

DRI HEALTHCARE

DRI HEALTHCARE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2025

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("**MD&A**") is intended to help the reader understand the results of operations and financial condition of DRI Healthcare Trust (together with its consolidated subsidiaries, the "**Trust**"). This MD&A is provided as a supplement to, and should be read in conjunction with, the audited consolidated financial statements of the Trust for the year ended December 31, 2025 (the "**consolidated financial statements**"), including the accompanying notes to such financial statements. The consolidated financial statements of the Trust have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("**IASB**").

We present our financial statements in United States dollars ("**U.S. dollars**"). In this MD&A, 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. Certain totals, subtotals and percentages throughout this MD&A may not reconcile due to rounding. Dollar amounts in the tables and elsewhere in this MD&A are presented in thousands of U.S. dollars except per unit data or unless otherwise noted.

The board of trustees of DRI Healthcare Trust has approved this disclosure.

This MD&A is prepared as of March 3, 2026.

ADDITIONAL INFORMATION

Additional information relating to the Trust, including the Trust's annual and interim quarterly consolidated financial statements and management's discussion and analyses, annual information form and management information circular, are available on SEDAR+ at www.sedarplus.ca. Solely for convenience, the products underlying our royalty assets may appear without the [®] or [™] symbol, but such references are not intended to indicate, in any way, that the owners of such trademarks will not assert their rights to such trademarks.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future financial outlook and anticipated events or results, and may include information regarding our financial position, business operations, business strategy, growth strategies, budgets, operations, financial results, taxes, distribution policy, plans and objectives.

In certain cases, forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as "expect", "continue", "anticipate", "intend", "aim", "plan", "believe", "budget", "estimate", "forecast", "foresee", "close to", "target" or negative versions thereof and similar expressions, and/or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, although not all forward-looking information contains these terms and phrases. Any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information, in particular, statements pertaining to the regulatory and clinical development of veligrotug and elegrobarb (VRDN-003), statements with respect to the Debentures, closing of the Offering and the receipt of all TSX Exchange approvals in connection therewith, the approval by court of the proposed settlement of the legal proceeding described herein, anticipated product commercialization, and the timing and amount of potential royalty payment and product sales. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

Forward-looking information involves known and unknown risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. For instance, without limitation, 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. These risks and uncertainties also include, but are not limited to, the general economic and industry conditions, reliance on debt financing, our ability to leverage our competitive strength, and those described in greater detail under "Risk Factors" in the Trust's most recent annual information form, available under our profile on SEDAR+ at www.sedarplus.ca.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information or interpret or regard forward-looking statements as guarantees of future outcomes. The forward-looking information contained in this MD&A has been prepared taking into consideration information available only to the date of this MD&A, or as of the date it is otherwise stated, and is subject to change after such date. However, we disclaim any intention, obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

REFERENCES AND DEFINED TERMS

All references in this MD&A to the “Trust”, “we”, “us” and “our” are to DRI Healthcare Trust, together with its consolidated subsidiaries.

In this MD&A, the terms “royalties”, “royalty assets”, “royalty entitlements”, “royalty agreements” and “royalty streams” are used interchangeably to refer to either: (i) contractual arrangements that grant the buyer the right to receive royalties derived from the sale of pharmaceutical, biotechnology and other life science products pursuant to license agreements or other contractual arrangements (we refer to these as “**traditional**” royalty streams); or (ii) contractual arrangements that grant the buyer the right to receive a percentage of the top-line sales of pharmaceutical, biotechnology and other life science products directly from the marketer of the product (we refer to these as “**synthetic**” royalty streams). When we refer to having “**bought royalties**” on the sales of a particular product, or where we use similar expressions, we are generally referring to us having entered into the contractual arrangement that creates the traditional royalty or synthetic royalty stream in our favor. Unless the context otherwise requires, when we refer to terms such as “**our royalties**”, “**our portfolio**”, “**our royalty portfolio**”, “**our interests in products**” and similar terms, we are referring to our contractual interests in royalties and royalty streams that are held by our subsidiaries. When we refer to “**products**” and “**therapeutics**”, we are referring to the pharmaceutical, biotechnology or other life science products related to our royalties. When we refer to the “**pharmaceutical industry**”, we are referring generally to the pharmaceutical, biotechnology and other life science products industry.

USE OF NON-GAAP MEASURES

This MD&A contains a number of financial performance measures and ratios that have been calculated using methodologies which are not in accordance with IFRS Accounting Standards (“**non-GAAP measures**”). These non-GAAP measures do not have a standardized meaning as prescribed by IFRS Accounting Standards and therefore are unlikely to be comparable to similar measures presented by other companies. We believe that providing these non-GAAP measures, in addition to our results under IFRS Accounting Standards, gives investors additional information for understanding the critical components of our financial performance. Accordingly, these non-GAAP measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS Accounting Standards. These non-GAAP measures are used to provide investors with a supplemental measure of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS Accounting Standards measures. We also believe that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. We rely on these measures in the day-to-day management of our business, assessment of investment opportunities and assessment of our liquidity and borrowing needs.

Our uses, definition and calculation methodology, and the reconciliations of these non-GAAP measures to the most directly comparable measures calculated and presented in accordance with IFRS Accounting Standards, if available, for each of the measures, are presented under “Financial Review: Non-GAAP Financial Measures” on page 20 of this MD&A. The Trust has presented the following non-GAAP measures in this MD&A:

- Total Cash Receipts;
- Normalized Total Cash Receipts;
- Total Cash Royalty Receipts;
- Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“**Adjusted EBITDA**”);
- Adjusted EBITDA Margin; and
- Adjusted Cash Earnings per Unit.

OVERVIEW OF THE TRUST

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” within the meaning of 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’s head and registered office is located at First Canadian Place, Suite 6200, 100 King Street West, Toronto, Ontario, M5X 1B8.

All references in this MD&A to “**former external manager**” are to Persis Capital Inc. (formerly DRI Capital Inc.). The former external manager provided management and other services to the Trust up to June 30, 2025, pursuant to the terms of a management agreement. On July 1, 2025, the Trust completed the internalization of its investment management function and terminated the management agreement between the Trust and the former external manager, as described on page 6 of this MD&A.

DRI Healthcare Trust’s Units (each a “**Unit**”, and collectively “**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**”.

EXPLANATORY NOTE REGARDING THE RESTATEMENT OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS

In the second quarter of 2024, the Audit Committee of the board of trustees of DRI Healthcare 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, at the direction of 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 periods from and including fiscal 2021 through June 30, 2024 and totaled \$6,510.

As a result, on August 6, 2024, the Trust restated its financial statements as at December 31, 2023 and the year then ended.

There has been no change to the amount of cash royalties received from any of the assets in any previous term nor has there been any change to the forecast of future royalty receipts as a result of these findings.

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

BUSINESS AND STRATEGY OVERVIEW

Business Overview

We excel at sourcing, evaluating and completing transactions to purchase royalties paid on the sales of leading therapeutics. We do this by leveraging a track record of disciplined capital deployment, the skills and competencies of our highly skilled team, and our proprietary sourcing and diligence systems. We accelerate therapeutic innovation by providing capital to leading inventors working at top universities and research institutions, academic institutions, biotechnology companies and large pharmaceutical companies. We provide our holders of Units (“**Unitholders**”) with exposure to a broadly diversified portfolio of therapeutics that we expect will grow significantly in the medium and long term. We target royalties on products with the following characteristics:

- Medically necessary products that effectively treat chronic and critical illnesses;
- Products that benefit from strong intellectual property and/or regulatory protection; and
- Products that are marketed by leading biopharmaceutical companies.

As at December 31, 2025, our portfolio consisted of 29 royalty streams on 23 products that treat conditions in a number of therapeutic areas, including oncology, neurology, ophthalmology, endocrinology, hematology, dermatology, lysosomal storage disorders (“**LSD**”) and immunology. Many of the royalty streams in our portfolio provide us with entitlements on products that we believe represent focus areas and important revenue sources for their respective marketers. The approved products underlying our royalty entitlements are marketed by leading global pharmaceutical and biotechnology companies, including Apellis Pharmaceuticals Inc. (“**Apellis**”), Biogen Inc. (“**Biogen**”), GSK plc (“**GSK**”), Galderma S.A. (“**Galderma**”), Johnson & Johnson Services, Inc (“**Johnson & Johnson**”), KalVista Pharmaceuticals, Inc. (“**KalVista**”), Menarini Group (“**Menarini**”), Novartis AG (“**Novartis**”), Rayner Surgical Inc. (“**Rayner Surgical**”), Regeneron Pharmaceuticals Inc. (“**Regeneron**”), Hoffman-La Roche AG (“**Roche**”), Sanofi S.A. (“**Sanofi**”), Swedish Orphan Biovitrum AB (“**Sobi**”) and Vertex Pharmaceuticals Inc (“**Vertex**”).

Selected Annual Information

The following information highlights selected key financial data for the three most recently completed financial years.

	Year ended December 31, 2025		Year ended December 31, 2024		Year ended December 31, 2023
Total income	\$	198,589	\$	186,747	\$ 166,279
Net earnings (loss) attributable to Unitholders		(50,471)		(3,364)	91,496
Net earnings (loss) per Unit – basic	\$	(0.91)	\$	(0.06)	\$ 2.06
Net earnings (loss) per Unit – diluted	\$	(0.91)	\$	(0.06)	\$ 2.05
Total assets		942,819		984,867	833,159
Total non-current financial liabilities		417,691		374,802	189,978
Distributions per Unit					
Cash distributions declared	\$	0.4000	\$	0.3400	\$ 1.0996
Unit distributions declared	\$	—	\$	0.0237	\$ 0.7640

Unique Growth Strategy

We are focused on providing our Unitholders with top-line exposure to a portfolio of attractive therapeutics by purchasing royalties on growing products that meet our investment criteria. We target an underserved niche that leverages the competitive advantages that the Trust has developed, including the specialized expertise of its team members and its access to data and information through its proprietary tools and know-how.

We believe the Trust has a number of advantages that are hard to replicate. One of these advantages is our proprietary database used to source transactions. This database tracks over 7,500 royalties on over 2,500 drugs worldwide. Another advantage is the deep relationships we have developed in our industry. In order to generate sustainable annual growth in cash receipts, we targeted deployment of \$1.25 billion in transactions from the time of our initial public offering in February 2021 to the end of 2025. We funded these royalty transactions predominantly using our cash on hand and through prudent use of leverage. Since our initial public offering through to December 31, 2025, we completed 16 royalty transactions related to 15 products and made additional investments by way of loans and private investment in public equity. By December 31, 2025, we achieved our target through total deal deployment of \$1.14 billion and an additional \$115 million in near-term contingent commitments related to the Viridian deal. In connection with our deals there is potential for further deployment of up to an additional \$277 million pursuant to certain milestone obligations.

Our Assets

The Trust's assets currently comprise royalties on products that address a variety of therapeutic areas, such as oncology, neurology, ophthalmology, endocrinology, hematology, dermatology, LSD and immunology. These products are marketed by leading global pharmaceutical and biotechnology companies, including Apellis, Biogen, GSK, Galderma, Johnson & Johnson, KalVista, Menarini, Novartis, Rayner Surgical, Regeneron, Roche, Sanofi, Sobi, and Vertex. In addition, the Trust holds a financial royalty asset that it acquired from the Casgevy transaction and an equity investment in KalVista that the Trust acquired concurrently with the Ekterly transaction. The Casgevy royalty is classified as a financial royalty asset for accounting purposes due to the nature of the contractual cash flows. Our other royalties are classified as intangible royalty assets for accounting purposes.

We receive royalty payments based on the sales of pharmaceutical products in particular geographies. In general, when sales of these products increase, the payments we receive through our royalties also increase. The sales of products in turn can be affected by a number of factors, including regulatory approvals in new markets, the competitive landscape for the product and the approval of a product for new uses. We may also receive milestone royalty income based on the achievement of regulatory and/or sales performance thresholds in accordance with the terms of the underlying royalty agreements. Milestone royalty income is recognized in royalty income once the milestone event is achieved.

The table below provides an overview of our royalty assets as at December 31, 2025, and outlines expected royalty expirations based on our estimates of patent expiry dates in key geographies 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 elements. See "Risk Factors" in our most recent annual information form.

Royalty Asset	Therapeutic Area	Primary Marketer(s)	FDA Approval Date	Expected Royalty Expiry ^{(i), (ii)}
Casgevy ⁽ⁱⁱⁱ⁾	Hematology	Vertex Pharmaceuticals	December 2023	Q1 2034
Ekterly	Immunology	KalVista	July 2025	Q1 2042
Empaveli/Syfovre ^(iv)	Hematology/Ophthalmology	Apellis, Sobi	May 2021	Q4 2033
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	November 2011	Q1 2027
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	November 2011	Q1 2027
Natpara	Endocrinology	Takeda	January 2015	Q3 2025
Omidria	Ophthalmology	Rayner Surgical	May 2014	Q4 2031
Oracea	Dermatology	Galderma	May 2006	Q1 2028
Orserdu I	Oncology	Menarini	January 2023	Q1 2035
Orserdu II	Oncology	Menarini	January 2023	Q1 2035
Rydapt	Oncology	Novartis	April 2017	Q3 2028
Spinraza	Neurology	Biogen	December 2016	Q3 2031
Veligrotug/elegrobarb (VRDN-003) ^(v)	Ophthalmology	Viridian Therapeutics	Pending ^(vi)	Q4 2042
Vonjo I	Hematology	Sobi	February 2022	Q2 2034
Vonjo II	Hematology	Sobi	February 2022	Q2 2034
Xenpozyme ^(vi)	Lysosomal Storage Disorder	Sanofi	August 2022	Q4 2036
Xolair	Immunology	Roche, Novartis	June 2003	Q2 2033
Zejula	Oncology	GSK	April 2022	Q2 2033
Zytiga	Oncology	Johnson & Johnson	September 2011 ^(vii)	Q2 2028

(i) Represents the quarter during which the final royalty payment is expected and is based on our 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 due to the nature of the contractual cash flows from the transaction, as described on page 11 of this MD&A.

(iv) Empaveli/Syfovre includes two royalty streams on each product as a result of the additional Empaveli and Syfovre streams acquired in Q2 2023.

(v) On December 22, 2025, Viridian announced that it submitted a BLA to the FDA for veligrotug in October 2025, which was accepted in December 2025. The BLA had been granted a Priority Review, with a PDUFA target action date of June 30, 2026. Viridian plans to submit a BLA for elegrobarb (VRDN-003) by the end of 2026.

(vi) Xenpozyme includes two royalty streams as a result of the additional Xenpozyme stream acquired in Q2 2024.

(vii) Represents the European Commission approval date.

Key Developments Related to our Assets

Omidria

Due to continued underperformance of the Omidria royalty asset, triggers for potential impairment were identified. As such, we are required to determine the recoverable amounts to assess if the Omidria intangible royalty asset is impaired. We calculated the recoverable amount for Omidria as at December 31, 2025 using a discounted cash flow model based on revised forecasted cash flows adjusted for the impact of the current market environment. The key assumptions and sources of estimation uncertainty are related to the discount rate and future cash flows, including future sales of Omidria and key competitors. Based on our analysis, the net book value of Omidria exceeded its recoverable amount, and the Trust recorded an impairment of \$9,674 for the year ended December 31, 2025. As a result of recognizing the impairment, the net book value of the Omidria intangible royalty asset as at December 31, 2025 is \$153,493, which represents the recoverable amount.

Veligrotug

On December 22, 2025, the U.S. Food and Drug Administration (“FDA”) accepted the Biologics License Application (“BLA”) for veligrotug for the treatment of thyroid eye disease (“TED”). The BLA has been granted Priority Review, with a Prescription Drug User Fee Act (“PDUFA”) target action date of June 30, 2026. If approved, royalty receipts from the Veligrotug and elegrobarb (VRDN-003) Transaction, as described on page 7 of this MD&A, are expected to 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.

Ekterly

On July 7, 2025, the FDA approved Ekterly as the first and only oral on-demand therapy for treatment of hereditary angioedema (“HAE”) attacks. The Trust began receiving royalties related to the Ekterly royalty entitlement in the fourth quarter of 2025.

Vonjo I and Vonjo II

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 represented indicators of potential impairment of the Trust's Vonjo I and Vonjo II intangible royalty assets. As such, we were required to determine the recoverable amounts to assess if the Vonjo assets are impaired. We 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 was lower than the recoverable amount and no impairment was recognized on 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.

Despite the Vonjo I and Vonjo II intangible royalty assets both relating to the same product, due to differences in the timing of the transactions, terms of the agreements and calculation of royalty entitlement, only the Vonjo II intangible royalty asset required impairment as a result of the revised cash flow forecast.

Orserdu

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 payment conditions had been met. Consequently, for the year ended December 31, 2024, the Trust recognized an increase in the cost base of the Orserdu II royalty asset and a related other current liability of \$10,000, 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.

During the year ended December 31, 2025, Orserdu sales exceeded certain sales performance thresholds that triggered milestone royalty income for Orserdu I of \$5,000, which was recognized in royalty income in the fourth quarter of 2025. The milestone royalty income was received in the first quarter of 2026.

Oracea

A subsidiary of Galderma, the marketer of Oracea, and TCD Royalty Sub LP, a subsidiary of the Trust (together, the “Plaintiffs”), 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 (“ANDA”) 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, the Plaintiffs filed an appeal of the District Court's decision with the United States Court of Appeals for the Federal Circuit (“CAFC”). 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 May 9, 2024, the CAFC denied Galderma's motion for injunction pending appeal and granted the motion to expedite. In addition, since the time of Lupin's “at-risk” launch, and under the terms of their settlement agreements with the Plaintiffs, certain companies have received final ANDA approval for their generic versions of Oracea, and at least one of these companies has launched its product “at-risk”. 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. As such, we were required 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 other generics. Based on our analysis, the net book value of Oracea exceeded the recoverable amount and the Trust recorded 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.

Other Key Events

Internalization

On July 1, 2025, the Trust completed the previously announced transaction to internalize its investment management function. In connection with the internalization the Trust and the former external manager 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 described on page 2 of this MD&A under "Explanatory Note Regarding the Restatement of Previously Issued Consolidated Financial Statements". 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 the Trust.

Normal Course Issuer Bid ("NCIB")

On May 9, 2025, we were 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 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.

During the year ended December 31, 2025, the Trust acquired and canceled 1,449,249 Units at an average price of \$9.82, totaling \$14,231. As at December 31, 2025, in aggregate, we have acquired and canceled 4,612,758 Units at an average price per Unit of \$7.08, totaling \$32,658, under all current and previous normal course issuer bid plans ("**NCIB Plans**"). Our NCIB Plans are discussed further on page 30 of this MD&A.

From December 31, 2025 to March 3, 2026, we acquired an additional 75,938 Units under the May 2025 NCIB plan at an average price of \$11.31, totaling \$859 under the AUPP.

Credit Facility

On May 12, 2025, we received lender consent for the internalization of the investment management function. We also further revised our amended credit agreement (as defined herein) 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 the Secured Overnight Financing Rate ("**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. Our credit facility is discussed in further detail on page 26 of this MD&A.

On October 3, 2025, we amended our amended credit agreement to, among other things, convert and merge the term credit facility into the acquisition 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 Rate Swap

On June 10, 2025, to reflect changes resulting from amendments to the credit agreement, we extended the maturity on our original interest rate swap to November 1, 2027, and entered into a second interest rate swap agreement with equivalent terms for an additional notional amount of \$50,000. Under the agreements, we pay a fixed rate and in exchange receive a SOFR interest rate, offsetting the floating component on a portion of the credit facility.

On December 1, 2025, as a result of the October 3, 2025 amendment to the credit agreement, the Trust further modified its interest rate swap. The maturity date was extended to September 28, 2029. The second aforementioned interest rate swap was combined with the original interest rate swap into a single \$150,000 notional interest rate swap. The interest rate swap is discussed in further detail on page 16 of this MD&A.

Preferred Securities

On June 18, 2025, we purchased and canceled \$10,000 in face value of the Series C Preferred Securities ("**2024 Preferred Securities**") for \$9,500. We 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. The 2024 Preferred Securities are discussed in further detail on page 27 of this MD&A.

Subsequent to year ended December 31, 2025, the Trust entered into another agreement with a private placement investor to partially purchase and cancel \$9,924 in face value of the 2024 Preferred Securities for \$9,825. The Trust paid outstanding accrued interest on the \$9,924 face value up to February 10, 2026, the date of the transaction. The terms of the remaining 2024 Preferred Securities remain unchanged.

Subsequent to year ended December 31, 2025, the Trust also entered into subscription agreements with the holders of its outstanding 2024 Preferred Securities, pursuant to which the Trust agreed to issue approximately C\$108,723 aggregate principal amount of convertible unsecured subordinated debentures (the "**Debentures**") to the holders (the "**Offering**"). The purchase price for the Debentures will be exclusively satisfied by the holders exchanging their 2024 Preferred Securities with a principal amount equal to approximately \$79,698. No cash consideration will be paid by the holders of the 2024 Preferred Securities. The Offering is subject to approval of the TSX and other customary closing conditions. Upon closing of the Offering, an aggregate principal amount of \$35,580 of the 2024 Preferred Securities will remain issued and outstanding.

Distributions

During the three months ended December 31, 2025, the board of trustees of the Trust declared a quarterly cash distribution of \$0.10 per Unit totaling \$5,507 to Unitholders of record as at December 31, 2025, which was paid on January 20, 2026. During the year ended December 31, 2025, the board of trustees of the Trust declared total cash distributions of \$22,203.

We pay quarterly distributions in accordance with our distribution policy. Distributions are discussed in further detail in note 9 to the consolidated financial statements.

Transactions Completed in 2025

Orserdu II Milestone Payment

On January 24, 2025, we 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.

Ekterly Optional Payment

On July 7, 2025, KalVista elected to receive the one-time optional payment of \$22,000 as part of the Ekterly transaction completed in 2024, as described on page 8 of this MD&A. 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 elegrobart (VRDN-003) Transaction

On October 17, 2025, the Trust acquired a royalty interest in the U.S. net sales of veligrotug and elegrobart (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. Transaction costs of \$1,990 were capitalized as part of the royalty transaction.

Veligrotug has shown clinically meaningful improvements across both active and chronic TED. Veligrotug has met all primary and secondary endpoints across proptosis, Clinical Activity Score and diplopia in each of its two pivotal phase 3 clinical trials, THRIVE-1 and THRIVE-2 for patients with active and chronic TED, respectively. Viridian submitted a BLA to the FDA for veligrotug in October 2025, which was accepted in December 2025. The BLA has been granted a Priority Review, with a PDUFA target action date of June 30, 2026. If approved, veligrotug will be only the second approved biologic treatment for TED, with the potential to improve patients' quality of life with fewer doses and less time required for a full treatment course.

Viridian is also advancing elegrobart (VRDN-003), a potential best-in-class subcutaneous therapy for the treatment of TED via a program including two ongoing global phase 3 pivotal clinical trials, REVEAL-1 and REVEAL-2, in patients with active and chronic TED, respectively. Viridian anticipates reporting topline results from these trials in the first half of 2026. Subject to positive outcomes and subsequent regulatory review, Viridian plans to submit a BLA by the end of 2026. If approved, elegrobart (VRDN-003) is expected to provide additional convenience benefits with a low-volume autoinjector designed for self-administration planned for commercial launch.

Summary of Transactions Completed in 2025

The following is a summary of the transactions completed during the year ended December 31, 2025.

	Ekterly Optional Payment	Veligrotug and elegrobart (VRDN-003) Transaction	Total for the year ended December 31, 2025
Assets			
Intangible royalty assets	\$ 22,000	\$ 55,000	\$ 77,000
Net acquired assets	\$ 22,000	\$ 55,000	\$ 77,000

Transactions Completed in 2024

Omidria Royalty Amendment

On February 1, 2024, we expanded our interest in royalties on the U.S. net sales of Omidria by amending our existing Omidria royalty agreement entered into in 2022. For a purchase price of \$115,000, the amendment now entitles us 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, we are 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.

We recognized acquired royalties receivable of \$3,560 related to our 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.

Omidria was approved by the FDA in May 2014 and the European Medicines Agency ("**EMA**") in July 2015 for intracameral use during cataract surgery or intraocular lens replacement to maintain pupil dilation and reduce postoperative pain. Omidria is marketed worldwide by Rayner Surgical.

Additional Xenpozyme Royalty Stream

On June 28, 2024, we bought an additional royalty stream on Xenpozyme for \$13,250. This royalty is in addition to our existing Xenpozyme royalty purchased in 2022. The transaction entitles us to an additional royalty of approximately 1.0% on worldwide net sales of Xenpozyme. We are entitled to receive semi-annual royalty payments in respect of the net sales of Xenpozyme commencing on 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-based thresholds.

Xenpozyme is the only product developed and approved for the treatment of non-central nervous system manifestations of acid sphingomyelinase deficiency ("**ASMD**"), also known as Niemann-Pick disease types A, A/B and B, in pediatric and adult patients. ASMD is an extremely rare, progressive genetic disease with significant morbidity and mortality, especially among infants and children. Xenpozyme was approved in Japan in March 2022, by the European Commission in June 2022 and by the FDA in August 2022. Xenpozyme is marketed worldwide by Sanofi.

Casgevy Transaction

On October 3, 2024, we acquired a share of payment rights on a Cas9 gene-editing technology for Casgevy for a purchase price of \$57,000. The transaction entitles us to a share of the annual license fees, which range from \$5,000 to \$40,000, and include certain sales-based annual license fee increases. We are also entitled to receive a mid-double-digit percentage of a \$50,000 contingent payment eligible under the license agreement. The first payment was received in January 2025, and the term of the payment streams is expected to run until 2034. Transaction costs of \$1,940 were incurred and expensed as deal investigation and research costs in relation to the transaction during 2024.

Casgevy is the first treatment approved by the FDA to utilize CRISPR (clustered regularly interspaced short palindromic repeats) technology, a technology used to selectively modify the DNA of living organisms. Casgevy was approved by the FDA in December 2023 for the treatment of sickle cell disease ("**SCD**") and in January 2024 for the treatment of transfusion-dependent beta thalassemia ("**TDT**"), and by the EMA for the treatment of both SCD and TDT in February 2024. Casgevy is the only approved gene-edited cell therapy for SCD and TDT. Casgevy is marketed worldwide by Vertex Pharmaceuticals Inc.

Ekterly Transaction

On November 4, 2024, we acquired a royalty interest in the worldwide net sales of all formulations of 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 us 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. Transaction costs of \$1,834 were capitalized as part of the royalty transaction. Ekterly had not yet received FDA approval at the time of the 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. The Trust is entitled to quarterly royalty payments on a one-quarter lag commencing in the first quarter after FDA approval. The first royalty payment was received in the fourth quarter of 2025. Ekterly is marketed by KalVista.

Ekterly is the first and only oral on-demand therapy for treating attacks associated with HAE. HAE is a rare genetic disorder characterized by recurring episodes of severe swelling in various parts of the body, including the face, extremities, gastrointestinal tract and airways.

On November 4, 2024, in addition to the royalty entitlement, we 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 during the year ended December 31, 2024.

	Omidria Royalty Amendment	Additional Xenpозyme Transaction	Casgevy Transaction	Ekterly Transaction	Total for the year ended December 31, 2024
Assets					
Financial royalty asset	\$ —	\$ —	\$ 57,000	\$ —	\$ 57,000
Royalties receivable	3,560	—	—	—	3,560
Intangible royalty asset	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

FINANCIAL REVIEW: RESULTS OF OPERATIONS

During the year ended December 31, 2025, the Trust incurred a net loss of \$50,471, composed of total income of \$198,589, total expenses of \$201,403, a net loss on debt refinancing of \$182, a termination fee of \$48,000 and an income tax recovery of \$525. The Trust also had a net unrealized loss on derivative instruments of \$639 which resulted in a comprehensive loss of \$51,110.

During the year ended December 31, 2024, the Trust incurred a net loss of \$3,364, composed of total income of \$186,747, total expenses of \$190,712, a gain on preferred securities of \$2,176 and an other loss of \$1,575. The Trust also had a net unrealized gain on derivative instruments of \$664, which resulted in a comprehensive loss of \$2,700.

The following table presents the components of net earnings (loss) and comprehensive earnings (loss) and is followed by a discussion of the nature of significant sources of income and categories of expenses.

	Year ended	
	December 31, 2025	December 31, 2024
Income		
Royalty income	\$ 188,924	\$ 184,712
Change in fair value of financial royalty assets	4,749	527
Unrealized gain (loss) on marketable securities	2,026	(765)
Realized gain (loss) on marketable securities	1,795	—
Other interest income	1,095	2,273
Total income	198,589	186,747
Expenses		
Amortization of intangible royalty assets	101,743	102,869
Impairment of intangible royalty assets	23,365	15,787
Management fees	6,733	11,397
Performance fees	533	1,896
Interest expense	39,695	34,905
Deal investigation and research expenses	5,206	6,674
Compensation expense ⁽ⁱ⁾	6,953	470
Unit-based compensation	3,483	7,679
General and administrative expenses ⁽ⁱ⁾	1,541	321
Other operating expenses ⁽ⁱ⁾	12,151	8,714
Total expenses	201,403	190,712
Gain (loss) on debt refinancing	(182)	2,176
Other loss	—	(1,575)
Termination fee	(48,000)	—
Net earnings (loss) before tax	\$ (50,996)	\$ (3,364)
Income tax recovery	525	—
Net earnings (loss)	\$ (50,471)	\$ (3,364)
Other comprehensive earnings (loss)		
Net unrealized gain (loss) on derivative instruments	(639)	664
Comprehensive earnings (loss)	\$ (51,110)	\$ (2,700)

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

Royalty income

Royalty income is composed of income from our intangible royalty assets, which represent the contractual right to receive, directly or indirectly, a royalty payment, milestone royalty payment, license fee or any other form of compensation or benefit arising from or contingent upon the use of any patent, trade secret or any other form of intellectual property or other right relating to pharmaceutical drugs, devices and/or delivery technologies. The Trust typically does not own the licensed intellectual property; rather, it earns income based on rights to a royalty stream generally tied to the related underlying patent, calculated as a percentage of sales revenue generated by a third party at the time the sales occur. Royalty income is recorded on an accrual basis when earned in accordance with our contractual rights. Management is required to make estimates of royalty income earned for which a report or actual cash royalty receipts have not been received from our counterparty. Actual royalty receipts are reported and paid by our counterparties typically one or more quarters after they are earned. Actual milestone royalty receipts are received after the milestone condition has been met and they are paid in accordance with the terms of the agreement with the counterparty.

The following table presents the Trust's royalty income by intangible royalty asset for the years ended December 31, 2025 and 2024:

		Year ended December 31, 2025	Year ended December 31, 2024	%
				Change
Intangible Royalty Assets				
Ekterly	\$	2,945	\$ —	n/a
Empaveli/Syfovre ⁽ⁱ⁾		4,985	5,860	(15)%
Eylea I		4,839	5,675	(15)%
Eylea II		1,039	1,229	(15)%
Natpara		912	1,722	(47)%
Omidria		33,623	37,774	(11)%
Oracea		3,898	6,271	(38)%
Orserdu I		40,656	28,374	43 %
Orserdu II		35,018	37,065	(6)%
Rydapt		3,960	3,208	23 %
Spinraza		14,745	14,712	— %
Vonjo I		11,537	12,398	(7)%
Vonjo II		2,538	2,768	(8)%
Xenpozyme ⁽ⁱⁱ⁾		5,552	3,183	74 %
Xolair		13,272	11,317	17 %
Zejula		3,934	4,011	(2)%
Zytiga		3,327	7,207	(54)%
Other Products ⁽ⁱⁱⁱ⁾		2,144	1,938	11 %
Total Royalty Income	\$	188,924	\$ 184,712	2 %

(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 on page 8 of this MD&A.

(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.

The Trust records royalty income from intangible royalty assets from the date on which the Trust obtains control of those assets, which is typically the date on which the agreement creating the intangible royalty assets is entered into.

Royalty income for the year ended December 31, 2025 was \$188,924 compared to \$184,712 for the year ended December 31, 2024. The increase in royalty income is primarily due to the higher net sales on Orserdu I, including \$5,000 in milestone income for Orserdu I, as described on page 5 of this MD&A. Additionally, the Trust earned a full year of royalties from an additional royalty on Xenpozyme, which was acquired during the second quarter of 2024, and a half year of royalties for Ekterly, which received FDA approval at the start of Q3 2025. Partially offsetting the year-over-year increase in royalty income is an expected decrease in royalty entitlements for Zytiga in certain non-U.S. geographies due to competition from generic products which entered these geographies. Oracea had lower sales as well due to competition from generic products that launched during the year. Also, contributing to the decrease in royalty income were lower sales for Omidria and Natpara year-over-year; Omidria's lower sales were due to the MIPS program impacting the utilization of Omidria while Natpara's lower sales were attributed to depleting inventory levels as Takeda stopped manufacturing at the end of 2024.

Change in fair value of financial royalty assets

On October 3, 2024, the Trust acquired a financial royalty asset through the Casgevy transaction, as described on page 8 of this MD&A. As a result of the nature of the contractual cash flows from the transaction, which primarily consist of fixed and determinable amounts not dependent on the underlying pharmaceutical product, the Trust's entitlement to the royalty license payment streams is classified as a financial royalty asset and changes in fair value are recognized in net earnings.

During the year ended December 31, 2025, the financial royalty assets decreased to \$57,276 from \$57,527 at the end of December 31, 2024. The decrease is attributed to cash receipts of \$5,000 from the Casgevy asset, partially offset by a net change in fair value of \$4,749, year-over-year. The net change in fair value is composed of accretion towards future value due to the passage of time of \$7,704, a change in fair value of \$731 due to movements in the risk-free rate and a change in fair value due to a delay in the expected timing of the contingent payment receipt related to Casgevy of \$(3,686), as described on page 8 of this MD&A. Although the expected timing of the contingent payment receipt has been delayed, there has been no change to the anticipated likelihood that the contingent payment will be received.

Unrealized and realized gain (loss) on marketable securities

As part of the Ekterly transaction, as described on page 8 of this MD&A, the Trust purchased 500,000 shares of KalVista common stock in a private transaction for \$10 per share for a total purchase price of \$5,000. Changes in the fair value of marketable securities are recognized in net earnings (loss). During the year ended December 31, 2025, the Trust sold 295,000 shares for an average price \$16.09, which resulted in the Trust recognizing a realized gain of \$1,795 (2024 – nil). During the year ended December 31, 2025, the Trust recorded an unrealized gain (loss) of \$2,026 (2024 – \$(765)) on the remaining shares held.

Amortization of intangible royalty assets

Intangible royalty assets are amortized over the estimated economic useful life of the assets, as described in note 3(c) to the Trust's consolidated financial statements. The Trust amortizes its intangible royalty assets beginning on the date on which the Trust begins receiving economic benefit from the royalty asset. During the year ended December 31, 2025, the Trust recorded amortization of intangible royalty assets of \$101,743 (2024 – \$102,869).

The decrease in amortization expense year-over-year is primarily due to the impairments recorded in the current year and prior year, which reduced the amortizable base of intangible royalty assets, as described below. Partially offsetting this decrease was the commencement of amortization of the Ekterly asset following the onset of sales in Q3 2025, and a full year of amortization related to the additional Xenopzyme royalty stream acquired in 2024, as described on page 8 of this MD&A.

Impairment of intangible royalty assets

During the year ended December 31, 2025, an impairment loss of \$13,691 and \$9,674 was recognized related to the Vonjo II and Omidria intangible royalty assets, respectively, as described on 5 of this MD&A. Due to the impairment indicators identified, Vonjo II and Omidria's net recoverable amounts were calculated using an adjusted cash flow forecast and a discount rate of 8%. The difference between the calculated recoverable amount and the net book value was recorded as an impairment.

During the year ended December 31, 2024, an impairment loss of \$15,787 was recognized related to the Oracea royalty asset. Due to the impairment triggers described on page 5 of this MD&A, the Oracea royalty asset's net recoverable amount was calculated using a cash flow forecast unadjusted for the impact of generic entrance and a discount rate of 12%. The difference between the calculated recoverable amount and the net book value was recorded as an impairment.

The impairment loss is recognized in the consolidated statements of net earnings and comprehensive earnings.

Management fees

The Trust recorded management fees of \$6,733 during the year ended December 31, 2025 (2024 – \$11,397).

The decrease in management fees for the year ended December 31, 2025 compared to the same period in 2024 is due to the internalization of the management function effective July 1, 2025 as described on page 6 of this MD&A, which resulted in the termination of the management agreement between the Trust and the former external manager. As a result of the termination, management fees will no longer be incurred going forward.

Performance fees

The Trust recorded performance fees of \$533 during the year ended December 31, 2025 (2024 – \$1,896), as the conditions for performance fee payments were met primarily due to the cash receipt on Casgev.

The performance fee recognized during the year ended December 31, 2024 was related to a true-up to the finalized calculation for performance fees that were accrued in the fourth quarter of 2023 and finalized in the first quarter of 2024. Due to the internalization of the management function effective July 1, 2025 as described on page 6 of this MD&A, which resulted in the termination of the management agreement between the Trust and the former external manager, performance fees will no longer be incurred going forward.

Interest expense

The Trust's interest expense relates to interest paid on the Trust's credit facility and interest on the 2024 Preferred Securities. Interest expense for the years ended December 31, 2025 and 2024 is presented below. The increase in interest expense is primarily due to a higher balance drawn on the Trust's credit facility. The Trust's long-term debt is discussed further on page 26 of this MD&A.

The increase to interest expense on the credit facility is partially offset by the Trust's interest rate swap. In aggregate, the Trust swaps floating for fixed interest rates on a notional amount of \$150,000 of the Trust's credit facility, as further described on page 27 of this MD&A. The Trust uses the interest rate swap as a derivative financial instrument designated as a cash flow hedge to manage interest rate risk related to its credit facility. During the year ended December 31, 2025, the Trust recorded an increase in interest of \$271 due to the interest rate swap (2024 – reduction of \$535).

		Year ended December 31, 2025		Year ended December 31, 2024
Interest on credit facility net borrowings	\$	22,588	\$	19,501
Standby fees		1,148		1,130
Amortization of deferred transaction costs		1,482		1,028
Increase (reduction) in interest expense from interest rate swap		271		(535)
Total interest expense on credit facility	\$	25,489	\$	21,124
Interest on preferred securities	\$	9,739	\$	9,531
Accretion of par value		3,876		3,685
Amortization of deferred transaction costs		591		565
Total interest expense on preferred securities	\$	14,206	\$	13,781
Total interest expense	\$	39,695	\$	34,905

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.

For the year ended December 31, 2025, the Trust recorded deal investigation and research expenses of \$5,206 (2024 – \$6,674). The decrease in deal investigation and research expenses for the year ended December 31, 2025 compared to the same period in 2024 is primarily due to the inclusion of \$1,940 related to the completion of the Casgevy transaction in 2024, which was expensed in accordance with IFRS Accounting Standards as issued by the IASB, as this royalty asset is a financial royalty asset. Directly attributable costs associated with successful acquisitions of intangible royalty assets are capitalized as part of the cost of the royalty asset, in accordance with IFRS Accounting Standards as issued by the IASB. The decrease was partially offset by higher legal costs incurred in 2025 related to maintaining the existing portfolio.

Compensation expense

The Trust recognized compensation expense of \$6,954 for the year ended December 31, 2025, versus \$470 in the prior year. Included in compensation expense for the year ended December 31, 2025 were one-time organizational restructuring costs of \$803 related to severance expense related to the former Chief Financial Officer of the Trust. The remaining increase year-over-year was driven by a reclassification of the management fees to compensation expense, other operating expenses, and general and administration expenses, resulting from the internalization transaction on July 1, 2025, as employees of the former external manager became employees of a wholly-owned subsidiary of the Trust, as described on page 6 of this MD&A.

Unit-based compensation

The Trust provides unit-based compensation under its Omnibus Equity Incentive Plan, as described in note 3(p) to the Trust's consolidated financial statements.

For the year ended December 31, 2025, the unit-based compensation expense was \$3,483 (2024 – \$7,679), and was composed of Restricted Unit ("RU") grants, net of RUs vesting and any RU forfeitures during the period. As at December 31, 2025, the unit-based compensation liability was \$1,903 (December 31, 2024 – \$2,333), composed of a current portion of \$1,704 and a long-term portion of \$199 (December 31, 2024 – \$2,093 and \$240, respectively) related to the outstanding awards.

The following table provides the details of RU grants for the year ended December 31, 2025.

	Total Units January 1, 2025	Units Granted	Distribution Equivalent Units Granted ⁽ⁱ⁾	Vesting of Restricted Units	Forfeited Units	Total Units December 31, 2025
Restricted Units Grant Date:						
June 10, 2022 ⁽ⁱⁱ⁾	14,866	—	186	(15,052)	—	—
September 10, 2022 ⁽ⁱⁱⁱ⁾	22,288	—	518	(22,806)	—	—
November 22, 2022 ⁽ⁱⁱⁱ⁾	25,014	—	581	(25,595)	—	—
November 22, 2022 ^(iv)	3,002	—	70	(3,072)	—	—
August 17, 2023 ^(iv)	5,768	—	134	(5,902)	—	—
October 25, 2023 ^(v)	45,969	—	575	(46,544)	—	—
December 21, 2023 ^(vi)	10,714	—	349	(5,481)	—	5,582
January 10, 2024 ^(vii)	144,462	—	1,806	(146,268)	—	—
May 1, 2024 ^(vi)	13,347	—	354	(5,078)	(4,165)	4,458
May 31, 2024 ^(viii)	53,180	—	1,448	(26,922)	(78)	27,628
August 13, 2024 ^(ix)	98,761	—	2,748	(57,405)	—	44,104
July 1, 2025 ^(x)	—	99,254	1,601	(25,049)	—	75,806
July 1, 2025 ⁽ⁱⁱ⁾	—	99,254	1,819	—	—	101,073
September 4, 2025 ⁽ⁱⁱ⁾	—	7,580	93	(2,527)	—	5,146
September 4, 2025 ^(xi)	—	13,125	240	—	—	13,365
October 15, 2025 ⁽ⁱⁱ⁾	—	17,158	150	—	—	17,308
November 10, 2025 ^(xii)	—	8,917	58	(2,229)	—	6,746
Balance	437,371	245,288	12,730	(389,930)	(4,243)	301,216

(i) 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.

(ii) Vested equally over three years on each anniversary date.

(iii) Vested equally on March 31, 2023, September 10, 2024 and September 10, 2025.

(iv) Vested equally on September 10, 2023, September 10, 2024 and September 10, 2025.

(v) Vested immediately on October 25, 2023 and settled equally on June 15, 2024 and June 15, 2025.

(vi) Vested equally on September 10, 2024, September 10, 2025 and September 10, 2026.

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

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

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

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

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

(xii) Vesting equally on a quarterly basis beginning November 13, 2025 until August 13, 2026.

The following table provides the details of RU grants for the year ended December 31, 2024.

Restricted Units Grant Date:	Total Units January 1, 2024	Units Granted	Distribution Equivalent Units Granted ⁽ⁱ⁾	Vesting of Restricted Units	Forfeited Units	Total Units December 31, 2024
September 10, 2021 ⁽ⁱⁱ⁾	27,756	—	410	(26,000)	(2,166)	—
November 30, 2021 ⁽ⁱⁱⁱ⁾	63,699	—	1,506	(65,205)	—	—
June 10, 2022 ⁽ⁱⁱ⁾	32,420	—	636	(16,328)	(1,862)	14,866
September 10, 2022 ⁽ⁱⁱⁱ⁾	43,101	—	1,056	(21,869)	—	22,288
November 22, 2022 ⁽ⁱⁱⁱ⁾	48,375	—	1,184	(24,545)	—	25,014
November 22, 2022 ^(iv)	17,415	—	313	(2,945)	(11,781)	3,002
August 17, 2023 ^(iv)	11,155	—	273	(5,660)	—	5,768
October 25, 2023 ^(v)	88,898	—	1,843	(44,772)	—	45,969
December 21, 2023 ^(vi)	15,539	—	431	(5,256)	—	10,714
January 10, 2024 ^(vii)	—	370,128	7,073	(186,408)	(46,331)	144,462
January 10, 2024 ^(viii)	—	21,232	154	(21,386)	—	—
May 1, 2024 ^(vi)	—	19,500	396	(6,549)	—	13,347
May 31, 2024 ^(ix)	—	117,245	1,805	(39,076)	(26,794)	53,180
May 31, 2024 ^(x)	—	233,333	—	(233,333)	—	—
August 13, 2024 ^(xi)	—	110,752	1,974	(13,965)	—	98,761
Balance	348,358	872,190	19,054	(713,297)	(88,934)	437,371

- (i) 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.
- (ii) Vested equally over three years on each anniversary date.
- (iii) Vested equally on March 31, 2023, September 10, 2024 and September 10, 2025.
- (iv) Vested equally on September 10, 2023, September 10, 2024 and September 10, 2025.
- (v) Vested immediately on October 25, 2023 and settled equally on June 15, 2024 and June 15, 2025.
- (vi) Vesting equally on September 10, 2024, September 10, 2025 and September 10, 2026.
- (vii) Vested equally on June 15, 2024 and June 15, 2025.
- (viii) Vested on April 1, 2024.
- (ix) Vesting equally on May 31, 2024, May 31, 2025 and May 31, 2026.
- (x) Vested immediately on May 31, 2024.
- (xi) Vesting equally on a quarterly basis beginning November 13, 2024 until August 13, 2026.

No Options or Performance Units ("PUs") were granted as at December 31, 2025 and December 31, 2024. Certain members of the board of trustees of the Trust elected to be compensated fully or partially in Deferred Units ("DUs"), as described in the other operating expenses section below.

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 intangibles, premises and office expenses. During the year ended December 31, 2025, the Trust recorded total general and administrative expenses of \$1,541 (2024 – \$321), of which \$222 were related to transitional services incurred as part of the internalization transaction, as described on page 6 of this MD&A and are not expected to recur (2024 – nil).

Other operating expenses

Other operating expenses include fees paid to the board of trustees of the Trust and other ongoing operating expenses, including consulting, legal and audit fees required to operate our business, review the entity structure and improve governance processes in connection with internalization and the investigation into irregular expenses, as described on page 2 of this MD&A. During the year ended December 31, 2025, the Trust recorded total other operating expenses of \$12,151 (2024 – \$8,714).

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

	Year ended December 31, 2025		Year ended December 31, 2024	
Board of trustees fees	\$	1,757	\$	858
Professional fees		7,656		5,696
Other expenses ⁽ⁱ⁾		2,738		2,160
Total other operating expenses	\$	12,151	\$	8,714

- (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 consolidated financial statements.

During the year ended December 31, 2025, the Trust granted 64,131 DUs (2024 – 57,669) in lieu of cash compensation to trustees and 8,001 distribution equivalent Units (2024 – 5,207) in relation to the quarterly distributions. Board compensation expense for the year ended December 31, 2025 included costs related to the issuance of DUs and the related distribution equivalents of \$1,315 (2024 – \$375). During the year ended December 31, 2025, the Trust settled 38,485 DUs (2024 – nil). The fair value of the DUs vested but not settled was \$2,437 as at December 31, 2025 (December 31, 2024 – \$1,480) and was included in other current liabilities.

The increase in board compensation expense for the year ended December 31, 2025 compared to the same period in 2024 is primarily due to (i) an increase in additional DUs granted to the board of trustees; (ii) a required increase in cash compensation paid due to more board of trustees being independent members compared to 2024; and (iii) additional special committee fees of \$230 paid to the board of trustees, which are expected to be non-recurring.

Professional fees

For the year ended December 31, 2025, the Trust recorded total professional fees of \$7,656 (2024 – \$5,696) related to professional services including audit, legal, tax, valuation and consulting. During the year ended December 31, 2025, the Trust incurred \$2,087 to improve governance functions as a result of the investigation into irregular expenses charged to the Trust, as described on page 2 of this MD&A. During the year ended December 31, 2025, the Trust also incurred \$4,246 in entity management legal expenses in relation to the internalization transaction, as described on page 6 of this MD&A. These additional governance and entity management fees related to the internalization and investigation are expected to be non-recurring.

Other expenses

Other expenses for the year ended December 31, 2025 were \$2,738 (2024 – \$2,160) and included \$1,013 in donations (2024 – \$1,047) primarily related to the pledge agreement with the Mayo Clinic, as described on page 32 of this MD&A.

Gain (loss) on debt refinancing

For the year ended December 31, 2025, the Trust recognized a net loss on preferred securities of \$971 (2024 – gain of \$2,176). The loss is related to the change in the gross carrying amount of the redemption and cancellation of \$10,000 in face value of the 2024 Preferred Securities completed during the three months ended December 31, 2025. The gain recognized during 2024 is a result of the required accounting treatment applied to the refinancing of the 2023 Preferred Securities and 2023 Warrants (as defined herein) on April 23, 2024. The preferred securities are further described on page 27 of this MD&A.

For the year ended December 31, 2025, the Trust recognized a net gain on credit facilities of \$789 (2024 – nil). The gain is related to the change in the gross carrying amount of the outstanding credit facility balance as a result of the required accounting treatment applied to the credit facility amendment described on page 6 of this MD&A.

Other loss

As described on page 2 of this MD&A, for the period from and including fiscal 2021 through June 30, 2024, the Trust was charged certain alleged consulting and other expenses that should not have been charged to the Trust. The Trust conducted an investigation and identified certain adjustments that were required to operating expenses, amortization of intangible royalty assets and the net book value of intangible royalty assets, with the impact of the corrections reflected in other loss. The Trust did not record an other loss during the year ended December 31, 2025 (2024 – \$1,575).

Termination fee

On July 1, 2025, as part of the internalization transaction as described on page 6 of this MD&A, the Trust terminated the management agreement with the former external manager for \$48,000. As a result, during the year ended December 31, 2025, the Trust recorded a loss in the consolidated statements of net earnings (loss) and comprehensive earnings (loss) due to termination fees of \$48,000 (2024 – nil).

Income tax recovery

Related to the updated corporate structure of the Trust as a result of the internalization transaction as described on page 6 of this MD&A, certain subsidiaries of the Trust are now subject to income taxes. The Trust remains non-taxable, and the reported income tax recovery reflects taxes receivable by certain Trust subsidiaries. During the year ended December 31, 2025, the Trust recorded an income tax recovery of \$525 (2024 – nil).

Net unrealized gain (loss) on derivative instruments

The Trust uses interest rate swaps as a derivative financial instrument designated as a cash flow hedge to manage interest rate risk related to its credit facility, as described on page 27 of this MD&A. 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 on page 26 of this MD&A, 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 to further manage interest rate risk on the credit facility. On December 1, 2025, as a result of the October 3, 2025 amendment to the credit agreement, the Trust further modified its interest rate swap. The maturity date was extended to September 28, 2029. The second aforementioned interest swap was combined with the original interest rate swap into a single \$150,000 notional interest rate swap. The Trust does not hold or use any derivative financial instruments for speculative trading purposes. The details of the interest rate swap are as follows:

Derivative Instruments	Maturity Date	Notional Value	Fair Value as at December 31, 2025	Fair Value as at December 31, 2024 ⁽ⁱ⁾
Interest rate swap	September 28, 2029	\$ 150,000	(1,486)	(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 consolidated financial statements. During the year ended December 31, 2025, the Trust recognized a net unrealized fair value gain (loss) in other comprehensive earnings (loss) of \$(639) (2024 – \$664) as a result of the interest rate swap derivative instrument.

Weighted average number of Units

For the year ended December 31, 2025, the Trust generated basic and diluted net earnings (loss) per Unit of \$(0.91) (2024 – \$(0.06)). The weighted average number of Units outstanding for the purpose of calculating net earnings (loss) per Unit was as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Basic	55,735,690 Units	56,339,759 Units
Diluted	55,735,690 Units	56,339,759 Units

Fourth Quarter Results

Comprehensive earnings for the fourth quarter of 2025 were \$9,098 (2024 – \$7,872). The summary of the results of operations during the fourth quarters of 2025 and 2024 are presented below.

	Three months ended	
	December 31, 2025	December 31, 2024
Income		
Royalty income	\$ 57,613	\$ 61,381
Change in fair value of financial royalty assets	1,919	527
Unrealized gain (loss) on marketable securities	171	(765)
Realized gain (loss) on marketable securities	1,795	—
Other interest income	188	378
Total income	61,686	61,521
Expenses		
Amortization of intangible royalty assets	25,921	26,046
Impairment of intangible royalty assets	9,674	9,686
Management fees	—	2,938
Performance fees	—	1,665
Interest expense	10,808	9,489
Deal investigation and research expenses	1,675	2,751
Compensation expense ⁽ⁱ⁾	2,828	370
Unit-based compensation	903	90
General and administrative expenses ⁽ⁱ⁾	525	100
Other operating expenses ⁽ⁱ⁾	1,661	1,385
Total expenses	53,995	54,520
Gain (loss) on debt refinancing	789	—
Net earnings (loss) before tax	8,480	7,001
Income tax recovery	285	—
Net earnings (loss)	8,765	7,001
Other comprehensive earnings (loss)		
Net unrealized gain (loss) on derivative instruments	333	871
Comprehensive earnings (loss)	\$ 9,098	\$ 7,872

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

During the fourth quarter of 2025, the Trust generated total income of \$61,686 (2024 – \$61,521). This consisted primarily of royalty income of \$57,613 (2024 – \$61,381). Royalty income for the three months ended December 31, 2025 included \$5,000 in milestone royalty income related to Orserdu I based on the achievement of certain sales performance thresholds. Royalty income for the three months ended December 31, 2024 included \$18,226 related to additional royalties for Orserdu I and Orserdu II due to certain royalty deductions becoming exempt.

During the fourth quarter of 2025, the Trust's expenses were \$53,995 (2024 – \$54,520), including \$25,921 related to amortization of intangible royalty assets over their expected useful lives (2024 – \$26,046); \$9,674 related to the impairment loss on intangible royalty assets (2024 – \$9,686), as described on 5 of this MD&A; \$10,808 related to interest expense for the credit facility and preferred securities (2024 – \$9,489), as described on page 6 of this MD&A; deal investigation and research expenses of \$1,675 (2024 – \$2,751), which include the ongoing costs associated with the Trust's research and due diligence activities for potential asset acquisitions; compensation expense of \$2,828 (2024 – \$370); Unit-based compensation of \$903 (2024 – \$90); general and administrative expenses of \$525 (2024 – \$100), which includes overhead costs incurred in the management of the business; and other operating expenses of \$1,661 (2024 – \$1,385), which include general costs of operating our business including board, consulting, legal and audit fees.

The Trust also recorded a gain on debt refinancing related to the credit facility amendment of \$789 (2024 – nil), an income tax recovery of \$285 (2024 – nil) and an other comprehensive gain of \$333 related to its cash flow hedge (2024 – \$871) during the three months ended December 31, 2025.

The following table presents the Trust's royalty income by intangible royalty asset for the three months ended December 31, 2025 and 2024.

		Three months ended December 31, 2025	Three months ended December 31, 2024	% Change
Intangible Royalty Assets				
Ekterly	\$	2,124	\$ —	n/a
Empaveli/Syfovre ⁽ⁱ⁾		85	627	(86)%
Eylea I		1,227	1,607	(24)%
Eylea II		261	350	(25)%
Natpara		156	248	(37)%
Omidria		9,220	9,334	(1)%
Oracea		985	391	152 %
Orserdu I		16,601	10,211	63 %
Orserdu II ⁽ⁱⁱ⁾		10,303	23,884	(57)%
Rydapt		722	316	128 %
Spinraza		3,480	3,991	(13)%
Vonjo I		3,048	2,482	23 %
Vonjo II		676	542	25 %
Xenpozyme ⁽ⁱⁱⁱ⁾		2,039	964	112 %
Xolair		2,781	2,197	27 %
Zejula		471	953	(51)%
Zytiga		2,554	2,662	(4)%
Other Products ^(iv)		880	622	41 %
Total Royalty Income	\$	57,613	\$ 61,381	(6)%

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

(ii) Royalty income for Orserdu I for the three months ended December 31, 2025 included \$5,000 in milestone royalty income.

(iii) Xenpozyme includes two royalty streams as a result of the additional Xenpozyme stream acquired in Q2 2024, as described on page 8 of this MD&A.

(iv) 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 for the three months ended December 31, 2025 was \$57,613 (2024 – \$61,381). The decrease in royalty income was primarily due to the prior period inclusion of \$18,226 of additional royalties related to Orserdu I and Orserdu II as certain royalty deductions became exempt during the three months ended December 31, 2024, as described on page 5 of this MD&A. The decrease is partially offset by (i) the addition of Ekterly to the portfolio; and (ii) the Orserdu I milestone royalty income of \$5,000 related to the achievement of certain sales performance thresholds.

Summary of quarterly results

The following table provides a summary of the Trust's quarterly results, the distributions per Unit and the weighted average number of Units outstanding for the eight most recently completed quarters.

As at	2025				2024			
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Total assets	\$ 942,819	\$ 909,046	\$ 967,257	\$ 962,045	\$ 984,867	\$ 884,079	\$ 874,067	\$ 901,270
Credit facility and preferred securities ⁽ⁱ⁾	415,851	391,238	389,349	362,065	374,802	281,605	275,716	275,051
Three months ended	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Total income	\$ 61,686	\$ 48,745	\$ 44,130	\$ 44,028	\$ 61,521	\$ 41,555	\$ 41,604	\$ 42,067
Total expenses	(53,995)	(58,845)	(42,783)	(45,780)	(54,520)	(43,247)	(45,149)	(47,796)
Gain (loss) on debt refinancing	789	—	(971)	—	—	—	2,176	—
Other loss	—	—	—	—	—	—	(764)	(811)
Termination fee	—	(48,000)	—	—	—	—	—	—
Income tax recovery	285	240	—	—	—	—	—	—
Net earnings (loss)	\$ 8,765	\$ (57,860)	\$ 376	\$ (1,752)	\$ 7,001	\$ (1,692)	\$ (2,133)	\$ (6,540)
Net unrealized gain (loss) on derivative instruments	333	184	(1,076)	(80)	871	(1,632)	228	1,197
Comprehensive earnings (loss)	\$ 9,098	\$ (57,676)	\$ (700)	\$ (1,832)	\$ 7,872	\$ (3,324)	\$ (1,905)	\$ (5,343)
Net earnings (loss) per Unit								
Basic	\$ 0.16	\$ (1.05)	\$ 0.01	\$ (0.03)	\$ 0.12	\$ (0.03)	\$ (0.04)	\$ (0.12)
Diluted	\$ 0.16	\$ (1.05)	\$ 0.01	\$ (0.03)	\$ 0.12	\$ (0.03)	\$ (0.04)	\$ (0.12)
Distributions per Unit⁽ⁱⁱ⁾								
Cash	\$ 0.1000	\$ 0.1000	\$ 0.1000	\$ 0.1000	\$ 0.0850	\$ 0.0850	\$ 0.0850	\$ 0.0850
Unit ⁽ⁱⁱⁱ⁾	n/a	n/a	n/a	n/a	\$ 0.0237	n/a	n/a	n/a
Weighted average number of Units								
Basic	55,116,438	55,351,226	55,685,363	56,307,817	56,282,403	56,293,275	56,426,259	56,358,240
Diluted	55,311,470	55,351,226	55,685,363	56,307,817	56,678,956	56,293,275	56,426,259	56,358,240

(i) Credit facility and preferred securities summary figures include only the non-current portion of the liabilities.

(ii) Represents distributions declared during the period.

(iii) 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 as were held by the Unitholder immediately before the special Unit distribution.

FINANCIAL REVIEW: NON-GAAP FINANCIAL MEASURES

The Trust reports certain non-GAAP financial measures, including Total Cash Receipts, Normalized Total Cash Receipts, Total Cash Royalty Receipts, and Adjusted EBITDA. The Trust also reports certain non-GAAP ratios, including Adjusted EBITDA Margin and Adjusted Cash Earnings per Unit. These measures and ratios are not standardized financial measures under IFRS Accounting Standards as issued by the IASB and might not be comparable to similar financial measures disclosed by other issuers.

Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts

Total Cash Receipts refers to Total Cash Royalty Receipts plus cash receipts from all products. Total Cash Receipts includes cash receipts from interest as well as non-recurring cash receipts.

Total Cash Royalty Receipts refers to aggregate cash royalty receipts and milestone royalty receipts from our portfolio of royalty assets and forms part of Total Cash Receipts. Because of the lag between when we record royalty income and receive the corresponding cash payments on our royalties and milestones, we believe Total Cash Receipts and Total Cash Royalty Receipts are useful measures when evaluating our operations, as they represent actual cash generated in respect of all royalty assets held during a period. We also present Normalized Total Cash Receipts, which refers to Total Cash Receipts adjusted to remove cash receipts that are not expected to recur in the normal course of our operations. We believe that Normalized Total Cash Receipts will assist readers in evaluating the period-over-period performance of our royalty portfolio since Normalized Total Cash Receipts only includes cash receipts generated by royalties and other amounts payable pursuant to the terms of our royalty assets. There were no adjustments required to normalize cash receipts for the years ended December 31, 2025 and 2024.

	Cash Receipts			Cash Receipts		
	Three months ended December 31, 2025	Three months ended December 31, 2024	% Change	Year ended December 31, 2025	Year ended December 31, 2024	% Change
Royalty Assets						
Casgevy	\$ —	\$ —	n/a	\$ 5,000	\$ —	n/a
Ekterly	821	—	n/a	821	—	n/a
Empaveli/Syfovre	1,944	1,977	(2)%	4,931	6,268	(21)%
Eylea I	1,176	1,425	(17)%	5,101	5,595	(9)%
Eylea II	250	309	(19)%	1,097	1,211	(9)%
Natpara	149	390	(62)%	1,035	2,092	(51)%
Omidria	8,821	8,327	6 %	34,122	37,728	(10)%
Oracea	894	1,608	(44)%	4,649	7,407	(37)%
Orserdu I ⁽ⁱ⁾	9,535	8,088	18 %	32,565	27,885	17 %
Orserdu II ⁽ⁱ⁾	9,535	5,771	65 %	47,633	37,684	26 %
Rydapt ⁽ⁱⁱ⁾	805	679	19 %	3,554	5,458	(35)%
Spinraza	3,685	3,679	— %	15,155	14,748	3 %
Vonjo I	2,984	3,362	(11)%	11,522	12,204	(6)%
Vonjo II ⁽ⁱ⁾	645	728	(11)%	2,619	7,598	(66)%
Xenpozyme	2,502	812	208 %	4,415	1,474	200 %
Xolair	4,264	3,535	21 %	12,607	10,658	18 %
Zejula	662	953	(31)%	3,942	3,900	1 %
Zytiga	1,529	2,503	(39)%	3,759	6,049	(38)%
Other Products ⁽ⁱⁱⁱ⁾	454	453	— %	1,915	2,033	(6)%
Total Cash Receipts, Normalized Cash Receipts and Cash Royalty Receipts	\$ 50,655	\$ 44,599	14 %	\$ 196,442	\$ 189,992	3 %

(i) Cash receipts for Orserdu II and Orserdu I for the year ended December 31, 2025 include \$17,593 and \$633, respectively, for reclamation of previous royalty deductions, as described on page 5 of this MD&A. Cash receipts for the year ended December 31, 2024 include milestone royalty receipts of \$2,104 from Orserdu I, \$18,939 from Orserdu II and \$5,000 from Vonjo II received in Q1 2024.

(ii) Cash receipts for the year ended December 31, 2024 include \$1,000 in additional cash receipts related to a one-time payment received in Q1 2024.

(iii) Other Products includes royalty income from certain other intangible royalty assets as well as intangible royalty assets which are fully amortized and, where applicable, the entitlements to which have generally expired. Comparative figures for royalty assets Simponi, Stelara and Ilaris are included in Other Products.

Fourth Quarter Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts

Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts during the three months ended December 31, 2025 increased by \$6,056 or 14% compared to the same period in 2024. The increase was primarily driven by (i) the increase in Orserdu I and Orserdu II due to growing sales and removal of certain gross-to-net deductions previously incurred on Orserdu II, as described on page 5 of this MD&A; (ii) the increased royalties on Xolair due to its growth following its launch for the food allergy indication; (iii) the inclusion of a second Xenpozyme royalty stream; and (iv) the Ekterly royalty stream which only began earning cash receipts in Q4 2025. The increase in cash royalty receipts was partially offset by (i) an expected decline in Zytiga royalty receipts due to declining sales volume as a result of increased generic competition; and (ii) increased competition and generic entrance into the market impacting the sales of Oracea.

Year-to-Date Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts

Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts during the year ended December 31, 2025 increased by \$6,450 or 3.4% compared to the same period in 2024. The increase was primarily driven by a net increase in cash receipts for Orserdu I and Orserdu II due to growing sales and removal of certain gross-to-net deductions previously incurred on Orserdu II, as described on page 5 of this MD&A, along with a \$18,226 milestone receipt during 2025 due to the reclamation of previously incurred gross-to-net deductions, partially offset by a non-recurring \$21,043 milestone receipt during 2024.

In addition, the increase in cash receipts during the year ended December 31, 2025 is also due to (i) the additional Xenpозyme royalty stream, which earned its first cash receipt in 2025; (ii) the increased royalties on Xolair due to its growth following its launch for the food allergy indication; and (iii) the additional receipts earned from the Casgevy and Ekterly assets, which earned their first receipts in the current year.

The increase in cash royalty receipts was partially offset by (i) the Empaveli annual royalty cap being met in Q1 2025 based on 2024 annual sales; as such no receipts in the first and second quarters of 2025 were received on the larger Empaveli royalty stream, this royalty cap resets annually; (ii) a decline in Omidria royalty receipts due to lower sales volume; (iii) the non-recurring milestone royalty receipts received during the year ended December 31, 2024 of \$5,000 Vonjo II; (iv) increased competition and generic entrance into the market impacting the sales of Oracea; (v) a one-time payment of \$1,000 related to Rydapt in 2024 combined with the expected contractual step-down in royalty entitlement for Rydapt, based on a cumulative sales threshold condition being met in Q3 2024; and (vi) the expected impact of increased competition on the sales of Zytiga due to generic entrance in the European market.

Cash Receipt Reconciliation

The reconciliation of Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts to the most directly comparable measures calculated in accordance with IFRS Accounting Standards as issued by the IASB is presented below. The Trust reconciles Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts to total income. Total income represents the sum of royalty income, change in fair value of financial royalty assets, unrealized and realized gains on marketable securities and other interest income. Reconciling total income to Total Cash Receipts results in the subtraction of other interest income, unrealized and realized gains on marketable securities, net change in royalties receivable, net change in financial royalty assets, non-cash royalty income and non-cash interest, and the addition of acquired royalties receivable.

When reconciling to Normalized Total Cash Receipts, we further subtract cash receipts not expected to recur, if any.

When reconciling to Total Cash Royalty Receipts, there is a corresponding subtraction to interest and other income on the loan receivable and an addition of non-cash interest and other income on the loan receivable and premiums for prepayment of loan receivable, since Total Cash Royalty Receipts is a measure of the Trust's cash royalty receipts from all products, excluding income from the Trust's debt instruments and cash receipts not expected to recur. For the purposes of complying with equal prominence requirements of applicable securities laws relating to non-GAAP financial measures, the Trust refers to total income when referring to Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts.

	Three months ended December 31, 2025	Three months ended December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024
Total income	\$ 61,686	\$ 61,521	\$ 198,589	\$ 186,747
[-] Other interest income	(188)	(378)	(1,095)	(2,273)
[-] Unrealized gain on marketable securities	(171)	—	(2,026)	—
[-] Realized gain on marketable securities	(1,795)	765	(1,795)	765
[+] Royalties receivable, beginning of period	52,886	45,580	62,362	64,082
[-] Royalties receivable, end of period	(59,708)	(62,362)	(59,708)	(62,362)
[+] Financial royalty assets, beginning of period	55,357	—	57,527	—
[+] Financial royalty assets, acquired during period ⁽ⁱ⁾	—	57,000	—	57,000
[-] Financial royalty assets, end of period	(57,276)	(57,527)	(57,276)	(57,527)
[-] Non-cash royalty income ⁽ⁱⁱ⁾	(136)	—	(136)	—
[+] Acquired royalties receivable ⁽ⁱⁱⁱ⁾	—	—	—	3,560
[=] Total Cash Receipts, Royalty Cash Receipts and Normalized Cash Receipts	\$ 50,655	\$ 44,599	\$ 196,442	\$ 189,992

(i) Financial royalty assets acquired during the period relate to the Casgevy Transaction, as described on page 8 of this MD&A.

(ii) Non-cash royalty income is related to excess payments received in prior periods from the royalty payer. The amount was previously held as an other current liability before being recognized as revenue in Q4 2025.

(iii) Acquired royalties receivable represent the Trust's royalty entitlement to sales occurring prior to the completion of the royalty transactions.

Adjusted EBITDA

We believe Adjusted EBITDA provides meaningful information about our operating cash flows as it eliminates the effects of other non-cash expenses and accruals and income and expenses not expected to recur that have been recorded on the statements of net earnings (loss) and comprehensive earnings (loss). We refer to EBITDA when reconciling our net earnings (loss) and comprehensive earnings (loss) to Adjusted EBITDA, but we do not use EBITDA as a measure of our performance.

The reconciliation of Adjusted EBITDA to its most directly comparable measures calculated in accordance with IFRS Accounting Standards as issued by the IASB is presented below.

	Three months ended December 31, 2025	Three months ended December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024
Comprehensive earnings (loss)	\$ 9,098	\$ 7,872	\$ (51,110)	\$ (2,700)
[+] Amortization of intangible royalty assets	25,921	26,046	101,743	102,869
[+] Impairment of intangible royalty assets	9,674	9,686	23,365	15,787
[+] Depreciation of fixed assets and other intangible assets	87	—	223	—
[-] Income tax recovery	(285)	—	(525)	—
[-] Other interest income	(188)	(378)	(1,095)	(2,273)
[+] Interest expense	10,808	9,489	39,695	34,905
[=] EBITDA	55,115	52,715	112,296	148,588
[+] Royalties receivable, beginning of period	52,886	45,580	62,362	64,082
[-] Royalties receivable, end of period	(59,708)	(62,362)	(59,708)	(62,362)
[-] Performance fees payable, beginning of period	—	—	(1,665)	(5,918)
[+] Performance fees payable, end of period	—	1,665	—	1,665
[+] Financial royalty assets, beginning of period	55,357	—	57,527	—
[+] Financial royalty assets, acquired during period	—	57,000	—	57,000
[-] Financial royalty assets, end of period	(57,276)	(57,527)	(57,276)	(57,527)
[-] Unrealized gain (loss) on marketable securities	(171)	765	(2,026)	765
[+] Acquired royalties receivable ⁽ⁱ⁾	—	—	—	3,560
[+] Unit-based compensation	903	90	3,483	7,679
[+] Board of trustees' unit-based compensation ⁽ⁱⁱ⁾	389	(90)	1,315	375
[-] Non-cash royalty income ⁽ⁱⁱⁱ⁾	(136)	—	(136)	—
[-] (Gain) loss on debt refinancing	(789)	—	182	(2,176)
[+] Termination fee ^(iv)	—	—	48,000	—
[+] Other loss	—	—	—	1,575
[-] Net unrealized gain (loss) on derivative instruments	(333)	(871)	639	(664)
[=] Adjusted EBITDA	\$ 46,237	\$ 36,965	\$ 164,993	\$ 156,642

(i) Acquired royalties receivable represent the Trust's royalty entitlements prior to the completion of the royalty transactions.

(ii) Certain members of the board of trustees of the Trust elected to be compensated fully or partially in DUs under the Trust's Omnibus Equity Incentive Plan, as described on page 14 of this MD&A.

(iii) Non-cash royalty income is related to excess payments received in prior periods from the royalty payer. The amount was previously held as an other current liability before being recognized as revenue in Q4 2025.

(iv) For the year ended December 31, 2025 the Trust paid a termination fee as part of the internalization of its former external manager. The internalization is described further on page 6 of this MD&A.

Adjusted EBITDA during the three months ended December 31, 2025 was \$46,237, representing an increase of \$9,272 or 25% compared to the same period in 2024. The increase is primarily attributed to higher royalty cash receipts in the period compared to the prior period, and due to the sale of marketable securities in the current period.

Adjusted EBITDA for the year ended December 31, 2025 was \$164,993, representing an increase of \$8,351 or 5%. The increase is attributed to higher royalty cash receipts in the period compared to the prior period, and due to the sale of marketable securities in the current period.

Impacting Adjusted EBITDA is the impact of certain non-recurring expenses, the table below details non-recurring expenses incurred during the years ended December 31, 2025 and 2024.

	Three months ended December 31, 2025	Three months ended December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024
Non-recurring expenses				
Organizational restructuring costs ⁽ⁱ⁾	\$ 94	\$ 200	\$ 803	200
Transition fees ⁽ⁱⁱ⁾	(30)	—	222	—
Special committee fees ⁽ⁱⁱⁱ⁾	—	120	230	295
Professional fees related to improving governance ^(iv)	—	359	2,087	3,075
Professional fees related to internalization ^(iv)	44	106	4,246	126
Total non-recurring expenses	\$ 108	\$ 785	\$ 7,588	\$ 3,696

(i) Included in compensation expense are one-time organizational restructuring costs that are not expected to recur.

(ii) Transition fees are included in general and administrative expenses for services rendered during the transition from the former external manager as part of the internalization, as described on page 6 of this MD&A.

(iii) Included in board of trustee fees within other operating expenses were special committee costs related to the investigation and internalization.

(iv) Various professional fees were incurred by the Trust related to improving governance in the aftermath of the investigation of irregular expenses, as described on page 2 of this MD&A, and related to the internalization, as described on page 6 of this MD&A. These costs are included in professional fees within other operating expenses and are non-recurring by nature.

Adjusted EBITDA for the three months ended and year ended December 31, 2025 would have been \$46,345 and \$172,581, respectively (2024 – \$37,750 and \$160,338, respectively), without these non-recurring expenses.

Adjusted EBITDA Margin

We believe that Adjusted EBITDA Margin is a useful supplemental measure to demonstrate the operating efficiency of our business on a cash basis.

The calculation of Adjusted EBITDA Margin is presented below.

	Three months ended December 31, 2025	Three months ended December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024
Adjusted EBITDA	\$ 46,237	\$ 36,965	\$ 164,993	\$ 156,642
[+] Normalized Total Cash Receipts	50,655	44,599	196,442	189,992
[=] Adjusted EBITDA Margin	91%	83%	84%	82%

As described earlier, Adjusted EBITDA for the three months and year ended December 31, 2025 includes non-recurring expenses of \$108 and \$7,588, respectively (2024 – \$785 and \$3,696, respectively). Without these non-recurring expenses, Adjusted EBITDA margin would have been 91% and 88%, respectively, for the three months and year ended December 31, 2025 (2024 – 85% and 84%, respectively).

Adjusted Cash Earnings per Unit

We believe that Adjusted Cash Earnings per Unit provides meaningful information about our performance as it provides a measure of the cash generated by our assets on a per Unit basis, excluding cash earnings that are not expected to recur.

The calculation of Adjusted Cash Earnings per Unit is presented below.

	Three months ended December 31, 2025	Three months ended December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024
Comprehensive earnings (loss)	\$ 9,098	\$ 7,872	\$ (51,110)	\$ (2,700)
[+] Amortization of intangible royalty assets	25,921	26,046	101,743	102,869
[+] Depreciation of fixed assets and other intangible assets ⁽ⁱ⁾	87	—	223	—
[+] Impairment of intangible royalty assets	9,674	9,686	23,365	15,787
[+] Unrealized loss (gain) on marketable securities	(171)	765	(2,026)	765
[+] Unit-based compensation	903	90	3,483	7,679
[+] Board of trustees' unit-based compensation ⁽ⁱⁱ⁾	389	(90)	1,315	375
[-] Change in fair value of financial royalty assets	(1,919)	(527)	(4,749)	(527)
[+] Cash receipts on financial royalty assets	—	—	5,000	—
[-] Non-cash royalty income ⁽ⁱⁱⁱ⁾	(136)	—	(136)	—
[-] (Gain) Loss on debt refinancing	(789)	—	182	(2,176)
[+] Other loss	—	—	—	1,575
[-] Termination fee ^(iv)	—	—	48,000	—
[+] Net unrealized loss (gain) on derivative instruments	(333)	(871)	639	(664)
[=] Adjusted Cash Earnings (Loss)	\$ 42,724	\$ 42,971	\$ 125,929	\$ 122,983
[±] Weighted average number of Units – basic	55,116,438	56,282,403	55,735,690	56,339,759
[=] Adjusted Cash Earnings (Loss) per Unit – basic	\$ 0.78	\$ 0.76	\$ 2.26	\$ 2.18
[±] Weighted average number of Units – diluted	55,311,470	56,678,956	55,735,690	56,339,759
[=] Adjusted Cash Earnings (Loss) per Unit – diluted	\$ 0.77	\$ 0.76	\$ 2.26	\$ 2.18

(i) Included in general and administrative expenses are non-cash expenses related to the depreciation of fixed assets and amortization of other intangible assets.

(ii) Certain members of the board of trustees of the Trust elected to be compensated fully or partially in DUs under the Trust's Omnibus Equity Incentive Plan, as described on page 14 of this MD&A.

(iii) Non-cash royalty income is related to excess payments received in prior periods from the royalty payer. The amount was previously held as an other current liability before being recognized as revenue in Q4 2025.

(iv) For the year ended December 31, 2025 the Trust paid a termination fee as part of the internalization of its former external manager. The internalization is described further on page 6 of this MD&A.

Adjusted Cash Earnings (Loss) and Adjusted Cash Earnings (Loss) per Unit, basic and diluted, for the three months ended December 31, 2025 were \$42,724 and \$0.78, respectively, compared to \$42,971 and \$0.76, respectively, for the same period in 2024, representing a decrease of \$247 or \$0.02 per Unit. For the year ended December 31, 2025, Adjusted Cash Earnings (Loss) and Basic Adjusted Cash Earnings (Loss) per Unit, basic and diluted, were \$125,929 and \$2.26, respectively, compared to \$122,983 and \$2.18, respectively, for the same period in 2024, representing an increase of \$2,946 or \$0.08 per Unit. The increase for the year ended December 31, 2025 was primarily driven by the realized gain on marketable securities and higher royalty income in 2025, partially offset by higher cash expenses incurred in the period.

FINANCIAL REVIEW: FINANCIAL POSITION

As at December 31, 2025, the Trust had consolidated total assets of \$942,819 (2024 – \$984,867) and consolidated total liabilities of \$504,239 (2024 – \$457,336). The following table presents the components of consolidated total assets and total liabilities as at December 31, 2025 and December 31, 2024, followed by a discussion of significant categories of assets and liabilities.

		As at December 31, 2025		As at December 31, 2024
Assets				
Cash and cash equivalents	\$	42,432	\$	36,502
Royalties receivable		59,708		62,362
Other current assets		983		303
Current assets		103,123		99,167
Intangible royalty assets, net of accumulated amortization		777,818		823,936
Financial royalty assets		57,276		57,527
Investment in marketable securities		3,311		4,235
Other non-current assets		1,291		2
Non-current assets		839,696		885,700
Total assets	\$	942,819	\$	984,867
Liabilities				
Accounts payable and accrued liabilities	\$	6,240	\$	4,821
Distributions payable to Unitholders		5,507		4,786
Performance fees payable		—		1,665
Current portion of credit facility		67,088		56,888
Current portion of unit-based compensation liability		1,704		2,093
Other current liabilities		5,810		11,616
Current liabilities		86,349		81,869
Credit facility		308,976		263,865
Preferred securities		106,875		110,937
Derivative instruments		1,486		425
Unit-based compensation liability		199		240
Other non-current liabilities		354		—
Total liabilities	\$	504,239	\$	457,336

Intangible royalty assets

As at December 31, 2025, the net book value of our intangible royalty assets was \$777,818 (2024 – \$823,936), net of accumulated amortization and impairment of \$387,386 (2024 – \$304,008). During the year ended December 31, 2025, the Trust recorded additions to the cost of its intangible royalty assets of \$78,990 (2024 – \$237,616) related to the veligrotug and elegrobarb (VRDN-003) royalty transaction and the Ekterly one-time optional payment, as described on page 7 of this MD&A, as described on page 5 of this MD&A. The Trust also wrote off the cost, related accumulated amortization and accumulated impairment of \$41,730 related to the fully amortized intangible royalty assets in accordance with its amortization policy, as described in note 3(c) to the Trust's consolidated financial statements (2024 – \$1,475). There was no change to the net book value of the intangible royalty assets as a result of these write-offs.

During the year ended December 31, 2025, the Trust recognized an impairment loss of \$23,365 (2024 – nil) related to the Vonjo II and Omidria royalty assets, as described on page 5 of this MD&A. The recoverable amount of Vonjo II and Omidria was 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 assets prior to recognizing an impairment exceeded the recoverable amounts and the difference of \$23,365 was recognized as an impairment loss. During the year ended December 31, 2024, the Trust recognized an impairment loss of \$15,787 related to the Oracea intangible royalty asset, as described on page 5 of this MD&A. The impairment loss is recognized in the consolidated statements of net earnings and comprehensive earnings.

Financial royalty assets

As at December 31, 2025, the Trust had financial royalty assets of \$57,276 (2024 – \$57,527), representing the fair value of the Casgevy royalty asset. During the year ended December 31, 2025 the Trust had (i) cash receipts of \$5,000; (ii) changes in fair value due to the passage of time of \$7,704; (iii) changes in fair value due to changes in the risk-free rate of \$731; and (iv) changes in fair value due to changes in the expected timing of future cash flows of \$(3,686). The change in timing of future cash flows relates to a delay in the expected receipt date of the contingent payment, as described on page 8 of this MD&A. Despite the delay there is no change in the Trust's anticipated likelihood of receipt.

Distributions payable to Unitholders

As at December 31, 2025, the Trust had distributions payable of \$5,507, representing a quarterly cash distribution declared on November 5, 2025 to Unitholders of record as at December 31, 2025, which was paid on January 20, 2026.

As at December 31, 2024, the Trust had distributions payable of \$4,786, representing a quarterly cash distribution declared on November 6, 2024 to Unitholders of record as at December 31, 2024, which was paid on January 20, 2025.

The Trust pays a quarterly distribution in accordance with its distribution policy, as described in note 9 to the consolidated financial statements.

Credit facility and preferred securities

Credit facility

On October 22, 2021, the Trust entered into 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 are used for general business purposes and to finance transactions. The unused portion of the credit facility was subject to standby fees of 0.40% to 0.50% based on the Trust's leverage ratio.

On April 20, 2022, the Trust entered into an amended and restated credit agreement (the "**amended credit agreement**"), as amended from time to time, which added a new tranche to the credit facility 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 amended 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 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 interest rate on the amended credit facility 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 facility was also extended to March 30, 2026 from the original maturity date of October 22, 2024.

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

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 from October 31, 2026 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 amended credit facility was also 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.

On October 3, 2025 the Trust amended its amended credit agreement to, among other things, convert and merge the term credit facility into the acquisition 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. During the year ended December 31, 2025, the Trust recorded a gain of \$789 related to the change in the gross carrying amount of the outstanding credit facilities due to the amendment.

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.

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

	As at December 31, 2025			As at December 31, 2024
	Total Available Credit	Remaining Available Credit	Balance Outstanding	Balance Outstanding
Acquisition credit facility	\$ 570,000	\$ 237,959	\$ 332,041	\$ 247,122
Term credit facility	—	—	—	77,031
Working capital credit facility	50,000	1,000	49,000	—
	\$ 620,000	\$ 238,959	\$ 381,041	\$ 324,153
Unamortized transaction costs and gain on refinancing	n/a	n/a	(4,977)	(3,400)
Total	\$ 620,000	\$ 238,959	\$ 376,064	\$ 320,753
Current portion of credit facility			\$ 67,088	\$ 56,888
Long-term portion of credit facility			308,976	263,865
Total			\$ 376,064	\$ 320,753

The increase in the carrying amount of the credit facility is attributed to (i) a drawing made on June 30, 2025 of \$49,000 from the working capital credit facility to fund the internalization of the Trust's investment management function and terminate the management agreement on July 1, 2025, as described on page 6 of this MD&A; (ii) a drawing made on July 9, 2025 of \$18,000 from the acquisition credit facility to partially fund the Ekterly one-time optional payment, as described on page 7 of this MD&A; and (iii) a drawing made on October 17, 2025 of \$50,000 from the acquisition credit facility to partially fund the veligrotug and elegrobot (VRDN-003) transaction, as further described on page 7 of this MD&A. The remaining amount of the transaction was funded by the Trust's existing cash and cash flows.

During the year ended December 31, 2025, the Trust made total mandatory credit facility repayments of \$60,112 (2024 – \$66,159).

The following table presents expected principal repayments to be made until the maturity of the credit facility as at December 31, 2025.

	Total
2026	\$ 67,088
2027	67,088
2028	67,088
2029	179,777
	\$ 381,041

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 December 31, 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.

On December 1, 2025, as a result of the October 3, 2025 amendment to the credit agreement, the Trust further modified its interest rate swap. The maturity date was extended to September 28, 2029. The aforementioned second interest rate swap was combined with the original interest rate swap into a single \$150,000 notional interest rate swap.

During the year ended December 31, 2025, the Trust recorded an increase in interest due to the interest rate swaps of \$271 (2024 – reduction of \$535).

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 on page 31 of this MD&A. 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.

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 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 redemption of the in-the-money 2023 Warrants addressed potential dilution concerns of existing Unitholders.

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%. A gain on debt refinancing of \$2,176 was recorded as a result of this transaction. 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 purchase 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 year ended December 31, 2025, the Trust recorded a loss of \$971 related to the changes in the gross carrying amount of the partial redemption.

Subsequent to December 31, 2025, the Trust entered into an agreement with a private placement investor to partially purchase and cancel \$9,924 in face value of the 2024 Preferred Securities for \$9,825. The Trust paid outstanding accrued interest on the \$9,924 face value up to February 10, 2026, the date of the transaction. The terms of the remaining 2024 Preferred Securities remain unchanged.

Subsequent to December 31, 2025, the Trust also entered into subscription agreements with the holders of its outstanding 2024 Preferred Securities, as described on page 6 of this MD&A. Upon closing of the Offering, an aggregate principal amount of \$35,580 of the 2024 Preferred Securities will remain issued and outstanding.

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 December 31, 2025		As at December 31, 2024
Series C	\$	108,862	\$	113,515
Deferred transaction costs, net of amortization		(1,987)		(2,578)
Total	\$	106,875	\$	110,937

FINANCIAL REVIEW: CASH FLOWS

The Trust generated the following cash flows during the years ended December 31, 2025 and 2024.

		Year ended December 31, 2025		Year ended December 31, 2024
Cash and cash equivalents – beginning of period	\$	36,502	\$	62,835
Cash provided by operating activities		109,953		155,412
Cash provided by (used in) financing activities		(23,790)		111,561
Cash used in investing activities		(80,233)		(293,306)
Change in cash and cash equivalents		5,930		(26,333)
Cash and cash equivalents – end of period	\$	42,432	\$	36,502

During the year ended December 31, 2025, the Trust generated cash flows provided by operating activities of \$109,953, \$45,459 lower compared to the previous year. The decrease was primarily due to the \$48,000 termination fee paid by the Trust as part of the internalization transaction, as described on page 6 of this MD&A, higher non-recurring expenses incurred of \$7,588 compared to \$3,496 in the previous year, and compensation expenses being incurred for a full year in the year ended December 31, 2025 compared to being incurred only for the six months ended December 31, 2024.

For the year ended December 31, 2025, the Trust used cash flows of \$23,790 from financing activities while generating \$111,561 in the previous year, a \$135,351 increase in cash used. The increase is primarily due to lower drawings of \$125,000 on the credit facility during the year ended December 31, 2025. The Trust drew \$117,000 from its credit facility during the year ended December 31, 2025, using \$49,000 to fund the termination fee and the assets purchased in connection with the internalization transaction, as described on page 6 of this MD&A, \$18,000 to partially fund the Ekterly one-time optional payment of \$22,000 and \$50,000 to partially fund the veligrotug and elegrobarb (VRDN-003) upfront payment of \$55,000 along with available cash, as described on page 7 of this MD&A. The Trust also used more available cash during the year ended December 31, 2025 than in the previous year. Available cash was also used to repay \$60,112 on the credit facility, to pay interest of \$33,188 on its credit facility and preferred securities, to pay cash distributions of \$21,482, to repurchase and cancel Units under its NCIB program for \$14,231, and to partially purchase \$10,000 face value of preferred securities for \$9,500.

For the year ended December 31, 2025, the Trust used cash flows of \$80,233 for investing activities, which was \$213,073 lower than the previous year. The decrease was primarily due to lower levels of asset transactions in the current period. The Trust paid \$87,000 to fund the Orserdu II milestone of \$10,000, to fund the Ekterly one-time optional payment of \$22,000, and to fund the veligrotug and elegrobarb (VRDN-003) upfront payment of \$55,000, as described on page 7 of this MD&A. The Trust also used \$991 to fund the acquisition of certain relevant assets of the former external manager, as described on page 6 of this MD&A. Partially offsetting these uses of cash in investing activities were the receipt of \$5,000 for the annual license fees from the Casgevy financial royalty asset and the proceeds of \$4,745 from the sales of a portion of the KalVista marketable securities, as described on page 11 of this MD&A.

EQUITY

Authorized equity

The Trust's authorized equity capital consists of (i) an unlimited number of Units; and (ii) an unlimited number of Preferred Units, issuable in series. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trust without notice to, or the approval of, the Unitholders.

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 discussed in further detail in note 9 to the consolidated financial statements. As at December 31, 2025, 55,073,836 (2024 – 56,304,425) Units were outstanding at a cost of \$550,235 (2024 – \$562,583).

The following table outlines the changes in the number of Units outstanding from December 31, 2023 to December 31, 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	352,531	\$ 10.39	\$ 3,663
Repurchase and cancellation of Units – NCIB	(406,346)	\$ 9.64	\$ (3,917)
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	200,901	\$ 9.79	\$ 1,966
Units issued on the settlement of vested Deferred Units	17,759	\$ 9.10	\$ 162
Repurchase and cancellation of Units – NCIB	(1,449,249)	\$ 9.82	\$ (14,231)
Equity tax on share repurchases	n/a	n/a	\$ (245)
Unit distributions to Unitholders	—	n/a	\$ —
Consolidation of Units	—	n/a	n/a
Balance – December 31, 2025	55,073,836	n/a	\$ 550,235

Settlement of vested Restricted Units

The following table outlines the Units issued upon settlement of vested RUs during the years ended December 31, 2025 and 2024.

Restricted Units Grant Date:	Units Issued on Settlement of Restricted Units	
	Year ended December 31, 2025	Year ended December 31, 2024
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	26,613	6,489
July 1, 2025	13,829	—
September 4, 2025	1,506	—
November 10, 2025	1,035	—
Total	200,901	352,531

Units issued to settle RUs decreased year-over-year, primarily due to a decrease in the number of RUs vested during the year ended December 31, 2025, down to 389,930 from 713,297 in 2024, as outlined on page 13 of this MD&A. The decrease is furthered as RUs are settled at fair value on the date of settlement, with Units issued net of withholding tax. As the Unit price has increased over the past year, the number of Units issued required for settlement decreased.

Settlement of Deferred Units

During the year ended December 31, 2025, the Trust issued 17,759 Units (2024 – nil) upon settlement of vested DUs, as described on page 14 of this MD&A.

Normal course issuer bid

From time to time, the market price of the Units of the Trust may not adequately reflect the value of the underlying assets of the Trust, and management wishes to take advantage of the market trading prices of its Units in those instances.

On May 9, 2025, the Trust was granted approval for the May 2025 NCIB by the TSX. 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 year ended December 31, 2025, the Trust acquired and canceled 1,449,249 Units at an average price of \$9.82, totaling \$14,231. As at December 31, 2025, in aggregate, the Trust has acquired and canceled 4,612,758 Units at an average price per Unit of \$7.08, totaling \$32,658 under the NCIB Plans.

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 year ended December 31, 2025, the Trust recorded an excise tax payable of \$245 related to repurchases under the May 2025 NCIB program (2024 – nil).

As at December 31, 2025, the Trust recorded an other current liability of \$3,290 representing the maximum amount that would be required to settle the AUPP in effect on December 31, 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 December 31, 2025, resulting in a decrease in other current liabilities and an increase in other equity.

In the subsequent period from January 1, 2026 to March 3, 2026, the Trust acquired an additional 75,938 Units under the May 2025 NCIB plan at an average price of \$11.31, totaling \$859 under the AUPP.

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 Warrants 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 2023 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 Warrants 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. As a result of the refinancing, the number of warrants outstanding has reduced, thus reducing the potential impact of Unit dilution that would occur if the 2023 Warrants were exercised. 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 December 31, 2025, the net value of the 2024 Warrants recognized in other equity reserves was \$4,106 (2024 – \$4,106).

Distributions

The Trust pays quarterly distributions in accordance with its distribution policy, which is described in the Trust's most recent annual information form. The following table presents cash and Unit distributions made by the Trust during the years ended December 31, 2025 and 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
Q4 2025 – Quarterly cash distribution	December 31, 2025	January 20, 2026	0.1000	5,507
Total			\$ 0.4000	\$ 22,203
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 as were held by the Unitholder immediately before the special Unit distribution.

During the year ended December 31, 2025, the board of trustees of the Trust declared cash distributions totaling \$22,203 (2024 – total distributions of \$20,488, composed of cash distributions of \$19,154 and a Unit distribution of \$1,334). With the payment of the termination fee of \$48,000 to the former external manager, the Trust's regular quarterly distributions were in excess of the taxable income for the 2025 taxation year and as a result did not require an additional year-end distribution to distribute all taxable income.

Subsequent to December 31, 2025, the board of trustees of the Trust declared a quarterly cash distribution of \$0.1100 per Unit to Unitholders of record as at March 31, 2026 and payable on April 20, 2026.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2025, the Trust's capital was \$1,044,460 (2024 – \$1,004,573) and consisted of its Unitholders' capital of \$550,235 (2024 – \$562,583), 2024 Preferred Securities, prior to the deduction of deferred transaction costs, net of amortization, of \$108,862 (2024 – \$113,515), 2024 Warrants, prior to the deduction of deferred transaction costs of \$4,322 (2024 – \$4,322) and amended credit facilities, prior to the deduction of deferred transaction costs, net of amortization, of \$381,041 (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.

The Trust has access to a number of capital sources, including: (i) cash on hand; (ii) internally generated cash flows; (iii) debt and other financing; (iv) the issuance of Trust Units to royalty sellers; and (v) future public equity issuances.

The Trust's primary ongoing source of liquidity is cash provided by operating activities. During the year ended December 31, 2025, the Trust generated \$109,953 (2024 – \$155,412) of cash provided by operating activities.

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 on page 28 of this MD&A. On June 18, 2025, the Trust partially purchased and canceled \$10,000 in face value of the 2024 Preferred Securities for \$9,500, as described on page 28 of this MD&A.

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 on page 26 of this MD&A.

On October 3, 2025, the Trust further revised its amended credit agreement to convert and merge the term credit facility into the acquisition credit facility, as described on page 26 of this MD&A. 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 believes its existing capital resources and cash provided by operating activities will continue to allow the Trust to meet its operating and working capital requirements, and to meet externally imposed capital requirements and obligations, including the scheduled repayments of its credit facility for the foreseeable future.

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

Subsequent to December 31, 2025, the Trust further partially purchased and canceled \$9,924 in face value of the 2024 Preferred Securities for \$9,825.

Subsequent to December 31, 2025, the Trust also entered into subscription agreements with the holders of its outstanding 2024 Preferred Securities, as described on page 6 of this MD&A. Upon closing of the Offering, an aggregate principal amount of \$35,580 of the 2024 Preferred Securities will remain issued and outstanding.

OFF-BALANCE SHEET OBLIGATIONS AND 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. As of December 31, 2025, Zejula had not met the required criteria to receive the milestone.

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 \$26,000 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 stream on Empaveli/Syfovre. In accordance with the terms of the royalty agreement, the royalty seller may be entitled to an additional payment of \$4,000 in the event that Empaveli/Syfovre 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 \$2,500.

On February 1, 2024, the Trust amended the existing Omidria royalty agreement, as described on page 8 of this MD&A. In accordance with the terms of the amended royalty agreement, the royalty seller may be entitled to an additional payment of up to \$27,500 in potential sales-based milestone payments.

On June 28, 2024, the Trust bought an additional royalty stream on Xenpozyme, as described on page 8 of this MD&A. 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 on page 8 of this MD&A. 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.

On October 17, 2025, the Trust completed the Veligrotug and elegrobarb (VRDN-003) Transaction, as described on page 7 of this MD&A. 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.

The Trust did not have any other off-balance sheet obligations, commitments or guarantees at December 31, 2025.

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 Persis Capital Inc. and the Trust and Chris Anastasopoulos, former CFO of Persis Capital Inc. 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).

In connection with the internalization described on page 6 of this MD&A, the former external manager agreed to fully indemnify the Trust against the damages arising from the legal proceeding described above and the matters described on page 2. No amounts have been accrued as of December 31, 2025.

Subsequent to December 31, 2025, a settlement of C\$8,000 was reached among the parties in the legal proceeding described above. The former external manager has agreed to pay the full settlement amount. The settlement is subject to court approval.

RELATED-PARTY TRANSACTIONS

Persis Capital Inc. (formerly DRI Capital Inc.) served as the former 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 the internalization. On July 1, 2025, the Trust completed the internalization transaction and termination of the management agreement, as described on page 6 of this MD&A, and as a result, management and performance fees are no longer payable by the Trust. The following related-party transactions occurred during the years ended December 31, 2025 and 2024.

Management fees

Prior to the termination of the management agreement, the Trust was required to pay quarterly management fees to the former external manager or its affiliates equal to 6.50% of total cash receipts for such quarter and 0.25% of the fair value of security investments and related derivative financial instruments as of the end of such quarter, as described in note 3(n) to the Trust's consolidated financial statements. During the year ended December 31, 2025, the Trust recorded management fees to the former external manager of \$6,733 (2024 – \$11,397).

Performance fees

The former external manager was entitled to performance fees determined on a portfolio-by-portfolio basis pursuant to the terms of a management agreement, as described in note 3(o) to the Trust's consolidated financial statements.

The Trust recorded performance fees of \$533 during the year ended December 31, 2025 (2024 – \$1,896), as the conditions for performance fees were met primarily due to the cash receipt of Casgevvy in the first quarter of 2025.

During the fourth quarter of 2024, conditions for performance fee payments were met as a result of the additional revenue recognized for Orserdu, as described on page 5 of this MD&A, and performance fees of \$1,665 were recognized. During the year ended December 31, 2025, performance fees of \$2,198 were paid (2024 – \$6,149).

Key management compensation

During the years ended December 31, 2025 and 2024, the Trust issued compensation to members of the board of trustees of the Trust, as described on page 13 of this MD&A, and to certain officers of the Trust, as detailed below.

		Year ended December 31, 2025	Year ended December 31, 2024
Cash compensation and short-term benefits ⁽ⁱ⁾	\$	3,554	\$ 470
Unit-based compensation		2,148	921
Total	\$	5,702	\$ 1,391

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

During the year ended December 31, 2025, the Trust recorded total cash compensation and short-term benefits expense of \$3,554 (2024 – \$470) related to compensation paid to certain officers of the Trust, including salaries, bonuses and benefits.

During the year ended December 31, 2025, the Trust recorded unit-based compensation expense of \$2,148 (2024 – \$921) related to the RU grants and the accretion of the related distribution equivalent Units.

The following table details the RUs granted to certain officers of the Trust during the year ended December 31, 2025.

Restricted Units Grant Date:	Total Units January 1, 2025	Units Granted	Distribution Equivalent Units Granted ⁽ⁱ⁾	Vesting of Restricted Units	Total Units December 31, 2025
August 13, 2024 ⁽ⁱⁱ⁾	98,761	—	2,748	(57,405)	44,104
July 1, 2025 ⁽ⁱⁱⁱ⁾	—	99,254	1,601	(25,049)	75,806
July 1, 2025 ^(iv)	—	99,254	1,819	—	101,073
September 4, 2025 ^(v)	—	13,125	240	—	13,365
October 15, 2025 ^(vi)	—	17,158	150	—	17,308
November 10, 2025 ^(vi)	—	8,917	58	(2,229)	6,746
Balance	98,761	237,708	6,616	(84,683)	258,402

(i) 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.

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

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

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

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

(vi) Vesting equally on a quarterly basis beginning November 13, 2025 until August 13, 2026.

The following table outlines the Units issued upon settlement of vested RUs to certain officers of the Trust during the year ended December 31, 2025.

Restricted Units Grant Date:	Units Issued on Settlement of Restricted Units Year ended December 31, 2025
November 22, 2022	950
December 21, 2023	2,547
August 13, 2024	26,613
July 1, 2025	13,829
November 10, 2025	1,035
Total	44,974

Reimbursement

On July 9, 2024, based on the initial information at the start of the investigation into irregular expenses, the former external manager reimbursed the Trust for \$5,501 (C\$7,500), 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 the 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 former external manager, as described on page 2 of this MD&A. Subsequent to August 6, 2024, the investigation concluded and no additional items were identified as requiring adjustment.

CHANGES IN ACCOUNTING POLICIES

The Trust's accounting policies are discussed in detail in note 3 to the Trust's 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 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 reflects taxes payable on taxable income 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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and equity, and the related note disclosures. Judgments, estimates and assumptions are reviewed by management on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates and such differences could be material to the consolidated financial statements.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the accounting policies subject to judgments and key sources of estimation uncertainty that the Trust believes could have the most significant impact on the amounts recognized in the consolidated financial statements.

Royalty income

In determining royalty income earned, judgments are made with respect to the performance of the underlying products and commercial factors based on historical and expected performance, knowledge of each intangible royalty asset and regular correspondence with royalty payers. Estimated royalty income is recognized on the basis of amounts receivable for each intangible royalty asset based on the Trust's contractual entitlement, which incorporates an element of uncertainty.

The estimated income recognized may differ from actual cash received in respect of each accounting period and adjustments may therefore be required throughout the financial period when the actual income received becomes known.

Change in fair value of financial royalty assets

The fair value of financial royalty assets is remeasured quarterly and changes are recognized in net earnings. The changes in fair value reflect the passage of time of the discounted cash flow, movements in the discount rate and any changes in estimated future cash flows. Fair value of financial royalty assets is calculated using estimated future cash flows discounted over the expected life of the financial asset. Significant judgment is applied in determining the cash flows and discount rate due to uncertainty in the timing and amounts of future cash flows.

Classification of royalty assets

The classification and recognition of royalty assets as intangible royalty assets are based on the judgment that the Trust's contractual rights derived from the assets are subject to successful production and sale of the underlying products by third parties. This judgment is based on the assessment that the Trust does not have contractual rights to force the development and sale of the underlying products, that the Trust does not have the right to royalty payments if the third party fails to sell the underlying products and that there is no certainty as to how much, if or when such sales will occur. As a result, the Trust is exposed to similar rights and risks as it would be if it were the holder of the legal rights to the underlying products.

The classification and recognition of royalty assets as financial royalty assets are based on the judgment that the Trust's contractual rights from the assets meet the definition of a monetary asset. Royalty assets are considered financial royalty assets when the Trust is entitled to receive contractual cash flows that are largely in fixed or determinable amounts.

Useful life of intangible royalty assets

Royalty revenue recognized and the amortization charges related to intangible royalty assets are based on the estimated economic useful lives of those intangible royalty assets. In estimating a royalty's useful life for terms that are not contractually fixed, the Trust considers a number of factors, including the strength of existing patent protection, expected entry of generic or biosimilar products or other competitive products, geographical exclusivity periods and potential patent term extensions tied to the underlying product.

The estimated useful life of the intangible royalty assets may differ from the actual useful life of the intangible royalty assets, which may have an impact on the carrying value of intangible royalty assets recognized in the consolidated financial position and the amortization expense recognized in net comprehensive earnings (loss).

Impairment of intangible royalty assets

The Trust reviews intangible royalty assets for impairment at each reporting date to determine if there is any indication that an asset may be impaired. If an indication of impairment exists, the recoverable amount of the potentially impaired asset is determined. This requires the Trust to use a valuation technique to determine the extent of the impairment, if any. The Trust applies a discounted cash flow model based on forecasted royalties that gives consideration to a range of factors including, but not limited to, the nature of the investment, market conditions, current and projected royalty cash flows, and similar transactions subsequent to the acquisition of the investment. As a result, the forecasted cash flows used in the valuation of the intangible royalty assets could differ from actual results.

Acquisitions

In business combinations and asset acquisitions, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at their respective fair values on the date of acquisition. Financial instruments that are not publicly traded instruments are valued by an independent valuation expert using appropriate valuation techniques that are generally based on discounting future expected cash flows using appropriate discount rates.

RISK FACTORS

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Trust by failing to discharge an obligation.

The Trust has determined that it is exposed to credit risk primarily related to the counterparties of its royalty assets.

The counterparties to the Trust's royalty agreements are composed primarily of marketers of the underlying products in the pharmaceutical and life science industries. As at December 31, 2025, royalties receivable from the five largest royalties receivable counterparties represented 77% of total royalties receivable (2024 – 81%). The Trust monitors its exposure to counterparties of its royalty assets on a regular basis.

Cash and cash equivalents are also subject to credit risk. Cash and cash equivalents are held with reputable financial institutions that have high credit ratings.

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Trust manages its cash and capital to ensure that it can meet its obligations in the normal course of operations. The Trust generally settles its accounts payable obligations within 90 days. The Trust also maintains enough liquidity to ensure it can meet the mandatory payment requirements of its credit facility and preferred securities.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Trust's functional currency is the U.S. dollar; however, the Trust is exposed to changes in foreign exchange on certain cash and cash equivalents, accounts payable and accrued liabilities and underlying revenue streams supporting the royalties receivable. An appreciation or depreciation of 10% in the currencies to which the Trust has exposure against the U.S. dollar would not have a material impact on the Trust's net earnings as at December 31, 2025.

Interest rate risk

Interest rate risk is the risk that the Trust will encounter financial loss arising from changes in interest rates.

The Trust is exposed to interest rate risk on its amended credit facility, as described on page 26 of this MD&A. As the interest rate on the credit facility is dependent on the Trust's leverage ratio, the Trust maintains a stable leverage ratio to mitigate fluctuations in the interest rate charged. The Trust also uses an interest rate swap to exchange a floating interest rate for a fixed interest rate to achieve a more predictable interest expense to assist in providing greater flexibility with complying with debt covenants. The swap also helps manage the risk of interest rate fluctuations for a portion of the amended credit facility, as described on page 6 of this MD&A. Interest earned on the interest rate swap partially offsets the interest expense on the amended credit facility.

The Trust earns other interest income based on its cash on hand. Other interest income is also exposed to potential financial loss in the event of decreasing interest rates.

As part of the accounting treatment of the Trust's financial royalty assets, changes in fair value directly impact net earnings. As the fair value is calculated using a discounted cash flow model, with discount rates being partially composed of market interest rates, the fair value of the royalty financial asset is exposed to changes in interest rates.

The Trust continuously monitors its exposure to fluctuating interest rates. A 1% change in interest rates would have the following impact on the Trust's net earnings as at December 31, 2025.

		Impact on net earnings (loss)
Impact of 1% increase in interest rates on interest income and expense	\$	(1,416)
Impact of 1% decrease in interest rate on interest income and expense		1,416
Impact of 1% increase in interest rate on changes in fair value of financial royalty assets		(1,796)
Impact of 1% decrease in interest rate on changes in fair value of financial royalty assets		1,894

Tariff risks

Our portfolio of royalty assets exposes us to potential risks associated with the imposition of tariffs on certain biotechnology and pharmaceutical products. The imposition of tariffs may result in additional gross-to-net deductions impacting top-line sales that the Trust earns royalties on, which would negatively impact our results of operations.

Additional risks

General global economic conditions, including, without limitation, public health crises, changes to fiscal and monetary policies, fluctuations in the market prices of securities, global supply chain disruptions, national and international political circumstances, natural disasters and other events and circumstances in which the Trust does not have operational or financial control over, could potentially affect the Trust's financial position, financial performance and cash flows. However, the Trust does not anticipate that these events will have a material adverse impact on its long-term operations.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Evaluation of Disclosure Controls and Procedures

The Trust's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Trust is recorded, processed, summarized and reported within the time periods specified under the relevant securities legislation.

Management, with the participation of the Trust's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Trust's disclosure controls and procedures as defined by National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"). Based on that evaluation, the Trust's Chief Executive Officer and Chief Financial Officer have concluded that, as at December 31, 2025, the disclosure controls and procedures were effective.

Internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") in accordance with NI 52-109. A material weakness in the Trust's ICFR exists if a deficiency, or a combination of deficiencies, in the Trust's ICFR is such that there is a reasonable possibility that a material misstatement of the Trust's annual financial statements or interim financial reports will not be prevented or detected on a timely basis.

As at December 31, 2025, management had assessed, under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, that the Trust's internal control over financial reporting is effective based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the assessment, the Trust's Chief Executive Officer and the Chief Financial Officer concluded that as at December 31, 2025, the Trust's ICFR was effective.

SUBSEQUENT EVENTS

NCIB repurchases

From the period of January 1, 2026 to March 3, 2026, the Trust acquired 75,938 Units under the May 2025 NCIB plan at an average price of \$11.31, totaling \$859 under the AUPP, as described on page 6 of this MD&A.

2025 fourth quarter distribution declared

On March 3, 2026, the board of trustees of the Trust declared a quarterly distribution of \$0.1100 per Unit to Unitholders of record as at March 31, 2026 and payable on April 20, 2026.

Preferred Securities

On February 10, 2026, the Trust entered into an agreement with a private placement investor to partially purchase and cancel \$9,924 in face value of the 2024 Preferred Securities for \$9,825. The Trust paid outstanding accrued interest on the \$9,924 face value up to February 10, 2026, the date of the transaction. The terms of the remaining 2024 Preferred Securities remain unchanged.

On February 27, 2026, the Trust entered into subscription agreements with the holders of its outstanding 2024 Preferred Securities, pursuant to which the Trust agreed to issue Debentures to the holders, as described on page 6 of this MD&A. The purchase price for the Debentures will be exclusively satisfied by the holders exchanging their 2024 Preferred Securities with a principal amount equal to approximately \$79,698. No cash consideration will be paid by the holders of the 2024 Preferred Securities. The Offering is subject to approval of the TSX and other customary closing conditions. Upon closing of the Offering, an aggregate principal amount of \$35,580 of the 2024 Preferred Securities will remain issued and outstanding.