



DRI HEALTHCARE TRUST

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited) (in thousands of U.S. dollars)		As at June 30, 2026	As at December 31, 2025
Assets			
Cash and cash equivalents		\$ 55,156	\$ 42,432
Royalties receivable		54,723	59,708
Other current assets		1,185	983
Current assets		111,064	103,123
Intangible royalty assets, net of accumulated amortization and impairments	note 5	808,906	777,818
Financial royalty assets	note 15	55,592	57,276
Investment in marketable securities	note 14	—	3,311
Derivative asset	note 14	1,288	—
Other non-current assets		1,179	1,291
Non-current assets		866,965	839,696
Total assets		\$ 978,029	\$ 942,819
Liabilities			
Accounts payable and accrued liabilities		\$ 7,939	\$ 6,240
Distributions payable to Unitholders	note 7	6,046	5,507
Current portion of credit facility	note 6	67,088	67,088
Current portion of unit-based compensation liability	note 11	1,243	1,704
Other current liabilities	note 4	79,590	5,810
Current liabilities		161,906	86,349
Long-term debt	note 6	372,348	415,851
Derivative liability	note 14	7,977	1,486
Unit-based compensation liability	note 11	492	199
Other non-current liabilities		310	354
Total liabilities		543,033	504,239
Equity			
Unitholders' capital	note 7	548,964	550,235
Other equity reserves	note 7	(9,410)	(11,200)
Accumulated other comprehensive earnings (loss)	note 14	1,893	(1,064)
Accumulated retained earnings (deficit)		(106,451)	(99,391)
Total equity		434,996	438,580
Total liabilities and equity		\$ 978,029	\$ 942,819

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

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

(unaudited)

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

Three months ended
June 30, 2026 June 30, 2025 **Six months ended**
June 30, 2026 June 30, 2025

Income

Royalty income	note 5	\$	48,227	\$	44,793	\$	94,826	\$	84,427
Change in fair value of financial royalty assets	note 15		1,662		(904)		3,316		1,657
Net gain (loss) on marketable securities	note 14		—		(115)		168		1,420
Other interest income			188		356		411		654
Total income			50,077		44,130		98,721		88,158

Expenses

Amortization of intangible royalty assets	note 5		25,464		24,751		50,412		49,496
Management fees	note 18		—		2,657		—		6,733
Performance fees	note 18		—		—		—		533
Interest expense	note 6		9,257		9,028		19,662		18,635
Deal investigation and research expenses	note 9		877		1,355		1,603		2,412
Compensation expense	note 10		2,997		214		5,888		583
Unit-based compensation	note 11		605		970		1,273		1,430
General and administrative expenses	note 12		428		95		978		196
Other operating expenses	note 13		1,234		3,713		3,200		8,545
Total expenses			40,862		42,783		83,016		88,563

Gain (loss) on debt refinancing	note 6		—		(971)		(9,794)		(971)
Net unrealized gain (loss) on derivative instruments	note 14		(1,765)		—		(1,512)		—
Net unrealized gain (loss) on foreign exchange remeasurement	note 6		1,603		—		3,267		—
Net earnings (loss) before tax		\$	9,053	\$	376	\$	7,666	\$	(1,376)

Income tax recovery (expense)			(3,031)		—		(2,628)		—
Net earnings (loss)		\$	6,022	\$	376	\$	5,038	\$	(1,376)

Other comprehensive earnings (loss)

Net unrealized gain (loss) on derivative instruments	note 14		1,514		(1,076)		2,957		(1,156)
Comprehensive earnings (loss)		\$	7,536	\$	(700)	\$	7,995	\$	(2,532)

Net earnings (loss) per Unit

Basic	note 8	\$	0.11	\$	0.01	\$	0.09	\$	(0.02)
Diluted	note 8	\$	0.11	\$	0.01	\$	0.09	\$	(0.02)

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>(unaudited)</i> <i>(in thousands of U.S. dollars)</i>		Unitholders'	Other Equity	Accumulated Other Comprehensive	Accumulated Retained	Total
		Capital	Reserves	Earnings (Loss)	Earnings (Deficit)	Equity
Balance – December 31, 2024		\$ 562,583	\$ (7,910)	\$ (425)	\$ (26,717)	\$ 527,531
Issuance of Units:						
Settlement of vested Restricted Units	note 7	1,259	—	—	—	1,259
Settlement of vested Deferred Units	note 7	162	—	—	—	162
Repurchase and cancellation of Units	note 7	(9,140)	—	—	—	(9,140)
Reserve for Units subject to automated purchase plan	note 7	—	(2,500)	—	—	(2,500)
Cash distributions to Unitholders	note 7	—	—	—	(11,181)	(11,181)
Other comprehensive earnings (loss)	note 14	—	—	(1,156)	—	(1,156)
Net earnings (loss)		—	—	—	(1,376)	(1,376)
Balance – June 30, 2025		\$ 554,864	\$ (10,410)	\$ (1,581)	\$ (39,274)	\$ 503,599
Balance – December 31, 2025		\$ 550,235	\$ (11,200)	\$ (1,064)	\$ (99,391)	\$ 438,580
Issuance of Units:						
Settlement of vested Restricted Units	note 7	656	—	—	—	656
Repurchase and cancellation of Units	note 7	(1,901)	—	—	—	(1,901)
Excise tax on Unit repurchases	note 7	(26)	—	—	—	(26)
Reserve for Units subject to automated purchase plan	note 7	—	1,790	—	—	1,790
Cash distributions to Unitholders	note 7	—	—	—	(12,098)	(12,098)
Other comprehensive earnings (loss)	note 14	—	—	2,957	—	2,957
Net earnings (loss)		—	—	—	5,038	5,038
Balance – June 30, 2026		\$ 548,964	\$ (9,410)	\$ 1,893	\$ (106,451)	\$ 434,996

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)		Six months ended June 30, 2026	Six months ended June 30, 2025
Operating Activities			
Net earnings (loss)		\$ 5,038	\$ (1,376)
Adjustment for non-cash items:			
Interest expense	note 6	19,662	18,635
Amortization of intangible royalty assets	note 5	50,412	49,496
Depreciation of fixed assets and other intangible assets		177	—
Change in fair value of financial royalty assets	note 15	(3,316)	(1,657)
Unit-based compensation expense	note 11	1,273	1,430
Loss (gain) on debt refinancing	note 6	9,794	971
Net (gain) loss on marketable securities	note 14	(168)	(1,420)
Net unrealized (gain) loss on derivative instrument	note 14	1,512	—
Net unrealized (gain) loss on foreign exchange remeasurement	note 6	(3,267)	—
		81,117	66,079
Changes in non-cash working capital:			
Royalties receivable		4,986	12,716
Other current assets		(202)	(523)
Other non-current assets		(65)	2
Accounts payable and accrued liabilities		848	(1,061)
Performance fees payable	note 18	—	(1,665)
Other current liabilities		570	197
Other non-current liabilities		(44)	—
		6,093	9,666
Cash provided by operating activities		\$ 87,210	\$ 75,745
Financing Activities			
Repurchase and cancellation of Units	note 7	(1,901)	(9,140)
Excise tax on Unit repurchases	note 7	(220)	—
Distributions to Unitholders paid in cash	note 7	(11,559)	(10,417)
Drawings from credit facility	note 6	—	49,000
Repayment of credit facility	note 6	(280,544)	(28,444)
Cash interest paid, net	note 6	(15,461)	(15,953)
Partial cancellation of 2024 Preferred Securities	note 6	(9,825)	(9,500)
Issuance of senior notes	note 6	250,000	—
Debt issuance costs paid	note 6	(6,955)	(288)
Cash used in financing activities		\$ (76,465)	\$ (24,742)
Investing Activities			
Purchase of royalty assets and other net assets, net of cash	note 4	\$ (6,500)	\$ (10,000)
Casgevy license fee	note 15	5,000	5,000
Proceeds from sale of marketable securities	note 14	3,479	—
Cash provided by (used in) investing activities		\$ 1,979	\$ (5,000)
Increase (decrease) in cash and cash equivalents		\$ 12,724	\$ 46,003
Cash and cash equivalents, beginning of year		42,432	36,502
Cash and cash equivalents		\$ 55,156	\$ 82,505

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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

DRI Healthcare Trust was formed to provide the holder of its Units (“**Unitholders**”) with differential exposure to the pharmaceutical and biotechnology industries through ownership and acquisitions of pharmaceutical royalties. Persis Capital Inc. (formerly DRI Capital Inc.) (“**former external manager**”) acted as an external manager for the Trust pursuant to the terms of a management agreement (the “**former management agreement**”). The former external manager provided management and other services up to June 30, 2025. On July 1, 2025, DRI Healthcare Trust completed the internalization of its investment management function (the “**Internalization**”). In connection with the Internalization, DRI Healthcare Trust and the former external manager had entered into a certain termination agreement pursuant to which (i) the former management agreement was terminated, effective June 30, 2025; and (ii) the former external manager agreed to indemnify the Trust and its affiliates in respect of, among other things, damages, if any, related to the events described in note 19. To extinguish the former management agreement, along with all management and performance fee obligations, DRI Healthcare Trust paid a termination fee. The termination of the former management agreement results in the elimination of management and performance fees on a go forward basis.

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

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

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

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

These unaudited interim condensed consolidated financial statements (the “**consolidated financial statements**”) were authorized for issuance by the board of trustees on August 7, 2026.

NOTE 1 | BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting*, using accounting policies consistent with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”). Accordingly, certain financial information and note disclosures normally included in annual financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB have been omitted or condensed. These consolidated financial statements should be read in conjunction with the Trust’s audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2025 (“**2025 consolidated financial statements**”).

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, adjusted for the revaluation of certain financial assets and liabilities recorded at fair value through net earnings (loss) as explained in note 3(e) to the Trust’s 2025 consolidated financial statements.

(c) Basis of Consolidation

These consolidated financial statements represent the accounts of DRI Healthcare Trust and its directly or indirectly owned subsidiaries. Control is achieved when the Trust has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of operations of subsidiaries are included in the consolidated financial statements from the date on which the Trust obtains control. All intercompany balances and transactions have been eliminated. There have been no changes to the basis of consolidation as described in the Trust’s 2025 consolidated financial statements as at June 30, 2026.

(d) Functional and Presentation Currency

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

(e) Comparative information

Certain comparative figures have been adjusted to conform with the current period's presentation. Amounts previously reported as other operating expenses were reclassified to reflect the new financial statement line items relating to compensation expense and general and administrative expenses, as described in note 10 and note 12.

NOTE 2 | MATERIAL ACCOUNTING POLICIES

In the preparation of these consolidated financial statements, the Trust has consistently applied the material accounting policies as described in note 3 to the Trust's 2025 consolidated financial statements.

NOTE 3 | USE OF JUDGMENTS AND ESTIMATES

In the preparation of these consolidated financial statements, the Trust has used consistent judgments and estimates, as described in note 4 to the Trust's 2025 consolidated financial statements.

NOTE 4 | ASSET TRANSACTIONS**(a) Xenpozyme**

On May 29, 2026, as part of the Xenpozyme II transaction completed in 2024, the Trust received notice that a certain pre-specified performance-based event outlined in the purchase agreement had occurred, and the milestone payment conditions had been met. Consequently, the Trust recognized an increase in the cost base of the Xenpozyme II royalty asset of \$6,500 for the three months ended June 30, 2026. The milestone payment was funded on June 1, 2026.

(b) Lumvoa (veligrotug) and elegrobart

On October 17, 2025, the Trust acquired a royalty interest in the U.S. net sales of Lumvoa (veligrotug) and elegrobart from Viridian Therapeutics, Inc. ("**Viridian**") for an aggregate purchase price of up to \$300,000, including a \$55,000 upfront payment and up to \$245,000 subject to the achievement of certain milestones. The transaction entitles the Trust to tiered royalties on annual U.S. net sales of Lumvoa (veligrotug) and elegrobart, consisting of 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. Transaction costs of \$1,990 were capitalized as part of the royalty transaction.

On June 26, 2026, the U.S. Food and Drug Administration ("**FDA**") approved Lumvoa (veligrotug) for the treatment of thyroid eye disease ("**TED**"), which triggered the Trust to make a milestone payment of \$75,000. Consequently, the Trust recognized an increase in the cost base of the Lumvoa (veligrotug) royalty asset and recognized a milestone payable, included in other current liabilities. The funding of the milestone payment was completed subsequent to June 30, 2026. 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 Lumvoa (veligrotug) in the U.S.

As of June 30, 2026, certain pre-specified clinical milestone events totaling \$40,000 defined under the purchase agreement have not been achieved, which, coupled with the recognition of the \$75,000 milestone, reduces the Trust's maximum remaining potential milestone obligation to \$130,000.

Viridian also plans to submit a Biologics License Application for elegrobart in the first quarter of 2027.

(c) Ekterly

On July 7, 2025, KalVista Pharmaceuticals, Inc. ("**KalVista**") elected to receive the one-time optional payment of \$22,000 as part of the Ekterly transaction completed in 2024. As 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.

Subsequent to June 30, 2026, the Trust exercised its contractual put option (the "**Put Option**") with respect to the Trust's royalty participation right in Ekterly for a total net repurchase price of approximately \$178,000. The Put Option has been exercised in connection with the completion of Chiesi Group's acquisition of KalVista on June 11, 2026. Subject to the terms of the royalty agreement, payment is expected no later than mid-August 2026. After completing the Put Option repurchase, the Trust will no longer be entitled to royalty participation rights in Ekterly and will no longer be liable for the potential sales-based milestone payment.

(d) Orserdu II

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

NOTE 5 | ROYALTY ASSETS

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

	Cost	Accumulated Amortization and Impairment	Net Book Value
As at December 31, 2024	\$ 1,127,944	\$ (304,008)	\$ 823,936
Amortization	—	(49,496)	(49,496)
Dispositions ⁽ⁱ⁾	(41,730)	41,730	—
As at June 30, 2025	1,086,214	(311,774)	774,440
Additions ⁽ⁱⁱ⁾	78,990	—	78,990
Amortization	—	(52,247)	(52,247)
Impairment ⁽ⁱⁱⁱ⁾	—	(23,365)	(23,365)
As at December 31, 2025	1,165,204	(387,386)	777,818
Additions	81,500	—	81,500
Amortization	—	(50,412)	(50,412)
As at June 30, 2026	\$ 1,246,704	\$ (437,798)	\$ 808,906

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

(ii) Includes capitalized transaction costs of \$1,990 related to the Lumvoa (veligrotug) and elegrobart royalty transaction, as described in note 4.

(iii) During the year ended December 31, 2025, the Trust recognized an impairment loss of \$13,691 related to the Vonjo II royalty asset and \$9,674 related to the Omidria royalty asset, as described below.

Net Book Value

During the six months ended June 30, 2026, the Trust recorded additions to the cost of its intangible royalty assets totaling \$81,500 (December 31, 2025 – \$78,990) related to the royalty transactions, as described in note 4.

During the three and six months ended June 30, 2026, the Trust recorded amortization expense of \$25,464 and \$50,412, respectively (2025 – \$24,751 and \$49,496, respectively). The Trust records amortization related to intangible royalty assets from the date on which the Trust begins receiving economic benefit from the royalty asset.

Refer to note 15 for details on the Trust's financial royalty assets.

Xenpozyme II Milestone

On May 29, 2026, as part of the Xenpozyme II transaction the Trust received notice that a certain pre-specified performance-based event outlined in the purchase agreement had occurred, and the milestone conditions had been met, as described in note 4. Consequently, the Trust funded the payment on June 1, 2026 and recognized an increase in the cost base of the Xenpozyme II royalty asset of \$6,500.

Lumvoa (veligrotug) Milestone

On June 26, 2026, as part of the Lumvoa (veligrotug) and elegrobart transaction, the Trust received notice that Lumvoa (veligrotug) was approved by the FDA and the milestone conditions pursuant to the royalty agreement had been met, as described in note 4. Consequently, the Trust recognized an increase in the cost base of the Lumvoa (veligrotug) royalty asset and a related other current liability of \$75,000 for the three months ended June 30, 2026, which was funded subsequent to June 30, 2026.

Omidria Impairment

In the prior year, the continued underperformance of the Omidria royalty asset represented an indicator of potential impairment that required the Trust to determine the recoverable amount of Omidria to assess if the asset was impaired. The recoverable amount as of December 31, 2025 was calculated 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 were related to the discount rate and future cash flows, including future sales of Omidria and key competitors. Based on the Trust's analysis, the net book value of Omidria exceeded its recoverable amount, and the Trust recorded an impairment of \$9,674 as at 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 was \$153,493, which represented the recoverable amount.

Vonjo II Impairment

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

The following table presents details about the products underlying the Trust's royalty assets as at June 30, 2026.

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

- (i) Represents the quarter during which the final royalty payment is expected and is based on estimates of patent expiry dates in key geographies, loss of exclusivity and the contractual agreements of each royalty stream. These estimates may be impacted by regulatory, commercial or other product developments. Variance from the anticipated performance of royalty-bearing sales may also affect these estimates as a result of caps or other structuring.
- (ii) The anticipated royalty terms for products in our portfolio may be shorter than the period of patent protection for the applicable product, depending on many factors, including the entry of generic drugs into the marketplace and competition, all of which are outside our control.
- (iii) Casgevy is classified as a financial royalty asset on the interim condensed consolidated statements of financial position due to the nature of the contractual cash flows from the transaction.
- (iv) Empaveli/Syfovre includes two royalty streams on each product.
- (v) Xenpozyme includes two royalty streams.
- (vi) Other Products includes intangible royalty assets which are not individually material, as well as intangible royalty assets which are fully amortized or, where applicable, the entitlements to which have substantially expired.

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

Intangible Royalty Asset	Royalty Income				Net Book Value	
	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025	As at June 30, 2026	As at December 31, 2025
Ekterly	\$ 1,957	\$ —	\$ 3,725	\$ —	\$ 116,451	\$ 120,173
Empaveli/Syfovre ⁽ⁱ⁾	1,537	2,022	4,838	4,777	18,079	19,406
Eylea I	1,021	1,173	1,922	2,368	1,910	3,788
Eylea II	215	251	405	510	992	1,968
Lumvoa (veligrotug)/elegrobart	—	—	—	—	131,805	56,990
Omidria	9,351	8,569	16,694	15,251	140,450	153,493
Oracea	1,017	825	1,941	2,102	2,255	2,999
Orserdu I	8,655	8,796	16,935	14,520	60,978	64,531
Orserdu II	8,983	9,456	17,263	15,180	105,569	111,721
Rydapt	623	1,154	1,256	2,433	3,030	3,781
Spinraza	3,717	3,873	7,490	7,493	50,953	56,004
Vonjo I	3,077	1,338	6,114	5,444	43,257	46,022
Vonjo II	649	345	1,282	1,200	35,584	37,859
Xenpozyme ⁽ⁱⁱ⁾	1,289	1,160	2,688	2,348	40,632	35,921
Xenpozyme ⁽ⁱⁱ⁾ – milestone royalty income	450	—	450	—	n/a	n/a
Xolair	4,510	3,853	8,745	6,709	29,575	31,828
Zejula	1,006	1,120	2,320	2,235	22,326	23,965
Zytiga	(220)	87	(183)	382	4,866	6,794
Other Products ⁽ⁱⁱⁱ⁾	390	771	941	1,475	194	575
Total	\$ 48,227	\$ 44,793	\$ 94,826	\$ 84,427	\$ 808,906	\$ 777,818

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

(ii) Xenpozyme includes two royalty streams.

(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. Natpara current period and comparative results have been moved to Other Products starting in Q1 2026.

Royalty Income

Royalty income for the three and six months ended June 30, 2026 were \$48,227 and \$94,826, respectively (2025 – \$44,793 and \$84,427, respectively). The Trust records royalty income from intangible royalty assets from the date on which the Trust begins receiving economic benefit from the royalty asset. During the three and six months ended June 30, 2026, the Trust recognized \$225 in milestone royalty income for each Xenpozyme royalty stream, for a total of \$450, as a certain pre-specified clinical event outlined in the purchase agreement occurred (2025 – nil).

NOTE 6 | LONG-TERM DEBT

The Trust's long-term debt is composed of its i) long-term portion of credit facility; ii) preferred securities; iii) debentures; and iv) senior notes. The carrying amount of the Trust's long-term debt as at June 30, 2026 and December 31, 2025 is presented below.

	Credit facility – long-term	Preferred securities	Debentures	Senior notes	Total long-term debt
Balance – December 31, 2024	\$ 263,865	\$ 110,937	\$ —	\$ —	\$ 374,802
New issuance/ drawings	49,000	—	—	—	49,000
Repurchases/ repayments	(28,444)	(9,500)	—	—	(37,944)
Loss (gain) on debt refinancing	—	971	—	—	971
Deferred transaction costs	(256)	—	—	—	(256)
Amortization of deferred transaction costs	531	313	—	—	844
Accretion of par value	—	1,932	—	—	1,932
Balance – June 30, 2025	\$ 284,696	\$ 104,653	\$ —	\$ —	\$ 389,349
New issuance/ drawings	57,800	—	—	—	57,800
Repurchases/ repayments	(31,668)	—	—	—	(31,668)
Loss (gain) on debt refinancing	(789)	—	—	—	(789)
Deferred transaction costs	(1,964)	—	—	—	(1,964)
Amortization of deferred transaction costs	901	278	—	—	1,179
Accretion of par value	—	1,944	—	—	1,944
Balance – December 31, 2025	\$ 308,976	\$ 106,875	\$ —	\$ —	\$ 415,851
New issuance/ drawings	—	—	70,734	250,000	320,734
Repurchases/ repayments	(280,544)	(87,056)	—	—	(367,600)
Loss (gain) on debt refinancing	—	9,794	—	—	9,794
Deferred transaction costs	(558)	—	(3,740)	(2,653)	(6,951)
Amortization of deferred transaction costs	1,227	223	195	101	1,746
Accretion of par value	—	1,166	578	—	1,744
FX remeasurement	—	—	(2,970)	—	(2,970)
Balance – June 30, 2026	\$ 29,101	\$ 31,002	\$ 64,797	\$ 247,448	\$ 372,348

Credit Facility

The Trust's credit agreement, originally entered into on October 22, 2021 and as further amended, currently provides for \$570,000 senior secured revolving acquisition credit facility (the "**acquisition credit facility**") and \$50,000 senior secured revolving working capital credit facility (the "**working capital credit facility**", collectively, the "**credit facility**") which can be drawn against to fund general business purposes and to finance transactions.

On May 12, 2025, the Trust revised its 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 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 credit agreement remain unchanged.

On October 3, 2025, the Trust further amended its 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 credit agreement remain unchanged.

On February 24, 2026, the Trust amended its credit agreement to permit the issuance of up to \$250,000 of the senior secured notes (the "**Senior Notes**") on a private placement basis. The amendment also included having the senior secured notes rank *pari passu* with the credit agreement and to be secured by the same collateral.

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. 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.

During the three and six months ended June 30, 2026, the Trust did not make any drawings on its credit facility. During the year ended December 31, 2025, the Trust drew on its acquisition credit facility to fund royalty transactions, as described in note 4, and its working capital credit facility to fund the Internalization transaction, as described in note 18. The details of the draws are presented below.

	Draw Date	Facility	Amount
2025			
Internalization and termination of management agreement	June 30, 2025	Working capital credit facility	\$ 49,000
Ekterly ⁽ⁱ⁾	July 9, 2025	Acquisition credit facility	18,000
Lumvoa (veligrotug) and elegrobart ⁽ⁱ⁾	October 17, 2025	Acquisition credit facility	50,000
Total		\$	117,000

(i) The Ekterly and Lumvoa (veligrotug)/elegrobart transactions were partially funded by the Trust's existing cash and cash equivalents.

During the six months ended June 30, 2026, the Trust made total credit facility repayments of \$280,544 (2025 – \$28,444), including a repayment of \$247,000 (2025 – nil) in connection with issuance of the Senior Notes, as described below.

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

	As at June 30, 2026			As at December 31, 2025
	Total Available Credit	Remaining Available Credit	Balance Outstanding	Balance Outstanding
Acquisition credit facility	\$ 570,000	\$ 493,503	\$ 76,497	\$ 332,041
Working capital credit facility	50,000	26,000	24,000	49,000
	\$ 620,000	\$ 519,503	\$ 100,497	\$ 381,041
Deferred transaction costs, net of amortization	n/a	n/a	(4,308)	(4,977)
Total	\$ 620,000	\$ 519,503	\$ 96,189	\$ 376,064
Current portion of credit facility			67,088	67,088
Long-term portion of credit facility, net of unamortized transaction costs			29,101	308,976
Total			\$ 96,189	\$ 376,064

The following table presents the expected principal repayments to be made until the maturity of the credit facility as at June 30, 2026.

	Total
Remainder of 2026	\$ 33,544
2027	42,953
2028	—
2029	24,000
	\$ 100,497

The Trust is subject to certain financial as well as customary non-financial covenants under the credit agreement. Certain compliance requirements have also been revised as part of the amendments to the credit agreement. Substantially all of the assets of the Trust are pledged as collateral under the credit agreement. As at June 30, 2026, the Trust was in compliance with all covenant requirements under the credit agreement.

Subsequent to June 30, 2026, the Trust drew \$50,000 from the acquisition credit facility to partially fund the \$75,000 milestone payment for Lumvoa (veligrotug), as described in note 20.

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 credit agreement, the Trust extended the maturity on its original interest rate swap to November 1, 2027. On June 10, 2025 the Trust also entered into a second interest rate swap with equivalent terms for an additional notional amount of \$50,000. Under the agreements, the Trust pays a fixed rate and in exchange receives a SOFR interest rate, offsetting the floating component on a portion of the credit facility, as described in note 14.

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

During the three and six months ended June 30, 2026, the Trust recorded an increase in interest due to the interest rate swap of \$177 and \$484, respectively (2025 – reduction of \$114 and \$39, respectively).

Preferred Securities

On April 23, 2024, the Trust completed a refinancing of the Series A Preferred Securities, the Series B Preferred Securities (collectively, the **"2023 Preferred Securities"**) and the Warrants issued in 2023 (the **"2023 Warrants"**). As a result of the refinancing, holders of the 2023 Preferred Securities received \$135,202 principal amount of the Series C Preferred Securities (the **"2024 Preferred Securities"**) and 1,749,996 new Warrants (the **"2024 Warrants"**). The 2023 Preferred Securities and the 2023 Warrants were canceled upon completion of the refinancing.

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 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.

On June 18, 2025, the Trust entered into an agreement with a holder of the 2024 Preferred Securities 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.

On February 10, 2026, the Trust entered into another agreement with a holder of the 2024 Preferred Securities to partially purchase and cancel an additional \$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. During the three and six months ended June 30, 2026, the Trust recorded a loss of nil and \$1,162, respectively, related to the change in the gross carrying amount of the partial cancellation (2025 – \$971 and \$971, respectively), which is included in gain (loss) on debt refinancing in the interim condensed consolidated statements of net earnings (loss) and comprehensive earnings (loss).

On March 20, 2026, the Trust issued C\$108,723 aggregate principal amount of convertible unsecured subordinated debentures (the **"debentures"**) to the holders of the 2024 Preferred Securities. The purchase price for the debentures was exclusively satisfied through the exchange of \$79,698 in principal amount of the outstanding 2024 Preferred Securities. No cash consideration was paid by the holders of the 2024 Preferred Securities. The difference between the carrying amount of the 2024 Preferred Securities, excluding the related unamortized deferred transaction costs, and the fair value of the debentures as at March 20, 2026, the date of the transaction, was \$7,380, which was recognized as a loss on debt refinancing in the interim condensed consolidated statements of net earnings (loss) and comprehensive earnings (loss) during the six months ended June 30, 2026. Upon closing of the debentures, an aggregate principal amount of \$35,580 of the 2024 Preferred Securities remain issued and outstanding, the terms of which are unchanged. Unamortized deferred transaction costs of \$1,252 related to the portion of the 2024 Preferred Securities exchanged are also recognized as a loss on debt refinancing.

The carrying amount of the preferred securities is presented below.

		As at June 30, 2026	As at December 31, 2025
Series C Preferred Securities	\$	31,514	\$ 108,862
Deferred transaction costs, net of amortization		(512)	(1,987)
Total	\$	31,002	\$ 106,875

Debentures

The debentures are denominated in Canadian dollars and bear interest at a rate of 5.75% per annum on the principal amount, payable semi-annually on February 28 and August 31 of each year and mature on February 28, 2031. The debentures are convertible at the holder's option into Units of the Trust at any time prior to the maturity date, at a conversion price of C\$21.99 per Unit (**"conversion option"**). The debentures are redeemable at the Trust's option between February 28, 2029 to February 27, 2030, subject to conditions. On and after February 28, 2030, the debentures are redeemable at the Trust's option at par plus accrued and unpaid interest. The Trust also has the option to settle the debentures upon redemption or at maturity by issuing and delivering the Trust's Units at 95% of a prescribed market price.

The Trust initially recognized the debentures using a discount rate of 7.5%, which is indicative of the fair market value of the debentures at the time of issuance. The carrying amount of the debentures will be accreted to its par value up until its maturity date. Deferred transaction costs of \$3,740 attributable to the issuance of the debentures were initially recognized and will be amortized using the effective interest rate method over the same period as the debentures accretion period.

The Trust determined that the conversion option is classified as an embedded derivative liability and is separately recognized from the carrying amount of the debentures. The conversion option is further described in note 14. Transaction costs of \$344 attributable to the issuance of the conversion option were included in other operating expenses.

The Trust remeasures its financial instruments denominated in foreign currencies using the period end spot rate. For the three and six months ended June 30, 2026, the Trust recorded a net gain of \$1,603 and \$3,267, respectively, related to the remeasurement of its debentures and conversion option (2025 – nil).

The carrying amount of the debentures is presented below.

		As at June 30, 2026	As at December 31, 2025
Debentures	\$	68,348	\$ —
Deferred transaction costs, net of amortization		(3,551)	—
Total	\$	64,797	\$ —

Senior Notes

On March 24, 2026, the Trust completed a private placement of \$250,000 Senior Notes, consisting of a Series A tranche with \$106,000 in aggregate principal amount maturing on March 24, 2031 and a Series B tranche with \$144,000 in aggregate principal amount maturing on March 24, 2033. The Series A Senior Notes bear interest at a rate of 5.35% per annum and the Series B Senior Notes bear interest at a rate of 5.65% per annum, both payable semi-annually on June 30 and December 31 of each year. The Senior Notes are secured on a first lien basis, rank *pari passu* with the credit agreement and are secured by the same assets of the Trust that are pledged under the credit agreement. Total proceeds net of transaction costs of \$247,000 were used to repay the Trust's credit facility. Deferred transaction costs of \$2,653 were initially recognized and amortized using the effective interest rate method up to the maturity date.

The carrying amount of the Senior Notes is presented below.

		As at June 30, 2026	As at December 31, 2025
Series A Senior Notes	\$	106,000	\$ —
Series B Senior Notes		144,000	—
Deferred transaction costs, net of amortization		(2,552)	—
Total	\$	247,448	\$ —

The summary of interest expense for the three and six months ended June 30, 2026 and 2025 is presented below.

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Interest on credit facility net borrowings	\$ 1,752	\$ 5,037	\$ 7,222	\$ 10,285
Standby fees	529	311	814	610
Amortization of deferred transaction costs	483	133	1,227	531
Increase (reduction) in interest expense from interest rate swap	177	(114)	484	(39)
Total interest expense on credit facility	\$ 2,941	\$ 5,367	\$ 9,747	\$ 11,387
Interest on preferred securities	\$ 666	\$ 2,504	\$ 2,701	\$ 5,004
Accretion of par value	294	981	1,166	1,932
Amortization of deferred transaction costs	42	176	223	312
Total interest expense on preferred securities	\$ 1,002	\$ 3,661	\$ 4,090	\$ 7,248
Interest on debentures	\$ 1,122	\$ —	\$ 1,269	\$ —
Accretion of par value	512	—	578	—
Amortization of deferred transaction costs	172	—	195	—
Total interest expense on debentures	\$ 1,806	\$ —	\$ 2,042	\$ —
Interest on senior notes	\$ 3,414	\$ —	\$ 3,682	\$ —
Amortization of deferred transaction costs	94	—	101	—
Total interest expense on senior notes	\$ 3,508	\$ —	\$ 3,783	\$ —
Total interest expense	\$ 9,257	\$ 9,028	\$ 19,662	\$ 18,635

Total income and expenses associated with transactions related to the raising of debt for the three and six months ended June 30, 2026 and 2025 are presented below.

	Three months ended June 30, 2026		Three months ended June 30, 2025		Six months ended June 30, 2026		Six months ended June 30, 2025	
Financing income								
Net unrealized gain on foreign exchange remeasurement	\$	1,603	\$	—	\$	3,267	\$	—
	\$	1,603	\$	—	\$	3,267	\$	—
Financing expenses								
Interest expense	\$	9,257	\$	9,028	\$	19,662	\$	18,635
Loss on debt refinancing		—		971		9,794		971
Issuance of conversion option ⁽ⁱ⁾		—		—		344		—
Net unrealized loss on derivative instruments		1,765		—		1,512		—
	\$	11,022	\$	9,999	\$	31,312	\$	19,606
Financing costs, net								
	\$	(9,419)	\$	(9,999)	\$	(28,045)	\$	(19,606)

(i) During the three and six months ended June 30, 2026, the Trust recorded nil and \$344, respectively, related to the issuance of the conversion option on the debenture, which is included in other operating expenses in the interim condensed consolidated statements of net earnings and comprehensive earnings.

NOTE 7 | EQUITY

Authorized Equity

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

(i) Units

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

The following table outlines the changes in the number of Units outstanding from December 31, 2024 to June 30, 2026.

	Units	Weighted Average Cost per Unit	Total Cost
Balance – December 31, 2024	56,304,425	n/a	\$ 562,583
Issuance of Units:			
Units issued on the settlement of vested Restricted Units	137,042	\$ 9.19	\$ 1,259
Units issued on the settlement of vested Deferred Units	17,759	\$ 9.10	\$ 162
Repurchase and cancellation of Units – NCIB	(958,279)	\$ 9.54	\$ (9,140)
Balance – June 30, 2025	55,500,947	n/a	\$ 554,864
Issuance of Units:			
Units issued on the settlement of vested Restricted Units	63,859	\$ 11.07	\$ 707
Repurchase and cancellation of Units – NCIB	(490,970)	\$ 10.37	\$ (5,091)
Excise tax on share repurchases	n/a	n/a	\$ (245)
Balance – December 31, 2025	55,073,836	n/a	\$ 550,235
Issuance of Units:			
Units issued on the settlement of vested Restricted Units	54,937	\$ 11.94	\$ 656
Repurchase and cancellation of Units – NCIB	(165,451)	\$ 11.49	\$ (1,901)
Excise tax on share repurchases	n/a	n/a	\$ (26)
Balance – June 30, 2026	54,963,322	n/a	\$ 548,964

Settlement of vested Restricted Units ("RUs")

The following table outlines the Units issued upon settlement of vested RUs during the six months ended June 30, 2026, the six months ended June 30, 2025, and the six months ended December 31, 2025.

	Units Issued on Settlement of Restricted Units		
	Six months ended June 30, 2026	Six months ended June 30, 2025	Six months ended December 31, 2025
Restricted Units Grant Date:			
June 10, 2022	—	6,878	—
September 10, 2022	—	—	11,613
November 22, 2022	—	—	14,033
August 17, 2023	—	—	2,907
October 25, 2023	—	28,770	—
December 21, 2023	—	—	2,547
January 10, 2024	—	75,410	—
May 1, 2024	—	—	2,909
May 31, 2024	13,734	12,851	—
August 13, 2024	13,632	13,133	13,480
July 1, 2025	23,386	—	13,829
September 4, 2025	2,088	—	1,506
November 10, 2025	2,097	—	1,035
Total	54,937	137,042	63,859

Settlement of Deferred Units ("DUs")

During the six months ended June 30, 2026, there were no vested DUs requiring settlement and the Trust did not issue any Units (2025 – 17,759 Units).

Normal course issuer bid ("NCIB")

On May 9, 2025, the Trust was granted approval by the TSX to acquire, from time to time, if considered advisable, up to 3,148,536 Units of the Trust for cancellation between May 20, 2025 and May 19, 2026 ("**May 2025 NCIB**"). In connection with the May 2025 NCIB, the Trust established an automated unit purchase plan ("**AUPP**") whereby Units of the Trust may be repurchased, between May 20, 2025 and May 29, 2026, at the discretion of a dealer to the AUPP using commercially reasonable efforts and subject to trading parameters defined in the AUPP.

On May 12, 2026, the Trust was granted approval by the TSX to acquire, from time to time, if considered advisable, up to 3,060,594 Units of the Trust for cancellation between May 20, 2026 and May 19, 2027 ("**May 2026 NCIB**"). In connection with the May 2026 NCIB, the Trust established an AUPP whereby Units of the Trust may be repurchased between May 20, 2026 and May 19, 2027 at the discretion of a dealer to the AUPP using commercially reasonable efforts and subject to trading parameters defined in the AUPP.

During the six months ended June 30, 2026, the Trust acquired and canceled 165,451 Units at an average price of \$11.49, totaling \$1,901. As at June 30, 2026, in aggregate, the Trust has acquired and canceled 4,778,209 Units at an average price per Unit of \$7.23, totaling \$34,559 under all current and previous normal course issuer bid plans.

As at June 30, 2026, the Trust recorded an other current liability of \$1,500 representing the maximum amount that would be required to settle the AUPP in effect on June 30, 2026, with a corresponding decrease in other equity. The actual number of Units repurchased under the AUPP may be less than the estimate as at June 30, 2026, resulting in a decrease in other current liabilities and an increase in other equity. The other current liability of \$3,290 representing the maximum amount that would have been required to settle the AUPP in effect on December 31, 2025, was reversed during the six months ended June 30, 2026, resulting in a net increase in other equity of \$1,790.

Excise tax on share repurchases

As a SIFT trust, the Trust is subject to a 2% excise tax on the excess of the fair market value of equity repurchases over equity issuances, unless such repurchases are below the exemption threshold of C\$1,000. For the six months ended June 30, 2026, the Trust recorded an excise tax of \$26 related to repurchases under the NCIB programs.

(ii) Preferred Units

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

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

As at June 30, 2026, no Preferred Units had been issued or were outstanding (December 31, 2025 – nil).

(iii) Warrants

On April 23, 2024 the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants, as described in note 6. 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 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 June 30, 2026, the net value of the 2024 Warrants recognized in other equity reserves was \$4,106 (December 31, 2025 – \$4,106).

Distributions

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

The following table presents distributions made by the Trust during the six months ended June 30, 2026 and year ended December 31, 2025.

	Record Date	Payment Date	Distribution per Unit		Total Distribution
2026					
Q1 2026 – Quarterly cash distribution	March 31, 2026	April 20, 2026	\$	0.1100	\$ 6,052
Q2 2026 – Quarterly cash distribution	June 30, 2026	July 20, 2026	\$	0.1100	\$ 6,046
Total			\$	0.2200	\$ 12,098
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

During the three and six months ended June 30, 2026, the board of trustees of the Trust declared cash distributions totaling \$6,046 and \$12,098, respectively (2025 – \$5,550 and \$11,181, respectively).

Subsequent to June 30, 2026, the board of trustees of the Trust declared a quarterly cash distribution of \$0.1100 per Unit to Unitholders of record as at September 30, 2026 and payable on October 20, 2026.

NOTE 8 | NET EARNINGS PER UNIT

For the three and six months ended June 30, 2026, the Trust generated basic and diluted net earnings (loss) per Unit of \$0.11 and \$0.09, respectively (2025 – \$0.01 and \$(0.02), respectively). The weighted average number of Units outstanding for the purpose of calculating net earnings (loss) per Unit was as follows:

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Basic	55,007,167 Units	55,685,363 Units	55,023,166 Units	55,743,876 Units
Diluted	55,374,923 Units	55,685,363 Units	55,244,232 Units	55,743,876 Units

NOTE 9 | DEAL INVESTIGATION AND RESEARCH EXPENSES

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

The Trust recorded total deal investigation and research expenses of \$877 and \$1,603 for the three and six months ended June 30, 2026, respectively (2025 – \$1,355 and \$2,412, respectively).

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

NOTE 10 | COMPENSATION EXPENSE

Prior to July 1, 2025, compensation expense was included in other operating expenses in the interim condensed consolidated statements of net earnings (loss) and comprehensive earnings (loss) and only included compensation related to the Trust's Chief Executive Officer and Chief Financial Officer. With the completion of the Internalization transaction on July 1, 2025, a wholly owned subsidiary of the Trust hired the employees of the former external manager. For the three and six months ended June 30, 2026, compensation expense reflects the compensation for these employees as well as the Trust's executive officers and was reclassified into a separate financial statement line item. During the three and six months ended June 30, 2026, the Trust recognized total compensation expense of \$2,997 and \$5,888, respectively (2025 – \$214 and \$583, respectively).

Carry Compensation

The Trust awards carry compensation under its Carried Interest Plan (the "**Carry Plan**") to certain key employees of the Trust. Awards under the Carry Plan are granted annually in respect of each fiscal year. For each fiscal year, a pool of 100 carry points is established, with one full carry point representing the right to 1% of that fiscal year's Carried Interest. Carried Interest for each fiscal year means an amount equal to 1% of Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("**Adjusted EBITDA**") for such fiscal year, as reported by the Trust in its Management's Discussion and Analysis, subject to ongoing adjustment under the performance ratchet set out in the Carry Plan. On an annual basis, the Carried Interest for each prior fiscal year is remeasured by multiplying the Carried Interest by the ratio of Adjusted EBITDA to Target Adjusted EBITDA (projected Adjusted EBITDA, as contained in the Trust's budget and which is approved by the board of trustees of the Trust) for the applicable fiscal year of the Trust. Any adjustment to the Carried Interest liability is recognized in the subsequent fiscal year. Since its approval, no carry points were granted as at June 30, 2026, and as a result, no carry obligation was recognized during the period.

NOTE 11 | UNIT-BASED COMPENSATION

The Trust provides unit-based compensation under its Incentive Plan, as described in note 3(o) to the Trust's 2025 consolidated financial statements. The total number of Units authorized to be issued under the Omnibus Equity Incentive Plan is the lower of (i) 5,101,741; and (ii) 10% of the total outstanding Units of the Trust.

For the three and six months ended June 30, 2026, the unit-based compensation expense was \$605 and \$1,273, respectively (2025 – \$970 and \$1,430, respectively).

The following table provides the details of RUs up to June 30, 2026.

	Restricted Units
Balance – December 31, 2024	437,371 Units
Distribution equivalent Units granted ⁽ⁱ⁾	7,159 Units
Vesting of Restricted Units	(263,180) Units
Forfeiture of Restricted Units	(3,464) Units
Balance – June 30, 2025	177,886 Units
Restricted Units granted:	
Granted on July 01, 2025 ⁽ⁱⁱ⁾	99,254 Units
Granted on July 01, 2025 ⁽ⁱⁱⁱ⁾	99,254 Units
Granted on September 04, 2025 ^(iv)	7,580 Units
Granted on September 04, 2025 ^(v)	13,125 Units
Granted on October 15, 2025 ⁽ⁱⁱⁱ⁾	17,158 Units
Granted on November 10, 2025 ^(vi)	8,917 Units
Distribution equivalent Units granted ⁽ⁱ⁾	5,571 Units
Vesting of Restricted Units	(126,750) Units
Forfeiture of Restricted Units	(779) Units
Balance – December 31, 2025	301,216 Units
Restricted Units granted:	
Granted on March 31, 2026 ^(vii)	16,162 Units
Granted on April 6, 2026 ⁽ⁱⁱⁱ⁾	9,102 Units
Distribution equivalent Units granted ⁽ⁱ⁾	4,371 Units
Vesting of Restricted Units	(117,187) Units
Balance – June 30, 2026	213,664 Units

- (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 October 1, 2025 until July 1, 2026.
- (iii) Vesting equally over three years on each anniversary date.
- (iv) Vesting equally on September 10, 2025, September 10, 2026 and September 10, 2027.
- (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.
- (vii) Vesting on March 31, 2029.

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

		As at June 30, 2026	As at December 31, 2025
Current portion of unit-based compensation liability	\$	1,243	\$ 1,704
Long-term portion of unit-based compensation liability		492	199
Total unit-based compensation liability	\$	1,735	\$ 1,903

No Options or PUs were granted as at June 30, 2026 and December 31, 2025. Certain members of the board of trustees of the Trust elected to be compensated fully or partially in DUs, as described in note 13.

Carry Compensation

The Trust provides carry compensation under its Carry Plan, as described in note 10. Under the Carry Plan, the vested carry points are settled in cash by default, net of applicable withholding taxes. Participants may elect to have up to 50% of their carry points settled in newly-issued Units of the Trust. The number of units issuable upon vesting and settlement is determined by a formula based on the Trust's Unit price on the grant date and a performance metric based on net book value of the Trust's royalty assets. No Units are issued until the applicable carry points have vested in accordance with the applicable award agreement. The unvested units are not entitled to distributions during the vesting periods, thus they are not credited with distribution equivalents on each distribution payment date. The maximum number of Units authorized to be issued under the Carry Plan is 1,000,000. Since the approval of the Carry Plan, no carry points were granted as at June 30, 2026, and as a result, no carry obligation was recognized during the period.

NOTE 12 | GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses include overhead costs incurred in the management of the business, such as, among others, depreciation of fixed assets, amortization of other intangible assets, premises and office expenses. For the three and six months ended June 30, 2026, the Trust recorded total general and administrative expenses of \$428 and \$978, respectively (2025 – \$95 and \$196, respectively).

NOTE 13 | OTHER OPERATING EXPENSES

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

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Board of trustees fees	\$ 272	\$ 601	\$ 708	\$ 855
Professional fees	232	2,429	1,226	6,540
Other expenses ⁽ⁱ⁾	730	683	1,266	1,150
Total other operating expenses	\$ 1,234	\$ 3,713	\$ 3,200	\$ 8,545

(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(o) to the Trust's 2025 consolidated financial statements.

During the three and six months ended June 30, 2026, the Trust granted 13,968 and 27,947 DUs, respectively (2025 – 16,553 and 32,881, respectively), in lieu of cash compensation to trustees and 2,179 and 4,215 distribution equivalent Units, respectively (2025 – 1,867 and 4,310, respectively), in relation to the quarterly distributions. Board compensation expense for the three and six months ended June 30, 2026 included \$200 and \$567, respectively (2025 – \$452 and \$556, respectively), related to the issuance of DUs and the related distribution equivalents. The fair value of the DUs vested but not settled was \$3,004 as at June 30, 2026 (December 31, 2025 – \$2,437) and is included in other current liabilities.

Professional fees

For the three and six months ended June 30, 2026, the Trust recorded total professional fees of \$232 and \$1,226, respectively (2025 – \$2,429 and \$6,540, respectively), related to professional services including audit, legal, tax, valuation and consulting.

Other expenses

Other expenses for the three and six months ended June 30, 2026 were \$730 and \$1,266, respectively (2025 – \$683 and \$1,150, respectively), and included donations of \$250 and \$500, respectively (2025 – \$250 and \$513, respectively), primarily related to the pledge agreement with the Mayo Clinic, as described in note 17.

NOTE 14 | FINANCIAL INSTRUMENTS

The financial assets and liabilities held by the Trust as at June 30, 2026 were as follows:

	Fair value through net earnings – recognized	Fair value through net earnings – designated as hedging instruments	Amortized cost	Total
Financial Assets				
Cash and cash equivalents	\$ 55,156	\$ —	\$ —	\$ 55,156
Royalties receivable	—	—	54,723	54,723
Financial royalty assets	55,592	—	—	55,592
Derivative asset	—	1,288	—	1,288
	\$ 110,748	\$ 1,288	\$ 54,723	\$ 166,759
Financial Liabilities				
Accounts payable and accrued liabilities	\$ —	\$ —	7,939	\$ 7,939
Distributions payable to Unitholders	—	—	6,046	6,046
Current portion of credit facility	—	—	67,088	67,088
Other current liabilities	—	—	76,586	76,586
Derivative liability	7,977	—	—	7,977
Long-term debt	—	—	372,348	372,348
Other non-current liabilities	—	—	310	310
	\$ 7,977	\$ —	\$ 530,317	\$ 538,294

The financial assets and liabilities held by the Trust as at December 31, 2025 were as follows:

	Fair value through net earnings – recognized	Fair value through net earnings – designated as hedging instruments	Amortized cost	Total
Financial Assets				
Cash and cash equivalents	\$ 42,432	\$ —	\$ —	\$ 42,432
Royalties receivable	—	—	59,708	59,708
Financial royalty assets	57,276	—	—	57,276
Investment in marketable securities	3,311	—	—	3,311
	\$ 103,019	\$ —	\$ 59,708	\$ 162,727
Financial Liabilities				
Accounts payable and accrued liabilities	\$ —	\$ —	6,240	\$ 6,240
Distributions payable to Unitholders	—	—	5,507	5,507
Derivative liability	—	1,486	—	1,486
Current portion of credit facility	—	—	67,088	67,088
Other current liabilities	—	—	3,373	3,373
Long-term debt	—	—	415,851	415,851
Other non-current liabilities	—	—	354	354
	\$ —	\$ 1,486	\$ 498,413	\$ 499,899

Investment in marketable securities

As part of the Ekterly transaction completed in 2024, the Trust purchased 500,000 shares in KalVista common stock through a private investment in public equity arrangement for \$10 per share for a total cost of \$5,000.

During the year ended December 31, 2025, the Trust sold 295,000 shares for an average price of \$16.09, as a result, the fair value of the remaining marketable securities was \$3,311 as at December 31, 2025. During the three months ended March 31, 2026, the Trust sold the remaining 205,000 shares for an average price of \$16.97, and recognized a realized gain of \$1,429. Prior to the sale during the quarter, the Trust recorded an unrealized loss of \$1,261 related to the change in fair value of the marketable securities, which resulted in a net gain of \$168 recognized during the three months ended March 31, 2026, after which the Trust no longer held any marketable securities.

During the three and six months ended June 30, 2025, the Trust did not sell any shares of the marketable securities and did not record a realized gain. The Trust recorded an unrealized (loss) gain of \$(115) and \$1,420, respectively, related to the change in fair value of the marketable securities.

Interest rate swap

The Trust uses an interest rate swap as a derivative financial instrument designated as a cash flow hedge to manage interest rate risk related to its credit facility, as described in note 6. On August 31, 2023, the Trust entered into an interest rate swap agreement to fix the interest rate on a notional amount of \$100,000 of the credit facility. On June 10, 2025, to reflect changes resulting from amendments to the amended credit agreement, as described in note 6, the Trust extended the maturity on its original interest rate swap to November 1, 2027. Hedge accounting for the original interest rate swap was discontinued and the amended interest rate swap was designated as a cash flow hedge. On June 10, 2025, the Trust also entered into a second interest rate swap with equivalent terms for an additional notional amount of \$50,000 to further manage interest rate risk on the credit facility. On December 1, 2025, as a result of the October 3, 2025 amendment to the credit agreement, the Trust further modified its interest rate swaps. The maturity dates were extended to September 28, 2029. The second aforementioned interest rate swap was combined with the amended interest rate swap into a single \$150,000 notional interest rate swap. The hedge accounting for the amended and second interest rate swaps from June 2025 was discontinued and the new interest rate swap was designated as a cash flow hedge. The Trust does not hold or use any derivative financial instruments for speculative trading purposes. Under the agreements, the Trust pays a fixed rate and in exchange receives a SOFR interest rate, offsetting the floating component on a portion of the credit facility.

During the three and six months ended June 30, 2026, the Trust recorded \$86 and \$236, respectively (2025 – nil and nil, respectively) in net unrealized gain on derivative instruments which represents the ineffective portion of the hedge and recognized a net gain in unrealized fair value of \$1,514 and \$2,957, respectively (2025 – net loss of \$1,076 and \$1,156, respectively) into other comprehensive income which represents the effective portion of the hedge.

The details of the interest rate swap are as follows:

Derivative Instruments	Maturity Date	Notional Value	Fair value as at June 30, 2026	Fair value as at December 31, 2025
Interest rate swap	September 28, 2029	\$ 150,000	\$ 1,288	\$ (1,486)

The Trust applies hedge accounting to the effective portion of the interest rate swap, as described in note 3(e) to the Trust's 2025 consolidated financial statements. During the three and six months ended June 30, 2026, the Trust also recorded an increase in interest due to the interest rate swaps of \$177 and \$484, respectively (2025 – reduction of \$114 and \$39, respectively) as a result of the hedge against interest rate fluctuations on the amended credit agreement, as described in note 6.

Conversion option

In connection with the issuance of debentures described in note 6, the Trust recognized an embedded derivative liability for the conversion option of the debentures. The exercise price represents a 30% premium to the volume-weighted average price of the Trust's Units from February 25, 2026 to February 27, 2026. The fair market value of the conversion option was initially recognized as \$6,497 upon issuance using the Black-Scholes valuation model. The assumptions used to determine the initial fair value of the conversion option included: (i) exercise price of C\$21.99; (ii) average risk-free interest rate of 2.5%; (iii) expected maturity date of February 28, 2031; (iv) average expected volatility of 25%; and (v) expected distribution yield of 3.23%. During the three and six months ended June 30, 2026, the Trust recognized a net loss of \$1,851 and \$1,748, respectively (2025 – nil and nil, respectively) in profit or loss related to the fair value change of the conversion option derivative instrument.

NOTE 15 | FAIR VALUE MEASUREMENTS

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

There were no transfers among the three levels of the fair value hierarchy during the three and six months ended June 30, 2026 (2025 – nil).

As at June 30, 2026, the Trust only had cash and cash equivalents measured at fair value and classified as Level 1 financial instruments. As at December 31, 2025, the Trust had cash and cash equivalents and investments in marketable securities measured at fair value and classified as Level 1 financial instruments. Investments in marketable securities were measured using quoted prices in active markets for identical assets.

As at June 30, 2026 and December 31, 2025, the Trust had derivative instruments measured at fair value classified as Level 2 financial instruments. The derivative instrument is related to the interest rate swap described in note 14, and the fair value is estimated using a valuation model that predicts future cash flows over the contractual terms of the agreement based on observable market data, such as interest rate curves.

Financial royalty assets are classified as Level 3 financial instruments. In computing the fair value of financial royalty assets, a discounted cash flow model is used and is based on unobservable market data including estimated cash flows based on the Trust's internal model, and a spread adjustment to the discount rate reflecting deal-specific risks and the Trust's required return. The conversion option is also classified as a Level 3 financial instrument as certain elements of its valuation are dependent on non-observable market data, such as the Trust's expected volatility rate. The Trust uses the Black-Scholes valuation model at each reporting date.

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

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

Reconciliation of Level 3 Financial Instruments	Financial royalty assets	Conversion Option liability
Balance – December 31, 2024	\$ 57,527	\$ —
Additions	—	—
Cash receipts from Level 3 financial instruments	(5,000)	—
Change in fair value due to passage of time	3,825	—
Change in fair value due to movement in risk-free rate	618	—
Change in fair value due to changes in forecast timing ⁽ⁱ⁾	(2,786)	—
Ending Balance – June 30, 2025	\$ 54,184	\$ —
Change in fair value due to passage of time	3,879	—
Change in fair value due to movement in risk-free rate	113	—
Change in fair value due to changes in forecast timing ⁽ⁱ⁾	(900)	—
Ending Balance – December 31, 2025	\$ 57,276	\$ —
Addition	—	(6,497)
Cash receipts from Level 3 financial instruments	(5,000)	—
Change in fair value due to passage of time	3,770	(1,749)
Change in fair value due to movement in risk-free rate	(454)	—
Change in fair value due to foreign exchange remeasurement	—	269
Balance – June 30, 2026	\$ 55,592	\$ (7,977)

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

NOTE 16 | CAPITAL MANAGEMENT

As at June 30, 2026, the Trust's capital was \$1,003,645 (December 31, 2025 – \$1,044,460) and consisted of its Unitholders' capital of \$548,964 (December 31, 2025 – \$550,235), current portion and long-term debts of \$450,359 (December 31, 2025 – \$489,903) and 2024 Warrants of \$4,322 (December 31, 2025 – \$4,322). All capital items are shown prior to the deduction of deferred transaction costs, net of amortization.

The Trust's objectives in managing capital are to:

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

On June 18, 2025, the Trust partially purchased and canceled \$10,000 in face value of the 2024 Preferred Securities for \$9,500, as described in note 6.

On October 3, 2025, the Trust revised its credit agreement to convert and merge the term credit facility into the acquisition credit facility, as described in note 6. 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.

On February 10, 2026, the Trust further partially purchased and canceled \$9,924 in face value of the 2024 Preferred Securities for \$9,825, as described in note 6.

On March 20, 2026, the Trust entered into subscription agreements with the holders of its outstanding 2024 Preferred Securities, pursuant to which the Trust agreed to issue C\$108,723 aggregate principal amount of debentures through the exchange of \$79,698 in principal amount of 2024 Preferred Securities, as described in note 6. Upon closing, an aggregate principal amount of \$35,580 of the 2024 Preferred Securities remained issued and outstanding.

On March 24, 2026, the Trust completed a private placement of \$250,000 aggregate principal amount of Senior Notes, consisting of two tranches, as described in note 6. The Trust used the net proceeds of the Senior Notes to repay a portion of its acquisition and working capital credit facilities.

There have been no other changes in the composition of the Trust's capital or its capital management policies during the six months ended June 30, 2026 compared to the prior period. As at June 30, 2026 and December 31, 2025, the Trust was in compliance with all externally imposed capital requirements.

NOTE 17 | COMMITMENTS

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

On August 16, 2023, the Trust entered into a pledge agreement with the Mayo Clinic. In accordance with the terms of the agreement, the Trust intends to contribute \$5,000 in total (\$1,000 annually, payable in quarterly installments) to the Mayo Clinic to directly support and further the Center for Regenerative Biotherapeutics. To date, the Trust has paid a total of \$3,000.

On February 1, 2024, the Trust expanded its interest in royalties on the sales of Omidria. 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 at June 30, 2026, in accordance with the terms of the royalty agreement, the royalty seller may be entitled to additional consideration of up to \$26,000 in potential performance-based milestone payments.

On November 4, 2024, the Trust bought a royalty interest in Ekterly. 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 to by the Trust. After exercising the one-time optional payment, the royalty seller's potential one-time sales-based milestone payment increased to \$57,000 from \$50,000, contingent on annual worldwide net sales of Ekterly meeting or exceeding \$550,000 before January 1, 2031. Subsequent to June 30, 2026, the Trust exercised its Put Option with respect to the transaction for a net repurchase price of approximately \$178,000, as described in note 4. After completing the Put Option repurchase, the royalty seller will no longer be entitled to receive the potential sales-based milestone payment from the Trust.

On October 17, 2025, the Trust completed the Lumvoa (veligrotug) and elegrobart transaction, as described in note 4. 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. As at June 30, 2026, the Trust's potential milestone obligation was reduced to \$130,000 as certain clinical milestone achievements were not met, and the Trust recognized a liability pertaining to Lumvoa (veligrotug) receiving FDA approval. The milestone payment of \$75,000 related to Lumvoa (veligrotug) receiving FDA approval was funded subsequent to June 30, 2026.

NOTE 18 | RELATED-PARTY TRANSACTIONS

Internalization transaction

Prior to July 1, 2025, except for its officers, DRI Healthcare Trust had no employees of its own and was externally managed pursuant to the former management agreement with the former external manager. The former external manager provided administrative and management services to the Trust and evaluated new investment opportunities. On July 1, 2025, the Trust terminated the management agreement with the former external manager and internalized its investment management function. Under the former management agreement, the Trust paid management and performance fees to the external manager. As part of the Internalization, the Trust terminated the former management agreement for a termination fee of \$48,000. The termination of the former management agreement resulted in the elimination of management and performance fees on a go forward basis. As part of the transaction, the former external manager agreed to indemnify the Trust and its affiliates for, among other things, damages related to irregularities in expenses it charged the Trust.

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 pursuant to a certain asset purchase agreement. Following the Internalization, the employees of the former external manager transitioned to a subsidiary of DRI Healthcare Trust.

Transactions with the former external manager

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

The Trust recorded the following transactions with its external manager during the three and six months ended June 30, 2026 and 2025.

	Three months ended June 30, 2026		Three months ended June 30, 2025		Six months ended June 30, 2026		Six months ended June 30, 2025	
Management fee expense	\$	—	\$	2,657	\$	—	\$	6,733
Performance fee expense		—		—		—		533
Total	\$	—	\$	2,657	\$	—	\$	7,266

Key management compensation

During the three and six months ended June 30, 2026 and 2025, the Trust issued compensation to members of the board of trustees of the Trust, as described in note 13, and to certain officers of the Trust, as detailed below.

	Three months ended June 30, 2026		Three months ended June 30, 2025		Six months ended June 30, 2026		Six months ended June 30, 2025	
Cash compensation and short-term benefits ⁽ⁱ⁾	\$	631	\$	214	\$	2,227	\$	583
Unit-based compensation		529		214		1,118		382
Total	\$	1,160	\$	428	\$	3,345	\$	965

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

During the three and six months ended June 30, 2026, the Trust paid total cash compensation and short-term benefits of \$631 and \$2,227, respectively (2025 – \$214 and \$583, respectively), related to compensation for certain officers of the Trust, including salaries, bonuses, and benefits.

During the three and six months ended June 30, 2026, the Trust recorded unit-based compensation expense of \$529 and \$1,118, respectively (2025 – \$214 and \$382, respectively), related to the RU grants and the accretion of the related distribution equivalent Units paid to certain officers of the Trust.

The following table provides the details of RUs granted to certain officers of the Trust during the six months ended June 30, 2026.

	Total Units December 31, 2025	Units Granted	Distribution Equivalent Units Granted ⁽ⁱ⁾	Vesting of Restricted Units	Total Units June 30, 2026
Restricted Units Grant Date:					
August 13, 2024 ⁽ⁱⁱ⁾	44,104	—	397	(29,535)	14,966
July 1, 2025 ⁽ⁱⁱⁱ⁾	75,806	—	682	(50,764)	25,724
July 1, 2025 ^(iv)	101,073	—	1,823	—	102,896
September 4, 2025 ^(v)	13,365	—	201	(4,495)	9,071
October 15, 2025 ^(iv)	17,308	—	312	—	17,620
November 10, 2025 ^(vi)	6,746	—	61	(4,517)	2,290
March 31, 2026 ^(vii)	—	5,271	95	—	5,366
April 6, 2026 ^(iv)	—	9,102	82	—	9,184
Balance	258,402	14,373	3,653	(89,311)	187,117

(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.

(vii) Vesting on March 31, 2029.

The following table outlines the Units issued upon settlement of vested RUs to certain officers of the Trust during the three and six months ended June 30, 2026.

	Units Issued on Settlement of Restricted Units	
	Three months ended June 30, 2026	Six months ended June 30, 2026
Restricted Units Grant Date:		
August 13, 2024	6,892	13,632
July 1, 2025	11,847	23,386
September 4, 2025	2,088	2,088
November 10, 2025	1,053	2,097
Total	21,880	41,203

NOTE 19 | 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, the 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 in note 18, the former external manager agreed to fully indemnify the Trust against the damages arising from the legal proceeding described above. No amounts have been accrued as of June 30, 2026.

During the six months ended June 30, 2026, a settlement of C\$8,000 was reached among the parties in the legal proceeding described above. The Trust is not responsible for paying or contributing any monies towards the settlement amount.

NOTE 20 | SUBSEQUENT EVENTS

Ekterly disposition

On July 6, 2026, the Trust exercised its Put Option with respect to its royalty participation right in the Ekterly transaction for a total net repurchase price of approximately \$178,000. The Put Option has been exercised in connection with the completion of Chiesi Group's acquisition of KalVista on June 11, 2026. The Trust expects to receive payment no later than mid-August 2026. After completing the Put Option repurchase, the Trust will no longer be entitled to royalty participation rights in Ekterly and the Trust's rights and obligations under the purchase agreement will terminate.

Lumvoa (veligrotug) milestone payment

On July 10, 2026, the Trust made a milestone payment of \$75,000 to Viridian pursuant to the terms of its existing royalty agreement, following the FDA approval of Lumvoa (veligrotug) for treatment of TED, as described in note 4. On July 9, 2026, the Trust drew \$50,000 from its acquisition credit facility to partially fund the payment.

2026 third quarter distribution declared

On August 7, 2026, the board of trustees of the Trust declared a quarterly distribution of \$0.1100 per Unit to Unitholders of record as at September 30, 2026 and payable on October 20, 2026.

INVESTOR INFORMATION

Traded Units

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

Trading Symbols

Canadian dollars: DHT.UN

U.S. dollars: DHT.U

Registrar and Transfer Agent

Computershare

100 University Avenue, 8th Floor

Toronto, Ontario M5J 2Y1

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

Investor Relations

DRI Healthcare Trust

100 King Street West, Suite 6200

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

Website

www.drihealthcare.com

Auditor

Deloitte LLP

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Toronto, Ontario M5H 0A9