2024 Preferred Securities**") and 1,749,996 new warrants (the "**2024 Warrants**"), having an exercise price representing a 20% premium to the five-day volume-weighted average price of the Trust's Units. The 2023 Preferred Securities were canceled and the 2023 Warrants were redeemed upon completion of the refinancing, with holders entitled to receive accrued and unpaid interest on the 2023 Preferred Securities up to and excluding such date.

The 2024 Preferred Securities are unsecured, subordinated debt securities of the Trust and have a principal amount of \$135,202, maturing on April 23, 2074. The 2024 Preferred Securities initially pay cash interest at a rate of 7.50% per annum on the principal amount, payable semi-annually on April 30 and October 31 of each year. The 2024 Preferred Securities are not redeemable by the Trust prior to April 30, 2029, except in the event of a change in control of the Trust. The Trust determined that the modification of terms under the refinancing transaction is not substantial in nature by comparing the discounted cash flows under the 2024 Preferred Securities and the 2023 Preferred Securities using the original discount rate of 12.77%. During the nine months ended September 30, 2024, a gain on debt refinancing of \$2,176 was recorded as a result of this refinancing. Additional deferred transaction costs of \$501 were recognized related to the preferred securities refinancing and will be amortized using the effective interest rate method up to April 30, 2029, the date at which the 2024 Preferred Securities could be redeemed by the Trust.

On June 18, 2025, the Trust entered into an agreement with a private placement investor to partially redeem and cancel \$10,000 in face value of the 2024 Preferred Securities for \$9,500. The Trust paid outstanding accrued interest on the \$10,000 face value up to and including June 18, 2025, the date of the transaction. The terms of the remaining 2024 Preferred Securities remain unchanged. During the nine months ended September 30, 2025, the Trust recorded a loss of \$971 related to the change in the gross carrying amount of the partial redemption.

The interest rate on the 2024 Preferred Securities will increase to 10% per annum if any of the 2024 Preferred Securities are outstanding on April 30, 2029, and will be subject to an annual increase of 1.5% per annum if any of the 2024 Preferred Securities remain outstanding on each one year anniversary of such date, up to a specified cap.

The carrying amount of the preferred securities is presented below.

		As at September 30, 2025	As at December 31, 2024
Series C	\$	107,877	\$ 113,515
Deferred transaction costs, net of amortization		(2,127)	(2,578)
Total	\$	105,750	\$ 110,937

The summary of interest expense for the three and nine months ended September 30, 2025 and 2024 is presented below.

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Interest on credit facility net borrowings	\$ 6,016	\$ 4,451	\$ 16,301	\$ 14,009
Standby fees	276	294	886	848
Amortization of deferred transaction costs	513	203	1,044	946
Reduction in interest expense from interest rate swap	(18)	(178)	(57)	(531)
Total interest expense on credit facility	\$ 6,787	\$ 4,770	\$ 18,174	\$ 15,272
Interest on preferred securities	\$ 2,367	\$ 2,556	\$ 7,371	\$ 6,975
Accretion of par value	959	914	2,891	2,741
Amortization of deferred transaction costs	139	137	451	428
Total interest expense on preferred securities	\$ 3,465	\$ 3,607	\$ 10,713	\$ 10,144
Total interest expense	\$ 10,252	\$ 8,377	\$ 28,887	\$ 25,416

NOTE 8 | EQUITY

Authorized Equity

The authorized equity capital consists of (i) an unlimited number of Units; and (ii) an unlimited number of Preferred Units, issuable in series.

(i) Units

Each Unit represents a proportionate undivided beneficial ownership interest in the Trust, which entitles the holder to one vote, participation in distributions made by the Trust on a pro rata basis and, in the event of the termination or winding-up of the Trust, in the pro rata share of its net assets remaining after the satisfaction of all its liabilities. Units are fully paid and non-assessable when issued and are transferable. The Units rank among themselves equally and ratably without discrimination, preference or priority. Each Unit entitles the holder thereof to one vote at all meetings of Unitholders. The Units are redeemable by the holder thereof and the Units have no other conversion, retraction, redemption or pre-emptive rights. Fractional Units do not entitle the holders thereof to vote, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

The following table outlines the changes in the number of Units outstanding from December 31, 2023 to September 30, 2025:

	Units	Weighted Average Cost per Unit	Total Cost
Balance – December 31, 2023	56,358,240	n/a	\$ 561,503
Issuance of Units:			
Units issued on the settlement of vested Restricted Units	316,926	\$ 10.52	\$ 3,335
Repurchase and cancellation of Units – NCIB	(406,346)	\$ 9.64	\$ (3,917)
Balance – September 30, 2024	56,268,820	n/a	\$ 560,921
Issuance of Units:			
Units issued on the settlement of vested Restricted Units	35,605	\$ 9.21	\$ 328
Repurchase and cancellation of Units – NCIB	—	\$ —	\$ —
Unit distributions to Unitholders	160,997	\$ 8.29	\$ 1,334
Consolidation of Units	(160,997)	n/a	n/a
Balance – December 31, 2024	56,304,425	n/a	\$ 562,583
Issuance of Units:			
Units issued on the settlement of vested Restricted Units	179,265	\$ 9.67	\$ 1,733
Units issued on the settlement of vested Deferred Units	17,759	\$ 9.10	\$ 162
Repurchase and cancellation of Units – NCIB	(1,351,897)	\$ 9.76	\$ (13,193)
Excise tax on share repurchases	n/a	n/a	(229)
Balance – September 30, 2025	55,149,552	n/a	\$ 551,056

Settlement of vested Restricted Units (“RUs”)

The following table outlines the Units issued upon settlement of vested RUs during the nine months ended September 30, 2025, the nine months ended September 30, 2024 and the three months ended December 31, 2024:

	Units Issued on Settlement of Restricted Units		
	Nine months ended September 30, 2025	Nine months ended September 30, 2024	Three months ended December 31, 2024
Restricted Units Grant Date:			
September 10, 2021	—	12,452	—
November 30, 2021	—	—	29,116
June 10, 2022	6,878	7,309	—
September 10, 2022	11,613	13,965	—
November 22, 2022	14,033	17,038	—
August 17, 2023	2,907	3,613	—
October 25, 2023	28,770	28,576	—
December 21, 2023	2,547	2,442	—
January 10, 2024	75,410	104,495	—
May 1, 2024	2,909	3,598	—
May 31, 2024	12,851	123,438	—
August 13, 2024	19,841	—	6,489
September 04, 2025	1,506	—	—
Total	179,265	316,926	35,605

Settlement of Deferred Units (“DUs”)

During the three and nine months ended September 30, 2025, the Trust issued nil and 17,759 Units (2024 – nil) upon settlement of vested DUs as described in note 12.

Normal course issuer bid (“NCIB”)

On November 13, 2023, the Trust was granted approval by the TSX to acquire, from time to time, if considered advisable, up to 3,280,195 Units of the Trust for cancellation between November 20, 2023 and November 19, 2024 (“**November 2023 NCIB**”). In connection with the November 2023 NCIB, the Trust established an automated unit purchase plan (“**AUPP**”) whereby Units of the Trust may be repurchased at the discretion of a dealer to the AUPP using commercially reasonable efforts and subject to trading parameters defined in the AUPP.

On May 9, 2025, the Trust was granted approval by the TSX to acquire, from time to time, if considered advisable, up to 3,148,536 Units of the Trust for cancellation between May 20, 2025 and May 19, 2026 (“**May 2025 NCIB**”). In connection with the May 2025 NCIB, the Trust established an AUPP whereby Units of the Trust may be repurchased at the discretion of a dealer to the AUPP using commercially reasonable efforts and subject to trading parameters defined in the AUPP.

During the nine months ended September 30, 2025, the Trust acquired and canceled 1,351,897 Units at an average price of \$9.76, totaling \$13,193. As at September 30, 2025, in aggregate, the Trust has acquired and canceled 4,515,406 Units at an average price per Unit of \$7.00, totaling \$31,620 under all current and previous normal course issuer bid plans.

As at September 30, 2025, the Trust recorded an other current liability of \$2,000 representing the maximum amount that would be required to settle the AUPP in effect on September 30, 2025, with a corresponding decrease in other equity. The actual number of Units repurchased under the AUPP may be less than the estimate as at September 30, 2025, resulting in a decrease in other current liabilities and an increase in other equity.

In the subsequent period from September 30, 2025 to November 5, 2025, the Trust acquired an additional 53,076 Units under the May 2025 NCIB plan at an average price of \$10.28, totaling \$545 under the AUPP.

Excise tax on share repurchases

As a SIFT trust, the Trust is subject to a 2% excise tax on the excess of the fair market value of equity repurchases over equity issuances, unless such repurchases are below the exemption threshold of \$1,000. For the three and nine months ended September 30, 2025, the Trust recorded an excise tax payable of \$229 related to repurchases under the May 2025 NCIB program (2024 – nil).

(ii) Preferred Units

Preferred Units may, from time to time, be issued in one or more series. Subject to the provisions of our declaration of trust, the board of trustees of the Trust may, by resolution, from time to time before the issue of Preferred Units determine the maximum number of Units of each series, create an identifying name for each series, attach special rights or restrictions to the Preferred Units of each series including, without limitation, any right to receive distributions (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such distributions, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any retraction rights, any rights on the liquidation, dissolution or winding-up of the Trust, and any sinking fund or other provisions. Except as provided in any special rights or restrictions attaching to any series of Preferred Units issued from time to time, the holders of Preferred Units will not be entitled to receive notice of, attend or vote at any meeting of Unitholders.

Preferred Units rank on a parity with the Preferred Units of every other series and are entitled to preference over our Units, and any other of our Units ranking junior to the Preferred Units, with respect to payment of distributions. In the event of the liquidation, dissolution or winding-up of the Trust, whether voluntary or involuntary, the holders of Preferred Units will be entitled to preference with respect to distribution of our property or assets over our Units, and any other of our Units ranking junior to the Preferred Units, with respect to the repayment of capital paid up and the payment of unpaid distributions accrued on the Preferred Units.

As at September 30, 2025, no Preferred Units had been issued or were outstanding (2024 – nil).

(iii) Warrants

In connection with the 2023 Private Placement, the Trust issued 6,369,180 Warrants to the 2023 Private Placement investors. Each 2023 Warrant entitled the holder thereof to acquire one Unit of the Trust for an exercise price of \$11.62 at any time until the expiry of the 2023 Warrant on February 8, 2028. The 2023 Warrant exercise price represented a 106% premium to the volume-weighted average price of the Trust's Units for the 20 trading days ending February 7, 2023. The 2023 Warrants were not listed on any stock exchange, although the underlying Units of the Trust issuable pursuant to the 2023 Warrants are listed on the TSX. The 2023 Warrants were included in other equity reserves. Transaction costs associated with the issuance incurred in 2023 totaled \$79 and were recorded as a reduction in other equity reserves.

The fair value of the 2023 Warrants was estimated at \$2,229 on issuance date using the Black-Scholes valuation model. The assumptions used to determine the fair value of the 2023 Warrants include: (i) an exercise price of \$11.62; (ii) an average risk-free interest rate of 3.558%; (iii) an expected Warrant life of five years; (iv) an average expected volatility of 30%, estimated based on market data; and (v) an expected distribution yield of 5.579%.

On April 23, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants. As a result of the refinancing, the 2023 Warrants were redeemed for \$20,441 and 1,749,996 2024 Warrants were issued. Each 2024 Warrant entitles the holder thereof to acquire one Unit of the Trust for an exercise price of \$15.00 at any time until the expiry of the 2024 Warrant on April 23, 2029. The 2024 Warrant exercise price represents a 20% premium to the volume-weighted average price of the Trust's Units for the five trading days ending April 12, 2024. Transaction costs associated with the issuance incurred in 2024 totaled \$137 and were recorded as a reduction in other equity reserves.

The fair value of the 2024 Warrants was estimated at \$4,322 on issuance date using the Black-Scholes valuation model. The assumptions used to determine the fair value of the 2024 Warrants include: (i) an exercise price of \$15.00; (ii) an average risk-free interest rate of 4.38%; (iii) a five-year term; (iv) an average expected volatility of 30.5%, estimated based on market data; and (v) an expected distribution yield of 3.35%.

As at September 30, 2025, the net value of the 2024 Warrants recognized in other equity reserves was \$4,106 (December 31, 2024 – \$4,106).

Distributions

Distributions in respect of a quarter are paid on or about each distribution date to Unitholders of record as at the close of business on the corresponding distribution record date.

The following table presents cash and Unit distributions made by the Trust during the nine months ended September 30, 2025 and year ended December 31, 2024:

	Record Date	Payment Date	Distribution per Unit		Total Distribution
2025					
Q1 2025 – Quarterly cash distribution	March 31, 2025	April 17, 2025	\$	0.1000	\$ 5,631
Q2 2025 – Quarterly cash distribution	June 30, 2025	July 18, 2025	\$	0.1000	\$ 5,550
Q3 2025 – Quarterly cash distribution	September 30, 2025	October 20, 2025	\$	0.1000	\$ 5,515
Total			\$	0.3000	\$ 16,696
2024					
Q1 2024 – Quarterly cash distribution	March 31, 2024	April 19, 2024	\$	0.0850	\$ 4,790
Q2 2024 – Quarterly cash distribution	June 30, 2024	July 19, 2024	\$	0.0850	\$ 4,795
Q3 2024 – Quarterly cash distribution	September 30, 2024	October 18, 2024	\$	0.0850	\$ 4,783
Q4 2024 – Quarterly cash distribution	December 31, 2024	January 20, 2025	\$	0.0850	\$ 4,786
Q4 2024 – Unit distribution ⁽ⁱ⁾	December 31, 2024	n/a	\$	0.0237	\$ 1,334
Total			\$	0.3637	\$ 20,488

(i) On December 20, 2024, the board of trustees of the Trust declared a special Unit distribution of \$0.0237 per Unit, totaling \$1,334 to Unitholders of record as at December 31, 2024, which was issued on December 31, 2024. Immediately following the special Unit distribution, Units of the Trust were consolidated such that, after each consolidation, each Unitholder held the same number of Units that were held by the Unitholder immediately before the special Unit distribution.

During the three and nine months ended September 30, 2025, the board of trustees of the Trust declared cash distributions totaling \$5,515 and \$16,696, respectively (2024 – \$4,783 and \$14,368, respectively).

Subsequent to September 30, 2025, the board of trustees of the Trust declared a quarterly cash distribution of \$0.10 per Unit to Unitholders of record as at December 31, 2025 and payable on January 20, 2026.

NOTE 9 | NET EARNINGS PER UNIT

The weighted average number of Units outstanding for the purpose of calculating net earnings (loss) per Unit was as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Basic	55,351,226 Units	56,293,275 Units	55,944,375 Units	56,359,017 Units
Diluted	55,351,226 Units	56,293,275 Units	55,944,375 Units	56,359,017 Units

NOTE 10 | DEAL INVESTIGATION AND RESEARCH EXPENSES

Deal investigation and research expenses include the ongoing costs associated with the Trust's research and due diligence activities and other expenses necessary for the assessment of potential asset acquisition opportunities, including consulting, legal, research data and data subscription expenses.

The Trust recorded total deal investigation and research expenses of \$1,119 and \$3,531 for the three and nine months ended September 30, 2025, respectively (2024 – \$1,056 and \$3,923, respectively).

Directly attributable costs associated with successful acquisitions of intangible royalty assets are capitalized as part of the cost in accordance with IFRS Accounting Standards as issued by the IASB.

NOTE 11 | COMPENSATION EXPENSE

Previously, compensation expense was included in other operating expenses in the statements of net earnings (loss) and comprehensive earnings (loss) and only included compensation related to the Trust's Chief Executive Officer and Chief Financial Officer. With the completion of the internalization transaction on July 1, 2025, a wholly owned subsidiary of the Trust hired the employees of the former external manager. For the three and nine months ended September 30, 2025 onwards, compensation expense reflects the compensation for these employees as well as the Trust's Executive Officers and was reclassified into a separate financial statement line expense.

During the three and nine months ended September 30, 2025, the Trust recognized total compensation expense of \$3,542 and \$4,125, respectively (2024 – \$100 and \$100, respectively). On a comparative basis for the three and nine months ended September 30, 2025, compensation expense increased by \$3,442 and \$4,025, respectively, which was primarily driven by higher employee levels and one-time organizational restructuring expenses due to internalization. The one-time organizational restructuring costs were \$709 and consisted of severance expense related to the former Chief Financial Officer of the Trust.

NOTE 12 | UNIT-BASED COMPENSATION

The Trust provides unit-based compensation under its Incentive Plan, as described in note 3(p) to the Trust's 2024 consolidated financial statements. The total number of Units authorized to be issued under the Omnibus Equity Incentive Plan is the lower of (i) 4,101,741; and (ii) 10% of the total outstanding Units of the Trust.

For the three and nine months ended September 30, 2025, the unit-based compensation expense was \$1,150 and \$2,580, respectively (2024 – \$347 and \$7,589, respectively).

The following table provides the details of RU grants up to September 30, 2025:

	Restricted Units
Balance – January 1, 2024	348,358 Units
Restricted Units granted:	
Granted on January 10, 2024 ⁽ⁱ⁾	370,128 Units
Granted on January 10, 2024 ⁽ⁱⁱ⁾	21,232 Units
Granted on May 1, 2024 ⁽ⁱⁱⁱ⁾	19,500 Units
Granted on May 31, 2024 ^(iv)	117,245 Units
Granted on May 31, 2024 ^(v)	233,333 Units
Granted on August 13, 2024 ^(vi)	110,752 Units
Distribution equivalent Units granted ^(vii)	14,601 Units
Vesting of Restricted Units	(634,127) Units
Forfeiture of Restricted Units	(30,420) Units
Balance – September 30, 2024	570,602 Units
Restricted Units granted:	
Distribution equivalent Units granted ^(vi)	4,453 Units
Vesting of Restricted Units	(79,170) Units
Forfeiture of Restricted Units	(58,514) Units
Balance – December 31, 2024	437,371 Units
Restricted Units granted:	
Granted on July 1, 2025 ^(viii)	99,254 Units
Granted on July 1, 2025 ^(ix)	99,254 Units
Granted on September 4, 2025 ^(x)	7,580 Units
Granted on September 4, 2025 ^(xi)	13,125 Units
Distribution equivalent Units granted ^(vi)	10,123 Units
Vesting of Restricted Units	(348,078) Units
Forfeiture of Restricted Units	(4,243) Units
Balance – September 30, 2025	314,386 Units

(i) Vested equally on June 15, 2024 and June 15, 2025.

(ii) Vested on April 1, 2024.

(iii) Vesting equally on September 10, 2024, September 10, 2025 and September 10, 2026.

(iv) Vesting equally on May 31, 2024, May 31, 2025 and May 31, 2026.

(v) Vested immediately on May 31, 2024.

(vi) Vesting equally on a quarterly basis beginning November 13, 2024 until August 13, 2026.

(vii) All RUs are credited with distribution equivalents in the form of additional RUs on each distribution payment date in respect of which normal distributions are paid on the Trust's Units. Such distribution equivalents are subject to the same vesting conditions as the instruments to which they relate.

(viii) Vesting equally on a quarterly basis beginning October 1, 2025 until July 1, 2026.

(ix) Vesting equally over three years on each anniversary date.

(x) Vesting equally on September 10, 2025, September 10, 2026 and September 10, 2027.

(xi) Vesting equally on April 1, 2026, April 1, 2027 and April 1, 2028.

The carrying value of the Trust's unit-based compensation liability related to the outstanding awards was as follows:

	As at September 30, 2025	As at December 31, 2024
Current portion of unit-based compensation liability	\$ 1,386	\$ 2,093
Long-term portion of unit-based compensation liability	78	240
Total unit-based compensation liability	\$ 1,464	\$ 2,333

No Options or PUs were granted as at September 30, 2025 and 2024. Certain members of the board of trustees of the Trust elected to be compensated fully or partially in DUs, as described in note 14.

NOTE 13 | GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses include overhead costs incurred in the management of the business, such as, among others, depreciation of fixed assets, amortization of other intangible assets, premises and office expenses. For the three and nine months ended September 30, 2025, the Trust recorded total general and administrative expenses of \$819 and \$1,016, respectively (2024 – \$80 and \$221, respectively).

NOTE 14 | OTHER OPERATING EXPENSES

A summary of the Trust's other operating expenses by nature is presented below.

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Board of trustees fees	\$ 416	\$ 124	\$ 1,271	\$ 800
Professional fees	664	4,034	7,204	4,881
Other expenses ⁽ⁱ⁾	866	660	2,015	1,648
Total other operating expenses	\$ 1,946	\$ 4,818	\$ 10,490	\$ 7,329

(i) Prior period figures have been adjusted to conform with the current period's classification.

Board of trustees fees

Certain members of the board of trustees of the Trust have elected to be compensated fully or partially in DUs under the Trust's Omnibus Equity Incentive Plan. The DUs granted pursuant to the election vest immediately and are settled in accordance with the established terms of the award agreement, but not earlier than the resignation or termination of the respective trustee from the board of trustees of the Trust. All DUs are credited with distribution equivalents in the form of additional DUs on each distribution payment date in respect of which normal distributions are paid on the Trust's Units. Such distribution equivalents are subject to the same vesting conditions as the instruments to which they relate. DUs are initially recognized at fair value and are subsequently remeasured at fair value on each reporting date, as described in note 3(p) to the Trust's 2024 consolidated financial statements.

During the three and nine months ended September 30, 2025, the Trust granted 15,105 and 47,985 DUs, respectively (2024 – 14,602 and 41,855, respectively), in lieu of cash compensation to trustees and 1,836 and 6,147 distribution equivalent Units, respectively (2024 – 1,400 and 3,382, respectively), in relation to the quarterly distributions. Board compensation expense for the three and nine months ended September 30, 2025 included \$370 and \$926, respectively (2024 – \$(88) and \$465, respectively), related to the issuance of DUs and the related distribution equivalents. During the three and nine months ended September 30, 2025, the Trust settled nil and 38,485 DUs, respectively (2024 – nil and nil, respectively). The fair value of the DUs vested but not settled was \$2,048 as at September 30, 2025 (December 31, 2024 – \$1,480) and was included in other current liabilities.

Professional fees

For the three and nine months ended September 30, 2025, the Trust recorded total professional fees of \$664 and \$7,204, respectively (2024 – \$4,034 and \$4,881, respectively), related to professional services including audit, legal, tax, valuation and consulting.

Other expenses

Other expenses for the three and nine months ended September 30, 2025 were \$866 and \$2,015, respectively (2024 – \$660 and \$1,648, respectively), and included donations of \$250 and \$763, respectively (2024 – \$258 and \$778, respectively), primarily related to the pledge agreement with the Mayo Clinic, as described in note 18.

NOTE 15 | FINANCIAL INSTRUMENTS

The financial assets and liabilities held by the Trust as at September 30, 2025 were as follows:

	Fair value through net earnings – recognized	Fair value through net earnings – designated as hedging instruments	Amortized cost	Total
Financial Assets				
Cash and cash equivalents	\$ 35,608	\$ —	\$ —	\$ 35,608
Royalties receivable	—	—	52,886	52,886
Financial royalty assets	55,357	—	—	55,357
Investment in marketable securities	6,090	—	—	6,090
	\$ 97,055	\$ —	\$ 52,886	\$ 149,941
Financial Liabilities				
Accounts payable and accrued liabilities	\$ —	\$ —	8,006	\$ 8,006
Distributions payable to Unitholders	—	—	5,515	5,515
Derivative instruments	—	1,494	—	1,494
Current portion of credit facility	—	—	59,588	59,588
Other current liabilities	—	—	2,217	2,217
Credit facility	—	—	285,488	285,488
Preferred securities	—	—	105,750	105,750
Other non-current liabilities	—	—	376	376
	\$ —	\$ 1,494	\$ 466,940	\$ 468,434

The financial assets and liabilities held by the Trust as at December 31, 2024 were as follows:

	Fair value through net earnings – recognized	Fair value through net earnings – designated as hedging instruments	Amortized cost	Total
Financial Assets				
Cash and cash equivalents	\$ 36,502	\$ —	\$ —	\$ 36,502
Royalties receivable	—	—	62,362	62,362
Financial royalty assets	57,527	—	—	57,527
Investment in marketable securities	4,235	—	—	4,235
	\$ 98,264	\$ —	\$ 62,362	\$ 160,626
Financial Liabilities				
Accounts payable and accrued liabilities	\$ —	\$ —	4,821	\$ 4,821
Distributions payable to Unitholders	—	—	4,786	4,786
Derivative instruments	—	425	—	425
Performance fees payable	—	—	1,665	1,665
Current portion of credit facility	—	—	56,888	56,888
Other current liabilities	—	—	10,136	10,136
Credit facility	—	—	263,865	263,865
Preferred securities	—	—	110,937	110,937
	\$ —	\$ 425	\$ 453,098	\$ 453,523

Investment in marketable securities

As part of the Ekterly Transaction, as described in note 5, the Trust purchased 500,000 shares in KalVista common stock through a private investment in the public equity arrangement for \$10 per share for a total cost of \$5,000.

The following table highlights the fair value and changes in the fair value of the Trust's marketable securities:

		Fair value as at		Change in fair value for the			
Marketable securities	Number of shares	September 30, 2025	December 31, 2024	Three months ended September 30, 2025		Nine months ended September 30, 2025	
				September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
KalVista	500,000	\$ 6,090	\$ 4,235	\$ 435	\$ —	\$ 1,855	\$ —

Derivative instruments

The Trust uses an interest rate swap as a derivative financial instrument designated as a cash flow hedge to manage interest rate risk related to its credit facility, as described in note 7. On August 31, 2023, the Trust entered into an interest rate swap agreement to fix the interest rate on a notional amount of \$100,000 of the credit facility. On June 10, 2025, to reflect changes resulting from amendments to the amended credit agreement, as described in note 7, the Trust extended the maturity on its original interest rate swap to November 1, 2027. Hedge accounting for the original interest rate swap was discontinued and the amended interest rate swap was designated as a cash flow hedge. On June 10, 2025, the Trust also entered into a second interest rate swap with equivalent terms for an additional notional amount of \$50,000 to further manage interest rate risk on the credit facility. The Trust does not hold or use any derivative financial instruments for speculative trading purposes. Under the agreements, the Trust pays a fixed rate and in exchange receives a SOFR interest rate, offsetting the floating component on a portion of the credit facility.

The details of the interest rate swap are as follows:

Derivative Instruments	Maturity Date	Notional Value	Fair value as at September 30, 2025	Fair value as at December 31, 2024 ⁽ⁱ⁾
Interest rate swap	November 1, 2027	\$ 150,000	\$ (1,494)	\$ (425)

(i) The fair value as at December 31, 2024 is based on a notional amount of \$100,000 and a maturity date of March 31, 2026.

The Trust applies hedge accounting, as described in note 3(e) to the Trust's 2024 consolidated financial statements. During the three and nine months ended September 30, 2025, the Trust recognized a net change in unrealized fair value through other comprehensive earnings (loss) of \$184 and (\$972), respectively (2024 – \$(1,632) and \$(207), respectively) as a result of the interest rate swap derivative instruments. During the three and nine months ended September 30, 2025 the Trust also incurred \$18 and \$57, respectively, as a reduction to interest expense (2024 – \$178 and \$531, respectively) to hedge against interest rate fluctuations on the amended credit agreement, as described in note 7.

NOTE 16 | FAIR VALUE MEASUREMENTS

Financial instruments measured at fair value are allocated within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Transfers between the three levels of the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer.

There were no transfers among the three levels of the fair value hierarchy during the three and nine months ended September 30, 2025 (2024 – nil and nil, respectively).

As at September 30, 2025 and December 31, 2024, the Trust had cash and cash equivalents and investments in marketable securities measured at fair value and classified as Level 1 financial instruments. Investments in marketable securities are measured using quoted prices in active markets for identical assets. The Trust also had derivative instruments measured at fair value classified as Level 2 financial instruments. The derivative instrument is related to the interest rate swap described in note 15, and the fair value is estimated using a valuation model that predicts future cash flows over the contractual terms of the agreement based on observable market data, such as interest rate curves. Financial royalty assets are classified as Level 3 financial instruments. In computing the fair value of financial royalty assets, a discounted cash flow model is used and is based on unobservable market data including estimated cash flows based on the Trust's internal model, and a spread adjustment to the discount rate reflecting deal-specific risks and the Trust's required return.

The carrying values of financial assets and liabilities held at amortized cost approximate their fair values.

The following table provides a reconciliation to the ending balances of the Trust's Level 3 financial instruments:

Reconciliation of Level 3 Financial Instruments		Financial royalty assets
Balance – January 1, 2024	\$	—
Additions ⁽ⁱ⁾		57,000
Change in fair value due to passage of time		1,908
Change in fair value due to movement in risk-free rate		(1,381)
Balance – December 31, 2024	\$	57,527
Cash receipts from Level 3 financial instruments		(5,000)
Change in fair value due to passage of time		5,748
Change in fair value due to movement in risk-free rate		768
Change in fair value due to change in forecasted timing of receipts ⁽ⁱⁱ⁾		(3,686)
Balance – September 30, 2025	\$	55,357

(i) Additions relate to the Casgevy financial royalty asset acquired on October 3, 2024, as described in note 5.

(ii) The expected timing of the contingent payment receipt related to Casgevy, as described in note 5, has been adjusted due to delays and the discounted cash flow model has been updated to reflect the Trust's new expectation. There has been no change to the anticipated likelihood that the contingent payment will be received.

NOTE 17 | CAPITAL MANAGEMENT

As at September 30, 2025, the Trust's capital was \$1,011,068 (December 31, 2024 – \$1,004,573) and consisted of its Unitholders' capital of \$551,056 (December 31, 2024 – \$562,583), 2024 Preferred Securities, prior to the deduction of deferred transaction costs, net of amortization, of \$107,877 (December 31, 2024 – \$113,515), 2024 Warrants of \$4,322 (December 31, 2024 – \$4,322) and amended credit facilities, prior to the deduction of deferred transaction costs, net of amortization, of \$347,813 (December 31, 2024 – \$324,153).

The Trust's objectives in managing capital are to:

- Build long-term value for its Unitholders;
- Maintain optimal liquidity for pursuing acquisitions, meeting its obligations and making distributions to Unitholders;
- Achieve reasonable return on capital and control the risk and exposure associated with capital investments; and
- Maintain an optimal capital structure and reduce the cost of capital.

On April 23, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants. As a result of the refinancing, holders of the 2023 Preferred Securities and 2023 Warrants received gross proceeds of \$20,441 through the sale of \$135,202 principal amount of 2024 Preferred Securities and the 2024 Warrants. The 2023 Preferred Securities have been canceled and the 2023 Warrants have been redeemed upon completion of the refinancing, as described in note 7 and note 8. On June 18, 2025, the Trust partially redeemed and canceled \$10,000 in face value of the 2024 Preferred Securities for \$9,500, as described in note 7.

On November 1, 2024, the Trust increased the total credit available under its credit facility to \$631,625 by increasing the amount available under the acquisition credit facility to \$525,000, as described in note 7.

Subsequent to September 30, 2025, the Trust further revised its amended credit agreement to convert and merge the term credit facility into the acquisition credit facility, as described in note 7. The total credit available under the acquisition credit facility increased by \$70,000 and the outstanding amount under the acquisition credit facility increased by an amount corresponding to the outstanding amount under the term credit facility as at October 3, 2025, which is \$63,250.

As at September 30, 2025 and December 31, 2024, the Trust was in compliance with all externally imposed capital requirements.

NOTE 18 | COMMITMENTS

On September 9, 2022, the Trust bought royalties on the sales of Zejula. In accordance with the terms of the royalty agreement, the Trust is committed to making a milestone payment of \$10,000 should Zejula be approved by the FDA for the treatment of endometrial cancer on or before December 31, 2025.

On November 25, 2022, the Trust bought royalties on the sales of Xenpozyme. In accordance with the terms of the royalty agreement, the royalty seller may be entitled to additional consideration of up to \$26,500 in the event that cumulative royalties received by the Trust on Xenpozyme sales exceed certain thresholds within a predefined period of time.

On April 3, 2023, the Trust bought an additional royalty stream on Empaveli/Syfovre. In accordance with the terms of the royalty agreement, the royalty seller may also be entitled to an additional payment of \$4,000 if worldwide net sales exceed certain thresholds within a predefined period of time.

On August 16, 2023, the Trust entered into a pledge agreement with the Mayo Clinic. In accordance with the terms of the agreement, the Trust intends to contribute \$5,000 in total (\$1,000 annually, payable in quarterly installments) to the Mayo Clinic to directly support and further the Center for Regenerative Biotherapeutics. To date, the Trust has paid a total of \$2,250.

On February 1, 2024, the Trust expanded its interest in royalties on the sales of Omidria, as described in note 5. In accordance with the terms of the amended royalty agreement, the royalty seller may be entitled to an additional payment of up to \$55,000 in potential sales-based milestone payments.

On June 28, 2024, the Trust bought an additional royalty stream on Xenpozyme, as described in note 5. In accordance with the terms of the royalty agreement, the royalty seller may be entitled to additional consideration of up to \$32,500 in potential performance-based milestone payments.

On November 4, 2024, the Trust bought a royalty interest in Ekterly, as described in note 5. In accordance with the terms of the royalty agreement, the royalty seller may be entitled to receive up to \$79,000, composed of up to \$57,000 in sales-based milestones and \$22,000 in a one-time optional payment. On July 7, 2025, after receiving FDA approval of Ekterly, the royalty seller elected to receive the one-time optional payment of \$22,000, increasing the royalty rate entitled by the Trust. After exercising the one-time optional payment, the royalty seller's potential one-time sales-based milestone payment increased to \$57,000 from \$50,000, contingent on annual worldwide net sales of Ekterly meeting or exceeding \$550,000 before January 1, 2031.

Subsequent to September 30, 2025, the Trust completed the veligrotag and VRDN-003 transaction, as described in note 5. In accordance with the terms of the royalty agreement, the royalty seller may be entitled to additional consideration of up to \$245,000 subject to the achievement of certain milestones, of which \$115,000 is related to near-term clinical and regulatory milestone payments.

NOTE 19 | RELATED-PARTY TRANSACTIONS

Internalization transaction

On July 1, 2025, DRI Healthcare Trust completed the internalization of its investment management function. In connection with the internalization the Trust and the former external manager had entered into a certain termination agreement pursuant to which (i) the management agreement with the former external manager was terminated, effective June 30, 2025; and (ii) the former external manager agreed to indemnify the Trust and its affiliates in respect of, among other things, damages, if any, related to the event as described in note 2. To extinguish the former external manager's management agreement, along with all management and performance fee obligations, the Trust paid a termination fee of \$48,000. The termination of the former external manager results in the elimination of management and performance fees on a go forward basis.

In addition, in connection with the internalization, the Trust acquired certain relevant assets of the former external manager for a purchase price of \$1,000. As a result of the transaction contemplated by a certain asset purchase agreement entered into between the Trust and the former external manager, the employees of the former external manager transitioned to a subsidiary of DRI Healthcare Trust.

Transactions with the external manager

Persis Capital Inc. (formerly DRI Capital Inc.) served as the external manager of the Trust until June 30, 2025. Management fees and performance fees were payable by the Trust pursuant to the management agreement prior to internalization. Effective July 1, 2025, management and performance fees are no longer payable by the Trust as a result of the termination of the management agreement.

The Trust recorded the following transactions with its external manager during the three and nine months ended September 30, 2025 and 2024:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Management fee expense	\$ —	\$ 1,470	\$ 6,733	\$ 8,459
Performance fee expense	—	—	533	231
Other related party transactions	252	—	252	—
Total	\$ 252	\$ 1,470	\$ 7,518	\$ 8,690

(i) Management fees

The Trust recorded management fees of nil and \$6,733 related to services provided by the former external manager during the three and nine months ended September 30, 2025, respectively (2024 – \$1,470 and \$8,459, respectively).

(ii) Performance fees

The Trust recorded performance fees of nil and \$533 during the three and nine months ended September 30, 2025, respectively (2024 – nil and \$231, respectively) as the conditions for performance fee payments to the former external manager were met primarily due to the cash receipt for Casgevry in the first quarter of 2025.

During the fourth quarter of 2024, conditions for performance fee payments to the former external manager were met as a result of the additional revenue recognized for Orserdu, as described in note 6, and performance fees of \$1,665 were recognized. During the nine months ended September 30, 2025, performance fees of \$2,198 were paid (2024 – \$6,149).

(iii) Other related party transactions

The Trust incurred other related party transactions with its former external manager during the three and nine months ended September 30, 2025 of \$252 (2024 – nil) and pertain primarily to transitional services provided by the former external manager for payroll and legal services that were in place prior to the internalization.

Key management compensation

During the three and nine months ended September 30, 2025 and 2024, the Trust issued compensation to members of the board of trustees of the Trust, as described in note 12, and to certain officers of the Trust, as detailed below.

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash compensation ⁽ⁱ⁾	\$ 962	\$ 100	\$ 1,545	\$ 100
Unit-based compensation	914	189	1,296	806
Total	\$ 1,876	\$ 289	\$ 2,841	\$ 906

(i) Prior period figures have been adjusted to conform with the current period's classification.

During the three and nine months ended September 30, 2025, the Trust recorded total cash compensation expense of \$962 and \$1,545, respectively (2024 – \$100 and \$100, respectively), related to compensation paid to certain officers of the Trust, including salaries, bonuses, and benefits.

During the nine months ended September 30, 2025, the Trust granted 211,633 RUs to certain officers of the Trust, 99,254 of which vest equally on a quarterly basis beginning October 1, 2025 until July 1, 2026, 99,254 of which vest equally over three years on each anniversary date and 13,125 of which vest equally on April 1, 2026, April 1, 2027 and April 1, 2028.

During the nine months ended September 30, 2025, the Trust issued 23,338 Units on the settlement of vested RUs, net of withholding taxes, to certain officers of the Trust. To date, the Trust has issued a total of 74,789 Units on the settlement of vested RUs, of which 2,584 were issued in 2021, 3,376 were issued in 2022, 19,004 were issued in 2023, 26,487 were issued in 2024 and 23,338 were issued in 2025. During the three and nine months ended September 30, 2025, the Trust recorded unit-based compensation expense of \$914 and \$1,296, respectively (2024 – \$189 and \$806, respectively), related to the RU grants and the accretion of the related distribution equivalent Units.

Reimbursement

On July 9, 2024, based on the initial information at the start of the investigation into irregular expenses, the external manager reimbursed the Trust for \$5,501 which was recorded in other equity reserves on the date it was received. On August 6, 2024, the investigation was substantially completed and had identified \$6,510 in consulting and other expenses that had been incorrectly charged to the Trust as directed by the former Chief Executive Officer. On August 6, 2024, the Trust received an additional \$1,009 from its external manager related to the additional expenses identified from the investigation, \$696 of which was recorded in other equity reserves on the date received and \$314 of which reduced the related-party receivable from the external manager. Subsequent to August 6, 2024 the investigation concluded and no additional items were identified as requiring adjustment.

NOTE 20 | CONTINGENT LIABILITY

On or about September 19, 2024, a statement of claim was issued on behalf of Andrea Reid, seeking leave to institute a securities class proceeding before the Ontario Superior Court of Justice against Persis Capital Inc. (formerly DRI Capital Inc.), DRI Healthcare Trust, Behzad Khosrowshahi, former CEO of DRI Capital and the Trust and Chris Anastasopoulos, former CFO of DRI Capital and the Trust, on behalf of a class of investors who acquired Units of the Trust between February 11, 2021 to August 6, 2024 (and held such Units until August 6, 2024). As the outcome of the claim is currently indeterminable, no amounts have been accrued as of September 30, 2025.

On July 1, 2025, in connection with the internalization of the management function, as described in note 19, Persis Capital Inc. agreed to indemnify the Trust against damages that may arise on or after July 1, 2025 from the legal proceedings described above and from the events described in note 2.

NOTE 21 | SUBSEQUENT EVENTS

Amendment to the amended credit agreement

On October 3, 2025, the Trust amended its amended credit agreement to, among other things, eliminate the term credit facility. The total credit available under the acquisition credit facility increased by \$70,000 and the outstanding amount under the acquisition credit facility increased by an amount corresponding to the outstanding amount under the term credit facility as at October 3, 2025, which was \$63,250. The Trust also extended the maturity date of the amended credit agreement by two years to October 3, 2029, which may be extended by one-year increments subject to lender approval. Certain financial covenants were also adjusted to provide the Trust with greater flexibility. All other material terms of the amended credit agreement remain unchanged.

Veligrotug and VRDN-003 transaction

On October 17, 2025, the Trust acquired a royalty interest in the U.S. net sales of veligrotug and VRDN-003 from Viridian Therapeutics, Inc. for an aggregate purchase price of up to \$300,000, including a \$55,000 upfront payment and up to \$115,000 in near-term clinical and regulatory milestone payments. The transaction entitles the Trust to 7.50% on annual U.S. net sales up to and including \$600,000, 0.80% on annual U.S. net sales above \$600,000 and up to and including \$900,000, and 0.25% on annual U.S. net sales above \$900,000 and up to and including \$2,000,000. Royalty receipts will be collected quarterly on a one-quarter lag, with the first royalty receipt being paid in the quarter immediately following the first commercial sale of veligrotug in the U.S.

The Trust drew \$50,000 from its acquisition credit facility to partially fund the Veligrotug and VRDN-003 transaction, as described in note 7, with the remaining upfront payment being funded by internally generated cash.

NCIB repurchases

From the period of September 30, 2025 to November 5, 2025, the Trust acquired 53,076 Units under the May 2025 NCIB plan at an average price of \$10.28, totaling \$545 under the AUPP, as described in note 8.

2025 fourth quarter distribution declared

On November 5, 2025, the board of trustees of the Trust declared a quarterly distribution of \$0.10 per Unit to Unitholders of record as at December 31, 2025 and payable on January 20, 2026.

INVESTOR INFORMATION

Traded Units

The Trust's Units are traded on the
Toronto Stock Exchange.

Trading Symbols

Canadian dollars: DHT.UN

U.S. dollars: DHT.U

Registrar and Transfer Agent

Computershare
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

All questions related to unit certificates or
distribution receipts should be directed to
the Registrar and Transfer Agent.

Investor Relations

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Investor requests for copies of
quarterly or annual reports and
information about the company should
be directed to the Investor Relations team.

Website

www.drihealthcare.com

Auditor

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