DRI HEALTHCARE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

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BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("**MD&A**") is intended to help the reader understand the results of operations and financial condition of DRI Healthcare Trust (together with its consolidated subsidiaries, the "**Trust**"). This MD&A is provided as a supplement to, and should be read in conjunction with, the unaudited interim condensed consolidated financial statements of the Trust for the three and six months ended June 30, 2026 (the "**consolidated financial statements**"), as well as the audited annual consolidated financial statements of the Trust for the year ended December 31, 2025 (the "**2025 consolidated financial statements**"), including the accompanying notes to such financial statements. The consolidated financial statements of the Trust have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("**IASB**").

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

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

This MD&A is prepared as of August 7, 2026.

ADDITIONAL INFORMATION

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

FORWARD-LOOKING INFORMATION

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

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

Forward-looking information involves known and unknown risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. For instance, without limitation, the anticipated royalty terms for products in our portfolio may be shorter than the period of patent protection for the applicable product, depending on many factors, including the entry of generic drugs into the marketplace and competition, all of which are outside our control. These risks and uncertainties also include, but are not limited to, the general economic and industry conditions, reliance on debt financing, our ability to leverage our competitive strength, and those described in greater detail under "Risk Factors" in the Trust's most recent annual information form, available under our profile on SEDAR+ at www.sedarplus.ca.

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

REFERENCES AND DEFINED TERMS

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

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

USE OF NON-GAAP MEASURES

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

Our uses, definition and calculation methodology, and the reconciliations of these non-GAAP measures to the most directly comparable measures calculated and presented in accordance with IFRS Accounting Standards, if available, for each of the measures, are presented under "Financial Review: Non-GAAP Financial Measures*"* on page 16 of this MD&A. The Trust has presented the following non-GAAP measures in this MD&A:

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

OVERVIEW OF THE TRUST

DRI Healthcare Trust was established as an unincorporated open-ended limited purpose trust under the laws of the Province of Ontario pursuant to a declaration of trust on October 21, 2020, as amended and restated on May 15, 2025. DRI Healthcare Trust is a "mutual fund trust" within the meaning of the *Income Tax Act* (Canada), but not a "mutual fund" within the meaning of applicable Canadian securities legislation. Effective July 1, 2025, DRI Healthcare Trust became a specified investment flow-through ("**SIFT**") trust for the purposes of the *Income Tax Act* (Canada). DRI Healthcare Trust's head and registered office is located at First Canadian Place, Suite 6200, 100 King Street West, Toronto, Ontario, M5X 1B8.

All references in this MD&A to "**former external manager**" are to Persis Capital Inc. (formerly DRI Capital Inc.). The former external manager provided management and other services to the Trust up to June 30, 2025, pursuant to the terms of a management agreement. On July 1, 2025, the Trust completed the internalization of its investment management function and terminated the management agreement between the Trust and the former external manager, as described on page 5 of this MD&A.

DRI Healthcare Trust's Units (each a "**Unit**", and collectively, "**Units**") are listed on the Toronto Stock Exchange ("**TSX**") in Canadian dollars under the symbol "**DHT.UN**" and in U.S. dollars under the symbol "**DHT.U**".

BUSINESS AND STRATEGY OVERVIEW

Business Overview

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

- Medically necessary products that effectively treat chronic and critical illnesses;
- Products that benefit from strong intellectual property and/or regulatory protection; and

- Products that are marketed by leading biopharmaceutical companies.

As at June 30, 2026, our portfolio consisted of 28 royalty streams on 22 products that treat conditions in a number of therapeutic areas, including oncology, neurology, ophthalmology, endocrinology, hematology, dermatology, lysosomal storage disorders ("**LSD**") and immunology. Many of the royalty streams in our portfolio provide us with entitlements on products that we believe represent focus areas and important revenue sources for their respective marketers. The approved products underlying our royalty entitlements are marketed by leading global pharmaceutical and biotechnology companies, including Apellis Pharmaceuticals Inc. ("**Apellis**"), Biogen Inc. ("**Biogen**"), GSK plc ("**GSK**"), Galderma S.A. ("**Galderma**"), Johnson & Johnson Services, Inc ("**Johnson & Johnson**"), KalVista Pharmaceuticals, Inc. ("**KalVista**"), Menarini Group ("**Menarini**"), Novartis AG ("**Novartis**"), Rayner Surgical Inc. ("**Rayner Surgical**"), Regeneron Pharmaceuticals Inc. ("**Regeneron**"), Hoffman-La Roche AG ("**Roche**"), Sanofi S.A. ("**Sanofi**"), Swedish Orphan Biovitrum AB ("**Sobi**"), Vertex Pharmaceuticals Inc ("**Vertex**"), and Viridian Therapeutics ("**Viridian**").

Unique Growth Strategy

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

We believe the Trust has a number of advantages that are hard to replicate. One of these advantages is our proprietary database used to source transactions. This database tracks over 7,500 royalties on over 2,500 drugs worldwide. Another advantage is the deep relationships we have developed in our industry. Since our initial public offering through to June 30, 2026, we completed 16 royalty transactions related to 15 products and made additional investments by way of loans and private investment in public equity.

In order to generate sustainable annual growth in cash receipts, we initially targeted deployment of $1.25 billion in transactions from the time of our initial public offering in February 2021 to the end of 2025. We have achieved this objective on a total commitment basis, including up to $271 million in future contingent milestone payments related to our deals. Building on this track record, we have set an aspirational deployment range of $800 million to $1 billion in transactions from 2026 to the end of 2030. We expect to fund these royalty transactions predominantly using our cash on hand and through the prudent use of leverage.

Our Assets

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

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

The table below provides an overview of our royalty assets as at June 30, 2026, and outlines expected royalty expirations based on our estimates of patent expiry dates in key geographies and the contractual agreements of each royalty stream. These estimates may be impacted by regulatory, commercial or other product developments. Variance from the anticipated performance of royalty-bearing sales may also affect these estimates as a result of caps or other structuring elements. See "Risk Factors" in our most recent annual information form.

(in thousands of U.S. dollars, unless otherwise noted)

Royalty Asset	Therapeutic Area	Primary Marketer(s)	Regulatory Approval Date	Expected Royalty Expiry(i), (ii)
Casgevy(iii)	Hematology	Vertex Pharmaceuticals	December 2023	Q1 2034
Elegrobart	Ophthalmology	Viridian Therapeutics	Pending(iv)	Q2 2036
Ekterly	Immunology	KalVista	July 2025	Q1 2042
Empaveli/Syfovre(v)	Hematology/Ophthalmology	Apellis, Sobi	May 2021	Q4 2033
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	November 2011	Q1 2027
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	November 2011	Q1 2027
Lumvoa (veligrotug)	Ophthalmology	Viridian Therapeutics	June 2026	Q2 2036
Omidria	Ophthalmology	Rayner Surgical	May 2014	Q4 2031
Oracea	Dermatology	Galderma	May 2006	Q1 2028
Orserdu I	Oncology	Menarini	January 2023	Q1 2035
Orserdu II	Oncology	Menarini	January 2023	Q1 2035
Rydapt	Oncology	Novartis	April 2017	Q2 2028
Spinraza	Neurology	Biogen	December 2016	Q3 2031
Vonjo I	Hematology	Sobi	February 2022	Q2 2034
Vonjo II	Hematology	Sobi	February 2022	Q2 2034
Xenpozyme(vi)	Lysosomal Storage Disorder	Sanofi	August 2022	Q4 2036
Xolair	Immunology	Roche, Novartis	June 2003	Q2 2033
Zejula	Oncology	GSK	April 2022	Q2 2033
Zytiga	Oncology	Johnson & Johnson	September 2011	Q2 2028

(i) Represents the quarter during which the final royalty payment is expected and is based on our estimates of patent expiry dates in key geographies, loss of exclusivity and the contractual agreements of each royalty stream. These estimates may be impacted by regulatory, commercial or other product developments. Variance from the anticipated performance of royalty-bearing sales may also affect these estimates as a result of caps or other structuring.
(ii) The anticipated royalty terms for products in our portfolio may be shorter than the period of patent protection for the applicable product, depending on many factors, including the entry of generic drugs into the marketplace and competition, all of which are outside our control.
(iii) Casgevy is classified as a financial royalty asset due to the nature of the contractual cash flows from the transaction, as described on page 10 of this MD&A.
(iv) Viridian anticipates submitting a BLA to the FDA for elegrobart in Q1 2027.
(v) Empaveli/Syfovre includes two royalty streams on each product.
(vi) Xenpozyme includes two royalty streams.

Key Developments Related to our Assets

Lumvoa (veligrotug)

On June 26, 2026, the U.S. Food and Drug Administration (“**FDA**”) approved Lumvoa (veligrotug) for the treatment of thyroid eye disease (“**TED**”). The Trust is entitled to tiered royalties on the U.S. net sales of Lumvoa (veligrotug), as described on page 7 of this MD&A. Royalty receipts are expected to be collected quarterly on a one-quarter lag, with the first royalty receipt being paid in the quarter immediately following the first commercial sale of Lumvoa (veligrotug) in the U.S. In connection with this approval, the Trust recognized a milestone payable of $75,000 to Viridian during the three months ended June 30, 2026, the funding of which was completed subsequent to June 30, 2026.

Xenpozyme milestone payment and milestone royalty income

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.

During the three months ended June 30, 2026, a certain other pre-specified clinical event outlined in the purchase agreement occurred, which triggered milestone royalty income of $225 for each Xenpozyme royalty stream, for total milestone royalty income of $450, recognized in royalty income.

Elegrobart

On March 30, 2026, Viridian announced positive topline results from the elegrobart REVEAL-1 phase 3 clinical trial in patients with active TED. On May 5, 2026, Viridian announced positive topline results from REVEAL-2, the second pivotal phase 3 clinical trial of elegrobart. Viridian anticipates submitting a Biologics License Application (“**BLA**”) to the FDA for elegrobart in Q1 2027.

Orserdu milestone royalty income

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

Ekterly

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

Subsequent to June 30, 2026, the Trust exercised its contractual put option (the "**Put Option**") with respect to the royalty participation right in Ekterly for a total net repurchase price of approximately $178,000. The Put Option was exercised following the acquisition of KalVista by Chiesi Group. Subject to the terms of the royalty agreement, 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 no longer liable for the potential sales-based milestone payment.

Omidria

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

Vonjo I and Vonjo II

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, we were required to determine the recoverable amounts to assess if the Vonjo assets are impaired. We calculated the recoverable amounts for Vonjo I and Vonjo II as at September 30, 2025 using a discounted cash flow model based on revised forecasted cash flows adjusted for the greater impact of competition, changes in net pricing and current market uptake of Vonjo. The key assumptions and sources of estimation uncertainty are related to the discount rate and future cash flows, including future sales of Vonjo and key competitors. Based on our analysis, the net book value of Vonjo II exceeded its recoverable amount, and the Trust recorded an impairment of $13,691 for Vonjo II as at September 30, 2025. Based on the updated forecast, the net book value of Vonjo I was lower than the recoverable amount and no impairment was recognized on this asset. As a result of recognizing the impairment, the net book value of the Vonjo II intangible royalty asset as at September 30, 2025 was $39,015, which represented the recoverable amount.

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

Other Key Events

Carry Plan

On May 15, 2026, the Trust's Carried Interest Plan (the "**Carry Plan**") was approved by Unitholders. The Carry Plan provides compensation to key employees of the Trust and is intended to complement the existing Omnibus Equity Incentive Plan. Awards under the Carry Plan are granted annually in respect of each fiscal year. For each fiscal year, a separate 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 EBITDA for such fiscal year, as reported by the Trust in its MD&A, subject to ongoing adjustment under the performance ratchet set out in the Carry Plan. On an annual basis, the Carried Interest for each fiscal year is remeasured by multiplying the Carried Interest by the ratio of Adjusted EBITDA to Target Adjusted EBITDA for the applicable fiscal year of the Trust. Any adjustment to the Carried Interest liability is recognized in the subsequent fiscal year.

Under the Carry Plan, 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 Carry Plan is described in further detail in the Trust's most recent management information circular. The maximum number of Units authorized to be issued under the Carry Plan is 1,000,000. No carry points were granted as at June 30, 2026.

Internalization

Prior to July 1, 2025, except for its officers, DRI Healthcare Trust had no employees of its own and was externally managed pursuant to a management agreement with the former external manager ("**former management agreement**"). 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 (the "**Internalization**"). 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.

*Normal Course Issuer Bid (“**NCIB**”)*

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 this approval, the Trust established an automated unit purchase plan (“**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, we have 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 (“**NCIB Plans**”). Our NCIB Plans are discussed further on page 25 of this MD&A.

Credit Facility

On May 12, 2025, we received lender consent for the Internalization of the investment management function. We also further revised our credit agreement (as defined herein) to reallocate $25,000 of the acquisition credit facility to the working capital credit facility, increasing it to $50,000. The credit available for investment remains unchanged as the working capital credit facility can be used for investment purposes. Furthermore, the interest rate on the amended credit agreement was revised to the Secured Overnight Financing Rate (“**SOFR**”) plus (i) a margin which may vary from 1.75% to 2.50% based on the Trust’s leverage ratio; and (ii) a margin of 0.10%. All other material terms of the amended credit agreement remain unchanged. Our credit facility is discussed in further detail on page 21 of this MD&A.

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

On February 24, 2026, the Trust further 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 amendments also included having the Senior Notes rank *pari passu* with the credit agreement and to be secured by the same collateral.

Senior Notes

On March 24, 2026, the Trust completed a private placement of $250,000 Senior Notes, consisting of two tranches with staggered maturities. The Senior Notes are discussed in further detail on page 23 of this MD&A.

Interest Rate Swap

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, and entered into a second interest rate swap agreement with equivalent terms for an additional notional amount of $50,000. Under the agreements, the Trust pays a fixed rate and in exchange receives a SOFR interest rate, offsetting the floating component on a portion of the credit facility.

On December 1, 2025, as a result of the October 3, 2025 amendment to the credit agreement, the Trust further modified its interest rate swap. The maturity date was extended to September 28, 2029. The second aforementioned interest rate swap was combined with the original interest rate swap into a single $150,000 notional interest rate swap. The interest rate swap is discussed in further detail on page 14 of this MD&A.

Preferred Securities

On June 18, 2025, the Trust repurchased and canceled $10,000 in face value of the Series C Preferred Securities (as defined herein) 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 repurchased and canceled $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.

Convertible Debentures

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. Upon closing, an aggregate principal amount of $35,580 of the 2024 Preferred Securities remain issued and outstanding. The 2024 Preferred Securities and debentures are discussed in further detail on page 22 of this MD&A.

Distributions

On March 3, 2026, the board of trustees of the Trust declared a quarterly cash distribution of $0.11 per Unit totaling $6,052 to Unitholders of record as at March 31, 2026, which was paid on April 20, 2026.

On May 14, 2026, the board of trustees of the Trust declared a quarterly cash distribution of $0.11 per Unit totaling $6,046 to Unitholders of record as at June 30, 2026, which was paid on July 20, 2026.

We pay quarterly distributions in accordance with our distribution policy. Distributions are discussed in further detail in note 7 to the consolidated financial statements.

Transactions Completed

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.

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 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 this royalty transaction.

On June 26, 2026, the FDA approved Lumvoa (veligrotug) for the treatment of TED. In connection with the approval, the Trust recognized a milestone payable of $75,000. Consequently, the Trust recognized an increase in the cost base of the Lumvoa (veligrotug) royalty asset. 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 is also advancing elegrobart, a potential best-in-class subcutaneous therapy for the treatment of TED via a program including two ongoing global phase 3 pivotal clinical trials, REVEAL-1 and REVEAL-2, in patients with active and chronic TED, respectively. During the first half of 2026, Viridian announced positive topline results that REVEAL-1 and REVEAL-2 both met the primary endpoint of the clinical trials with a highly statistically significant treatment effect. Subject to positive outcomes and subsequent regulatory review, Viridian plans to submit a BLA in the first quarter of 2027. If approved, elegrobart is expected to provide additional convenience benefits with a low-volume autoinjector designed for self-administration planned for commercial launch.

Ekterly

On July 7, 2025, KalVista elected to receive the one-time optional payment of $22,000 as part of the Ekterly transaction completed in 2024. As 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 with respect to the royalty participation right in Ekterly for a total net repurchase price of approximately $178,000. Subject to the terms of the royalty agreement, the Trust expects to receive payment no later than mid-August 2026.

Orserdu II Milestone Payment

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

(in thousands of U.S. dollars, unless otherwise noted)

FINANCIAL REVIEW: RESULTS OF OPERATIONS

During the three and six months ended June 30, 2026, the Trust recorded net earnings of $6,022 and $5,038, respectively, and comprehensive earnings of $7,536 and $7,995, respectively (2025 – net earnings (loss) of $376 and $(1,376), respectively, and comprehensive earnings (loss) of $(700) and $(2,532), respectively).

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

	Three months ended		Six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Income				
Royalty income	$ 48,227	$ 44,793	$ 94,826	$ 84,427
Change in fair value of financial royalty assets	1,662	(904)	3,316	1,657
Net gain (loss) on marketable securities	—	(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	25,464	24,751	50,412	49,496
Management fees	—	2,657	—	6,733
Performance fees	—	—	—	533
Interest expense	9,257	9,028	19,662	18,635
Deal investigation and research expenses	877	1,355	1,603	2,412
Compensation expense(i)	2,997	214	5,888	583
Unit-based compensation	605	970	1,273	1,430
General and administrative expenses(i)	428	95	978	196
Other operating expenses(i)	1,234	3,713	3,200	8,545
Total expenses	**40,862**	**42,783**	**83,016**	**88,563**
Gain (loss) on debt refinancing	—	**(971)**	(9,794)	**(971)**
Net unrealized gain (loss) on derivative instruments	(1,765)	—	(1,512)	—
Net unrealized gain (loss) on foreign exchange remeasurement	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	1,514	(1,076)	2,957	(1,156)
Comprehensive earnings (loss)	**$ 7,536**	**$ (700)**	**$ 7,995**	**$ (2,532)**

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

Royalty income

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

(in thousands of U.S. dollars, unless otherwise noted)

The following table presents the Trust's royalty income by intangible royalty asset for the three and six months ended June 30, 2026 and 2025.

	Three months ended				Six months ended			
	June 30, 2026	June 30, 2025	$ Change	% Change	June 30, 2026	June 30, 2025	$ Change	% Change
Intangible Royalty Assets								
Ekterly	$ **1,957**	$ —	$ 1,957	n/a	$ **3,725**	$ —	$ 3,725	n/a
Empaveli/Syfovre(i)	**1,537**	2,022	(485)	(24)%	**4,838**	4,777	61	1 %
Eylea I	**1,021**	1,173	(152)	(13)%	**1,922**	2,368	(446)	(19)%
Eylea II	**215**	251	(36)	(14)%	**405**	510	(105)	(21)%
Omidria	**9,351**	8,569	782	9 %	**16,694**	15,251	1,443	9 %
Oracea	**1,017**	825	192	23 %	**1,941**	2,102	(161)	(8)%
Orserdu I	**8,655**	8,796	(141)	(2)%	**16,935**	14,520	2,415	17 %
Orserdu II	**8,983**	9,456	(473)	(5)%	**17,263**	15,180	2,083	14 %
Rydapt	**623**	1,154	(531)	(46)%	**1,256**	2,433	(1,177)	(48)%
Spinraza	**3,717**	3,873	(156)	(4)%	**7,490**	7,493	(3)	— %
Vonjo I	**3,077**	1,338	1,739	130 %	**6,114**	5,444	670	12 %
Vonjo II	**649**	345	304	88 %	**1,282**	1,200	82	7 %
Xenpozyme(ii)	**1,289**	1,160	129	11 %	**2,688**	2,348	340	14 %
Xenpozyme(ii) – milestone royalty income	**450**	—	450	n/a	**450**	—	450	n/a
Xolair	**4,510**	3,853	657	17 %	**8,745**	6,709	2,036	30 %
Zejula	**1,006**	1,120	(114)	(10)%	**2,320**	2,235	85	4 %
Zytiga	**(220)**	87	(307)	(353)%	**(183)**	382	(565)	(148)%
Other Products(iii)	**390**	771	(381)	(49)%	**941**	1,475	(534)	(36)%
Total Royalty Income	**$ 48,227**	**$ 44,793**	**$ 3,434**	**8 %**	**$ 94,826**	**$ 84,427**	**$10,399**	**12 %**

(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.

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

Royalty income for the three months ended June 30, 2026 was $48,227, which increased by $3,434 or 8% compared to the same period in 2025. The increase in royalty income is primarily driven by the inclusion of $1,957 in Ekterly royalty income as the Trust began recording royalty income for Ekterly at the start of Q3 2025. Additionally, higher royalty income of $2,043 was recognized for Vonjo I and Vonjo II, $782 for Omidria and $657 for Xolair in 2026, all due to improved sales. Also included in royalty income for the quarter was $450 in milestone royalty income for Xenpozyme, as described earlier. The increase in royalty income was partially offset by $614 in lower revenue recognized for Orserdu I and II due to lower sales during the period, as well as $531 in lower revenue recognized for Rydapt due to the expected step-down in sales.

Royalty income for the six months ended June 30, 2026 was $94,826, which increased by $10,399 or 12% compared to the same period in 2025. The increase in royalty income is primarily driven by the inclusion of $3,725 in Ekterly royalty income as the Trust began recording royalty income for Ekterly at the start of Q3 2025. Additionally, higher royalty income of $4,498 was recognized for Orserdu I and II due primarily to growth in sales during the first fiscal quarter of the year, higher royalty income of $2,036 recognized for Xolair due to the successful launch of its food allergy indication, and higher royalty income of $1,443 recognized for Omidria due to increase in sales. Partially offsetting these increases were $1,177 in lower revenue for Rydapt as prior year income included a one-time upward adjustment in sales, and $565 in lower revenue for Zytiga due to continued expected expiry of royalty entitlements.

Change in fair value of financial royalty assets

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

During the six months ended June 30, 2026, the carrying amount of the financial royalty asset decreased to $55,592 from $57,276 at December 31, 2025. The decrease is attributed to cash receipts of $5,000 from the Casgevy asset, partially offset by a net change in fair value of $3,316 during the six months ended June 30, 2026. The net change in fair value is composed of accretion towards future value due to the passage of time of $3,770 and a decrease in fair value of $454 due to movements in the risk-free rate.

During the six months ended June 30, 2025, the carrying amount of the financial royalty asset decreased to $54,184 from $57,527 at December 31, 2024. The decrease is attributed to cash receipts of $5,000 from the Casgevy asset, partially offset by a net change in fair value of $1,657 during the six months ended June 30, 2025. The net change in fair value is composed of accretion towards future value due to the passage of time of $3,825, an increase in fair value of $618 due to movements in the risk-free rate, and a decrease in fair value of $2,786 due to a delay in the expected timing of a contingent payment receivable under the license agreement. Despite the expected delay, there were no changes to the anticipated likelihood that the contingent payment will be received.

Net gain (loss) on marketable securities

As part of the Ekterly transaction completed in 2024, the Trust purchased 500,000 shares of KalVista common stock in a private transaction for $10 per share for a total purchase price of $5,000. Changes in the fair value of marketable securities are recognized in net earnings (loss).

The Trust sold 295,000 shares for an average price of $16.09 during the three months ended 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, which resulted in the Trust recognizing 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 results in a net gain of $168 recognized during Q1 2026, after which the Trust no longer holds 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.

Amortization of intangible royalty assets

Intangible royalty assets are amortized over the estimated economic useful life of the assets, as described in note 3(c) to the Trust's 2025 consolidated financial statements. The Trust amortizes its intangible royalty assets beginning on the date on which the Trust begins receiving economic benefit from the royalty asset. During the three and six months ended June 30, 2026, the Trust recorded amortization of intangible royalty assets of $25,464 and $50,412, respectively (2025 – $24,751 and $49,496, respectively).

The increase in amortization expense compared to the prior period is primarily due to the commencement of amortization of Ekterly and Lumvoa (veligrotug), following their respective FDA approvals in Q3 2025 and Q2 2026. Partially offsetting the increase were the impairments recorded on Omidria and Vonjo II in the prior year, which reduced the amortizable base of those intangible royalty assets and thus the amortization for these royalty assets.

Management fees

During the three and six months ended June 30, 2026, the Trust did not incur or pay for management fees as a result of the termination of the former management agreement in connection with the Internalization, as described on page 5 of this MD&A. During the three and six months ended June 30, 2025, the Trust recorded management fees of $2,657 and $6,733, respectively related to services provided by the former external manager, prior to the internalization transaction.

Performance fees

During the three and six months ended June 30, 2026, the Trust did not incur or pay for performance fees as a result of the termination of the former management agreement in connection with the Internalization, as described on page 5 of this MD&A. During the three and six months ended June 30, 2025, the Trust recorded performance fees of nil and $533, respectively, as the conditions for performance fee payments were met primarily due to the cash receipt on Casgevy.

Interest expense

The Trust's total interest expense relates to interest incurred on the Trust's long-term debt, including any accretion to par value, amortization of deferred transaction costs and standby fees on the credit facility. Interest expense for the three and six months ended June 30, 2026 and 2025 is presented below. The increase in total interest expense during the three months ended June 30, 2026 is primarily attributable to the higher amortization of deferred transaction costs of $791 and higher standby fees of $529, compared to $309 and $311, respectively, in the same period in 2025. Partially offsetting this increase was a decrease in interest expense, including accretion to par value, resulting from lower interest rates on the Senior Notes and debentures and a lower outstanding balance on the credit facility.

During the six months ended June 30, 2026, interest expense, including accretion to par value, decreased by $603 to $16,618, from $17,221 during the same period in 2025, due to lower interest rates on the Senior Notes and debentures and a decrease in the credit facility principal amount outstanding. This decrease was partially offset by higher amortization of deferred transaction costs of $1,746 and higher standby fees of $814, compared to $843 and $610, respectively, in the same period in 2025.

(in thousands of U.S. dollars, unless otherwise noted)

Additionally, the Trust entered into interest rate swaps to exchange floating for fixed interest rates on a notional amount of $150,000, as further described on page 22 of this MD&A. The Trust uses the interest rate swap as a derivative financial instrument designated as a cash flow hedge to manage interest rate risk related to its credit facility. During the 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).

	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**

Deal investigation and research expenses

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

For the three and six months ended June 30, 2026, the Trust recorded deal investigation and research expenses of $877 and $1,603, respectively (2025 – $1,355 and $2,412, respectively). The year-over-year decrease is primarily due to lower legal costs and consulting costs in the current period compared to the first half of 2025.

Compensation expense

During the three and six months ended June 30, 2026, the Trust recognized compensation expense of $2,997 and $5,888, respectively, compared to $214 and $583, respectively, recorded in the same period in 2025. The increase year-over-year is primarily due to the compensation of all employees now being reclassified and directly recorded in the compensation expense line post Internalization, partially offset by the favorable impact of related Internalization synergies. As noted previously, following the Internalization the employees of the former external manager became employees of the Trust. Since July 1, 2025, the compensation of these employees is being recorded in the Trust's financial results as compensation expense.

During the three and six months ended June 30, 2025, compensation expense only included compensation paid to the Trust's Chief Executive Officer and the Chief Financial Officer.

The Trust provides carry compensation under its Carry Plan, which was approved May 15, 2026, as described on page 5 of this MD&A. Since its approval, no carry points were granted as at June 30, 2026.

Unit-based compensation

The Trust provides unit-based compensation under its Omnibus Equity Incentive Plan, as described in note 3(o) to the Trust's 2025 consolidated financial statements.

For the three and six months ended June 30, 2026, the unit-based compensation expense was $605 and $1,273, respectively, compared to $970 and $1,430, respectively, recorded during the same period in 2025, and was composed of Restricted Unit ("**RU**") grants, net of RUs vestings and any RU forfeitures during the period. As at June 30, 2026, the unit-based compensation liability was $1,735 (December 31, 2025 – $1,903), composed of a current portion of $1,243 and a long-term portion of $492 (December 31, 2025 – $1,704 and $199, respectively) related to the outstanding awards.

(in thousands of U.S. dollars, unless otherwise noted)

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.

No Options or Performance Units ("**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 Deferred Units ("**DUs**"), as described in the other operating expenses section below.

The Trust's Carry Plan was approved by its Unitholders on May 15, 2026, as further described on page 5 of this MD&A. Since its approval, no carry points were granted as at June 30, 2026.

General and administrative expenses

General and administrative expenses include overhead costs incurred in the management of the business, such as depreciation of fixed assets, amortization of other intangibles, insurance, premises and office expenses, among others.

For the three and six months ended June 30, 2026, the Trust recorded general and administrative expenses of $428 and $978, respectively (2025 – $95 and $196, respectively). The increase is driven primarily by the reclassification of these expenses post Internalization as these general and administrative expenses were previously incorporated in the management fee paid to the former external manager but are now being directly recorded in the general and administrative line. The increase is partially offset by synergies realized driven by Internalization efficiencies. General and administrative expenses for the three and six months ended June 30, 2026 included expenses of $89 and $177, respectively, related to the depreciation of fixed assets and other intangible assets, $33 and $167, respectively, related to premises and office expenses, including insurance, and $206 and $439, respectively, in general and administrative expenses related to the manager entities, net of synergies realized.

Other operating expenses

Other operating expenses include fees paid to the board of trustees of the Trust and other ongoing operating expenses, including consulting, legal and audit fees required to operate our business.

During the three and six months ended June 30, 2026, the Trust recorded total other operating expenses of $1,234 and $3,200, respectively, compared to $3,713 and $8,545, respectively, recorded in the same periods during 2025. The decrease year-over-year is described in more detail below.

(in thousands of U.S. dollars, unless otherwise noted)

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 recorded board of trustees fees of $272 and $708, respectively, which decreased by $329 and $147, respectively, compared to the corresponding periods in 2025. The decrease in board compensation expense was primarily driven by special committee fees of $110 and $230 paid to the Board of Trustees during the three and six months ended June 30, 2025, respectively, related to the Internalization, described on page 5 of this MD&A. In addition, costs associated with the issuance of DUs and related distribution equivalents were lower during the three months ended June 30, 2026, compared with the corresponding period in 2025.

Included in Board of trustees fees for the three and six months ended June 30, 2026 are costs related to the issuance of DUs and related distribution equivalents of $200 and $567, respectively (2025 – $452 and $556, respectively). These amounts relate to 13,968 and 27,947 DUs, respectively, issued in lieu of cash compensation to trustees (2025 – 16,553 and 32,881, respectively), and to 2,179 and 4,215 distribution equivalent Units issued in connection with the quarterly distributions, respectively (2025 – 1,867 and 4,310, respectively). The total 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, related to professional services including audit, legal, tax, valuation and consulting. Included in professional fees during the three and six months ended June 30, 2026 is nil and $344, respectively, related to the issuance of the conversion option on the Trust's debentures, as described on page 23 of this MD&A. This is a one-time cost not expected to recur.

During the three and six months ended June 30, 2025, the Trust recorded total professional fees of $2,429 and $6,540, respectively, including $471 and $2,059, respectively, incurred to enhance governance functions following the investigation into irregular expenses charged to the Trust, as described on page 28 of this MD&A, and legal expenses related to entity management in connection with the Internalization of $1,873 and $4,072, respectively, as described on page 5 of this MD&A. These incremental governance and entity management costs associated with the 2024 internal investigation and Internalization did not recur in 2026.

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 $250 and $500 in donations, respectively (2025 – $250 and $513, respectively), primarily related to the pledge agreement with the Mayo Clinic, as described on page 27 of this MD&A.

Gain (loss) on debt refinancing

For the three and six months ended June 30, 2026, the Trust recognized a net loss on debt refinancing of nil and $9,794, respectively, related to its 2024 Preferred Securities, as described on page 22 of this MD&A. In February 2026, the Trust recognized a loss of $1,162 related to the partial purchase and cancellation of the 2024 Preferred Securities. In March 2026, the Trust recognized a loss of $7,380 resulting from extinguishing of a portion of the 2024 Preferred Securities in exchange for issuing new debentures, as described on page 22 of this MD&A. 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.

During the three and six months ended June 30, 2025, the Trust recognized a net loss of $971 and $971, respectively, related to the partial purchase and cancellation of the 2024 Preferred Securities.

Income tax expense

Related to the updated corporate structure of the Trust as a result of the Internalization, as described on page 5 of this MD&A, certain subsidiaries of the Trust are subject to income taxes starting July 1, 2025. The Trust remains non-taxable, and the reported income tax expense reflects taxes payable by certain Trust subsidiaries. During the three and six months ended June 30, 2026, the Trust recorded income tax expenses of $3,031 and $2,628, respectively (2025 – nil and nil, respectively), which reflects a refined transfer pricing methodology applied to certain subsidiaries of the Trust during the quarter.

(in thousands of U.S. dollars, unless otherwise noted)

Net unrealized gain (loss) on derivative instruments

Interest rate swap

On August 31, 2023, the Trust entered into an interest rate swap agreement to fix the interest rate on a notional amount of $100,000 of the credit facility. On June 10, 2025, to reflect changes resulting from amendments to the amended credit agreement, as described on page 6 of this MD&A, the Trust extended the maturity on its original interest rate swap to November 1, 2027. On June 10, 2025, the Trust also entered into a second interest rate swap with equivalent terms for an additional notional amount of $50,000 to further manage interest rate risk on the credit facility. On December 1, 2025, as a result of the October 3, 2025 amendment to the credit agreement, the Trust further modified its interest rate swap. The maturity date was extended to September 28, 2029. The second aforementioned interest rate swap was combined with the original 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 ineffective portion of the hedge is due to the notional amount of the interest rate swap being greater than the outstanding principal balance on the credit facility, the hedged item.

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)

Conversion Option

In connection with the issuance of debentures described on page 23 of this MD&A, the Trust recognized an embedded derivative liability for the conversion option of the debentures. 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.

Net unrealized gain (loss) on foreign exchange remeasurement

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 and nil, respectively).

Weighted average number of Units

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

(in thousands of U.S. dollars, unless otherwise noted)

Summary of quarterly results

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

	2026		2025				2024	
As at	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30
Total assets	$ 978,029	$ 916,384	$ 942,819	$ 909,046	$ 967,257	$ 962,045	$ 984,867	$ 884,079
Long-term debt	372,348	388,968	415,851	391,238	389,349	362,065	374,802	281,605
Three months ended	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30
Total income	$ 50,077	$ 48,644	$ 61,686	$ 48,745	$ 44,130	$ 44,028	$ 61,521	$ 41,555
Total expenses	(40,862)	(42,154)	(53,995)	(58,845)	(42,783)	(45,780)	(54,520)	(43,247)
Gain (loss) on debt refinancing	—	(9,794)	789	—	(971)	—	—	—
Net unrealized gain (loss) on derivative instruments	(1,765)	253	—	—	—	—	—	—
Net unrealized gain (loss) on foreign exchange remeasurement	1,603	1,664	—	—	—	—	—	—
Termination fee	—	—	—	(48,000)	—	—	—	—
Income tax recovery (expense)	(3,031)	403	285	240	—	—	—	—
Net earnings (loss)	$ 6,022	$ (984)	$ 8,765	$ (57,860)	$ 376	$ (1,752)	$ 7,001	$ (1,692)
Net unrealized gain (loss) on derivative instruments	1,514	1,443	333	184	(1,076)	(80)	871	(1,632)
Comprehensive earnings (loss)	$ 7,536	$ 459	$ 9,098	$ (57,676)	$ (700)	$ (1,832)	$ 7,872	$ (3,324)
Net earnings (loss) per Unit								
Basic	$ 0.11	$ (0.02)	$ 0.16	$ (1.05)	$ 0.01	$ (0.03)	$ 0.12	$ (0.03)
Diluted	$ 0.11	$ (0.02)	$ 0.16	$ (1.05)	$ 0.01	$ (0.03)	$ 0.12	$ (0.03)
Distributions per Unit(i)								
Cash	$ 0.1100	$ 0.1100	$ 0.1000	$ 0.1000	$ 0.1000	$ 0.1000	$ 0.0850	$ 0.0850
Unit(ii)	n/a	n/a	n/a	n/a	n/a	n/a	$ 0.0237	n/a
Weighted average number of Units								
Basic	55,007,167	55,039,344	55,116,438	55,351,226	55,685,363	56,307,817	56,282,403	56,293,275
Diluted	55,374,923	55,039,344	55,311,470	55,351,226	55,685,363	56,307,817	56,678,956	56,293,275

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

(in thousands of U.S. dollars, unless otherwise noted)

FINANCIAL REVIEW: NON-GAAP FINANCIAL MEASURES

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

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

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

Total Cash Royalty Receipts refers to aggregate cash royalty receipts and milestone royalty receipts from our portfolio of royalty assets and forms part of Total Cash Receipts. Because of the lag between when we record royalty income and receive the corresponding cash payments on our royalties and milestones, we believe Total Cash Receipts and Total Cash Royalty Receipts are useful measures when evaluating our operations, as they represent actual cash generated in respect of all royalty assets held during a period. We also present Normalized Total Cash Receipts, which refers to Total Cash Receipts adjusted to remove cash receipts that are not expected to recur in the normal course of our operations. We believe that Normalized Total Cash Receipts will assist readers in evaluating the period-over-period performance of our royalty portfolio since Normalized Total Cash Receipts only includes cash receipts generated by royalties and other amounts payable pursuant to the terms of our royalty assets. There were no adjustments required to normalize cash receipts for the three and six months ended June 30, 2026 and 2025.

	Cash Receipts				Cash Receipts			
	Three months ended June 30, 2026	Three months ended June 30, 2025	$ Change	% Change	Six months ended June 30, 2026	Six months ended June 30, 2025	$ Change	% Change
Royalty Assets								
Casgevy	$ —	$ —	$ —	n/a	$ 5,000	$ 5,000	$ —	— %
Ekterly	2,163	—	2,163	n/a	3,992	—	3,992	n/a
Empaveli/Syfovre	149	147	2	1 %	1,311	1,272	39	3 %
Eylea I	1,022	1,158	(136)	(12)%	2,139	2,680	(541)	(20)%
Eylea II	215	248	(33)	(13)%	453	579	(126)	(22)%
Omidria	8,347	8,993	(646)	(7)%	17,031	16,987	44	— %
Oracea	890	1,046	(156)	(15)%	1,851	2,580	(729)	(28)%
Orserdu I	8,279	6,410	1,869	29 %	19,879	14,287	5,592	39 %
Orserdu I – milestone royalty income	—	—	—	n/a	5,000	633	4,367	690 %
Orserdu II	8,279	6,409	1,870	29 %	18,581	23,806	(5,225)	(22)%
Orserdu II – milestone royalty income	—	—	—	n/a	—	5,523	(5,523)	(100)%
Rydapt	563	777	(214)	(28)%	1,356	1,936	(580)	(30)%
Spinraza	3,717	3,781	(64)	(2)%	7,351	7,743	(392)	(5)%
Vonjo I	2,879	2,553	326	13 %	5,988	5,648	340	6 %
Vonjo II	608	576	32	6 %	1,302	1,351	(49)	(4)%
Xenpozyme	2,879	1,913	966	50 %	2,879	1,913	966	50 %
Xenpozyme – milestone royalty income	450	—	450	n/a	450	—	450	n/a
Xolair	2,698	2,162	536	25 %	5,197	4,535	662	15 %
Zejula	993	1,103	(110)	(10)%	2,010	2,052	(42)	(2)%
Zytiga	1,762	2,230	(468)	(21)%	1,762	2,230	(468)	(21)%
Other Products[(i)]	562	646	(84)	(13)%	1,279	1,387	(108)	(8)%
Total Cash Receipts, Normalized Cash Receipts and Cash Royalty Receipts	**$ 46,455**	**$ 40,152**	**$ 6,303**	**16 %**	**$ 104,811**	**$ 102,142**	**$ 2,669**	**3 %**

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

Q2 Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts

Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts during the three months ended June 30, 2026 increased by $6,303 or 16% compared to the same period in 2025. The increase was driven primarily by the increase in Orserdu I and Orserdu II due to growing sales in the European market. The second quarter cash receipts included royalties from the Ekterly royalty stream, which only began earning cash receipts in Q4 2025. The Trust also received Xenpozyme milestone royalty income of $450 during the quarter resulting from the achievement of a certain pre-specified clinical threshold. The increase in cash royalty receipts was partially offset by a decline in Omidria sales due to declining sales volume, and lower Zytiga receipts due to generic entrance deteriorating market share in the European market.

(in thousands of U.S. dollars, unless otherwise noted)

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

Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts during the six months ended June 30, 2026 increased by $2,669 or 3% compared to the same period in 2025. The increase was primarily driven by a net increase in cash receipts for Orserdu I due to growing sales in the European market, along with a $5,000 milestone royalty income receipt during Q1 2026 due to the achievement of certain sales performance thresholds. This was partially offset by a non-recurring $5,523 milestone royalty income receipt from Orserdu II during 2025, in addition to true-up cash receipts from the removal of certain gross-to-net deductions previously incurred on Orserdu II.

In addition, the increase in cash receipts during the six months ended June 30, 2026 is also due to additional receipts earned from the Ekterly assets, which earned their first receipts in Q4 2025; and the increase in Xenpozyme royalty receipts due to sales growth in various regions and the milestone income of $450 resulting from the achievement of a certain pre-specified clinical threshold.

The increase in cash royalty receipts was partially offset by a decline in Eylea's sales due to biosimilar entries and market share pressure; an increase in competition and generic entrance into the market impacting the sales of Oracea; and the expected impact of increased competition on the sales of Zytiga due to generic entrance in the European market.

Cash Receipt Reconciliation

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

When reconciling to Normalized Total Cash Receipts, we further subtract cash receipts not expected to recur, if any. For the purposes of complying with equal prominence requirements of applicable securities laws relating to non-GAAP financial measures, the Trust refers to total income when referring to Total Cash Receipts, Royalty Cash Receipts, and Normalized Total Cash Receipts.

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Total income	**$ 50,077**	$ 44,130	**$ 98,721**	$ 88,158
[−] Other interest income	**(188)**	(356)	**(411)**	(654)
[−] Net (gain) loss on marketable securities	**—**	115	**(168)**	(1,420)
[+] Royalties receivable, beginning of period	**54,306**	45,006	**59,708**	62,362
[−] Royalties receivable, end of period	**(54,723)**	(49,647)	**(54,723)**	(49,647)
[+] Financial royalty assets, beginning of period	**53,930**	55,088	**57,276**	57,527
[−] Financial royalty assets, end of period	**(55,592)**	(54,184)	**(55,592)**	(54,184)
[−] Non-cash royalty income(i)	**(1,355)**	—	**—**	—
[=] Total Cash Receipts, Royalty Cash Receipts and Normalized Cash Receipts	**$ 46,455**	**$ 40,152**	**$ 104,811**	**$ 102,142**

(i) Non-cash royalty income relates to Eylea I&II royalties that were deposited into an escrow account but had not yet been transferred to the operation account as of March 31, 2026. The royalties were received on June 4, 2026.

(in thousands of U.S. dollars, unless otherwise noted)

Adjusted EBITDA

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

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

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Comprehensive earnings (loss)	$ 7,536	$ (700)	$ 7,995	$ (2,532)
[+] Amortization of intangible royalty assets	25,464	24,751	50,412	49,496
[+] Depreciation of fixed assets and other intangible assets(i)	89	—	177	—
[+] Income tax expense	3,031	—	2,628	—
[−] Other interest income	(188)	(356)	(411)	(654)
[+] Interest expense	9,257	9,028	19,662	18,635
[=] EBITDA	**45,189**	**32,723**	**80,463**	**64,945**
[+] Royalties receivable, beginning of period	54,306	45,006	59,708	62,362
[−] Royalties receivable, end of period	(54,723)	(49,647)	(54,723)	(49,647)
[−] Performance fees payable, beginning of period	—	(2,198)	—	(1,665)
[+] Performance fees payable, end of period	—	—	—	—
[+] Financial royalty assets, beginning of period	53,930	55,088	57,276	57,527
[−] Financial royalty assets, end of period	(55,592)	(54,184)	(55,592)	(54,184)
[+] Unrealized (gain) loss on marketable securities(ii)	—	115	1,261	(1,420)
[+] Unit-based compensation	605	970	1,273	1,430
[+] Board of trustees' unit-based compensation(iii)	201	452	567	556
[+] (Gain) loss on debt refinancing	—	971	9,794	971
[−] Net (gain) loss on foreign exchange remeasurement	(1,603)	—	(3,267)	—
[+] Net unrealized (gain) loss on derivative instruments	251	1,076	(1,445)	1,156
[=] Adjusted EBITDA	**$ 42,564**	**$ 30,372**	**$ 95,315**	**$ 82,031**

(i) Included in general and administrative expenses are non-cash expenses related to the depreciation of fixed assets and amortization of other intangible assets.
(ii) Unrealized gain (loss) on marketable securities is related to the changes in fair value of the marketable securities prior to realizing gains/losses upon disposition.
(iii) Certain members of the board of trustees of the Trust elected to be compensated fully or partially in DUs under the Trust's Omnibus Equity Incentive Plan, as described on page 12 of this MD&A.

EBITDA during the three and six months ended June 30, 2026 was $45,189 and $80,463, respectively, representing an increase of $12,466 and $15,518, respectively, or 38% and 24%, respectively, compared to the same periods in 2025. The increase is primarily due to the Trust earning higher royalty income in three and six months ended June 30, 2026 by $3,434 and $10,399, respectively, compared to the same periods in 2025, coupled with lower cash expenses recorded during three and six months ended June 30, 2026.

Adjusted EBITDA during the three and six months ended June 30, 2026 was $42,564 and $95,315, respectively, representing an increase of $12,192 and $13,284, respectively, or 40% and 16%, respectively, compared to the same period in 2025. Adjusted EBITDA is greater during the three and six months ended June 30, 2026 compared to the prior period primarily due to higher Royalty Cash Receipts.

Impacting Adjusted EBITDA is the impact of certain non-recurring expenses. The table below details non-recurring expenses incurred 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
Non-recurring expenses				
Special committee fees(i)	$ —	$ 110	$ —	$ 230
Professional fees related to improving governance(ii)	—	471	—	2,059
Professional fees related to Internalization(ii)	—	1,873	—	4,072
Conversion option issuance costs(iii)	—	—	344	—
Total non-recurring expenses	**$ —**	**$ 2,454**	**$ 344**	**$ 6,361**

(i) Included in board of trustee fees within other operating expenses were special committee costs related to the Investigation and internalization.
(ii) Various professional fees were incurred by the Trust related to improving governance in the aftermath of the investigation of irregular expenses in 2024, and related to the Internalization, as described on page 5 of this MD&A. These costs are included in professional fees within other operating expenses and are non-recurring by nature.
(iii) Various professional fees were incurred by the Trust related to the issuance of the conversion option on the Trust's debentures, as described on page 23 of this MD&A. These costs are included in professional fees within other operating expenses and are non-recurring by nature.

(in thousands of U.S. dollars, unless otherwise noted)

Adjusted EBITDA, without the non-recurring expenses detailed above of nil and $344 for the three and six months ended June 30, 2026, respectively, (2025 – $2,454 and $6,361, respectively) would have been $42,564 and $95,659, respectively (2025 – $32,826 and $88,392, respectively). Non-recurring expenses incurred in the current periods were related to the issuance of the debenture conversion option while non-recurring expenses incurred in the prior year were related to the Internalization and the investigation, which were all resolved by December 31, 2025.

Adjusted EBITDA Margin

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

The calculation of Adjusted EBITDA Margin is presented below.

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Adjusted EBITDA	$ 42,564	$ 30,372	$ 95,315	$ 82,031
[÷] Normalized Total Cash Receipts	46,455	40,152	$ 104,811	102,142
[=] Adjusted EBITDA Margin	**92%**	**76%**	**91%**	**80%**

As described earlier, Adjusted EBITDA without non-recurring expenses for the three and six months ended June 30, 2026 would have been $42,564 and $95,659, respectively (2025 – $32,826 and $88,392, respectively). Without these non-recurring expenses, Adjusted EBITDA margin would have been 92% and 91%, respectively, for the three and six months ended June 30, 2026 (2025 – 82% and 87%, respectively).

Adjusted Cash Earnings per Unit

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

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

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Comprehensive earnings (loss)	$ 7,536	$ (700)	$ 7,995	$ (2,532)
[+] Amortization of intangible royalty assets	25,464	24,751	50,412	49,496
[+] Depreciation of fixed assets and other intangible assets(i)	89	—	177	—
[+] Unrealized (gain) loss on marketable securities(ii)	—	115	1,261	(1,420)
[+] Unit-based compensation	605	970	1,273	1,430
[+] Board of trustees' unit-based compensation(iii)	201	452	567	556
[−] Change in fair value of financial royalty assets	(1,662)	904	(3,316)	(1,657)
[+] Cash receipts on financial royalty assets	—	—	5,000	5,000
[+] (Gain) loss on debt refinancing	—	971	9,794	971
[−] Net (gain) loss on foreign exchange remeasurement	(1,603)	—	(3,267)	—
[+] Net unrealized (gain) loss on derivative instruments	251	1,076	(1,445)	1,156
[=] Adjusted Cash Earnings (Loss)	**$ 30,881**	**$ 28,539**	**$ 68,451**	**$ 53,000**
[÷] Weighted average number of Units – basic	55,007,167	55,685,363	55,023,166	55,743,876
[=] Adjusted Cash Earnings (Loss) per Unit – basic	$ 0.56	$ 0.51	$ 1.24	$ 0.95
[÷] Weighted average number of Units – diluted	55,374,923	55,685,363	55,244,232	55,743,876
[=] Adjusted Cash Earnings (Loss) per Unit – diluted	$ 0.56	$ 0.51	$ 1.24	$ 0.95

(i) Included in general and administrative expenses are non-cash expenses related to the depreciation of fixed assets and amortization of other intangible assets.
(ii) Unrealized gain (loss) on marketable securities is related to the changes in fair value of the marketable securities prior to realizing gains/losses upon disposition.
(iii) Certain members of the board of trustees of the Trust elected to be compensated fully or partially in DUs under the Trust's Omnibus Equity Incentive Plan, as described on page 12 of this MD&A.

Adjusted Cash Earnings (Loss) were $30,881 and $68,451, respectively, for the three and six months ended June 30, 2026, an increase of $2,342 and $15,451, respectively, compared to the same periods in 2025. Basic and Diluted Adjusted Cash Earnings (Loss) for the three and six months ended June 30, 2026 were $0.56 and $1.24, respectively, compared to $0.51 and $0.95, respectively, for the same periods in 2025. The increase in Adjusted Cash Earnings for the three and six months ended June 30, 2026 was primarily driven by higher royalty income of $3,434 and $10,399, respectively, the inclusion of the realized gain on marketable securities of $1,429, and lower expenses driven by continued realization of synergies due to Internalization.

(in thousands of U.S. dollars, unless otherwise noted)

FINANCIAL REVIEW: FINANCIAL POSITION

As at June 30, 2026, the Trust had consolidated total assets of $978,029 (December 31, 2025 – $942,819) and consolidated total liabilities of $543,033 (December 31, 2025 – $504,239). The following table presents the components of consolidated total assets and total liabilities as at June 30, 2026 and December 31, 2025, followed by a discussion of significant categories of assets and liabilities.

	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	808,906	777,818
Financial royalty assets	55,592	57,276
Investment in marketable securities	—	3,311
Derivative asset	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	6,046	5,507
Current portion of credit facility	67,088	67,088
Current portion of unit-based compensation liability	1,243	1,704
Other current liabilities	79,590	5,810
Current liabilities	161,906	**86,349**
Long-term debt	372,348	415,851
Derivative liability	7,977	1,486
Unit-based compensation liability	492	199
Other non-current liabilities	310	354
Total liabilities	$ 543,033	**$ 504,239**

Intangible royalty assets

As at June 30, 2026, the net book value of our intangible royalty assets was $808,906 (December 31, 2025 – $777,818), net of accumulated amortization and impairments of $437,798 (December 31, 2025 – $387,386). During the three and six months ended June 30, 2026, the Trust recorded amortization of intangible royalty assets of $25,464 and $50,412, respectively (2025 – $24,751 and $49,496, respectively).

During the six months ended June 30, 2026, the Trust recorded additions to the cost of its intangible royalty assets of $81,500 related to the Xenpozyme II and Lumvoa (veligrotug) milestone payments, as described on page 7 of this MD&A.

During the year ended December 31, 2025, the Trust recorded additions to the cost of its intangible royalty assets of $78,990 related to the Lumvoa (veligrotug) and elegrobart royalty transaction and the Ekterly one-time optional payment, as described on page 7 of this MD&A. The Trust also wrote off the cost, related accumulated amortization and accumulated impairments of $41,730 related to the fully amortized intangible royalty assets as the royalty arrangements are no longer expected to generate material royalties. There was no change to the net book value of the intangible royalty assets as a result of these write-offs.

During the year ended December 31, 2025, the Trust recognized an impairment loss of $23,365 related to the Vonjo II and Omidria royalty assets, as described on page 4 of this MD&A. The recoverable amount of Vonjo II and Omidria was based on a value-in-use calculation. The Trust determined the recoverable amount of the assets using a discounted cash flow model based on forecasted royalties and a discount rate of 8%. The net book value of the assets prior to recognizing an impairment exceeded the recoverable amounts and the difference of $23,365 was recognized as an impairment loss. The impairment loss was recognized in the interim condensed consolidated statements of net earnings and comprehensive earnings.

(in thousands of U.S. dollars, unless otherwise noted)

Financial royalty assets

As at June 30, 2026, the Trust had financial royalty assets of $55,592 (December 31, 2025 – $57,276), representing the fair value of the Casgevy royalty asset. During the six months ended June 30, 2026, the Trust had cash receipts of $5,000, an increase in fair value due to the passage of time of $3,770, and a decrease in fair value due to changes in the risk-free rate of $454.

Distributions payable to Unitholders

As at June 30, 2026, the Trust had distributions payable of $6,046, representing a quarterly cash distribution declared on May 14, 2026 to Unitholders of record as at June 30, 2026, which was paid on July 20, 2026.

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

The Trust pays a quarterly distribution in accordance with its distribution policy, as described in note 7 to the consolidated financial statements.

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. Borrowings under the credit facility bear interest at 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%. The credit facility matures on October 3, 2029, which may be extended by one-year increments subject to lender approval.

On February 24, 2026, the Trust amended its credit agreement to permit the issuance of the Senior Notes, as described on page 23 of this MD&A. The amendment also included having the Senior 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.

(in thousands of U.S. dollars, unless otherwise noted)

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**

During the six months ended June 30, 2026, the Trust did not make any drawings on its credit facility. The decrease in the carrying amount of the credit facility is attributed to the principal repayments made during the period of $280,544 (2025 – $28,444), including a principal repayment of $247,000 (2025 – nil) in connection with the issuance of the Senior Notes, as described on page 23 of this MD&A.

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 on page 7 of this MD&A.

The following table presents 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.

Interest Rate Swap

The Trust had 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, the Trust entered into a second interest rate swap with equivalent terms for an additional notional amount of $50,000. Under the agreements, the Trust pays a fixed rate and in exchange receives a SOFR interest rate, offsetting the floating component on a portion of the credit facility. On December 1, 2025, the swaps were combined into one single $150,000 notional interest rate swap and the maturity was extended to September 28, 2029.

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 canceled its existing 2023 preferred securities and warrants and in exchange for $135,202 principal amount of 2024 new preferred securities (the "**2024 Preferred Securities**") and 1,749,996 new Warrants (the "**2024 Warrants**"). The 2024 Preferred Securities are unsecured, subordinated debt securities of the Trust 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 further partially purchase and cancel $9,924 in face value of the 2024 Preferred Securities for $9,825. The Trust paid outstanding accrued interest on the $9,924 face value up to February 10, 2026, the date of the transaction. 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 and comprehensive earnings.

(in thousands of U.S. dollars, unless otherwise noted)

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 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 and comprehensive earnings. As at March 20, 2026, an aggregate principal amount of $35,580 of the 2024 Preferred Securities remain issued and outstanding, the terms of which remain unchanged. Unamortized deferred transaction costs related to the extinguished portion of the 2024 Preferred Securities of $1,252 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

On March 20, 2026, the Trust issued debentures to the holders of the 2024 Preferred Securities, as described above. 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 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**	**$**	**—**

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. Transaction costs of $344 attributable to the issuance of the conversion option were included in other operating expenses. The exercise price represents a 30% premium to the volume weighed 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 include: (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%.

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 recognized and are 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**	**$**	**—**

(in thousands of U.S. dollars, unless otherwise noted)

FINANCIAL REVIEW: CASH FLOWS

The Trust generated the following cash flows during the six months ended June 30, 2026 and 2025.

	Six months ended June 30, 2026	Six months ended June 30, 2025
Cash and cash equivalents – beginning of period	**$ 42,432**	**$ 36,502**
Cash provided by operating activities	**87,210**	75,745
Cash used in financing activities	**(76,465)**	(24,742)
Cash provided by (used in) investing activities	**1,979**	(5,000)
Change in cash and cash equivalents	**12,724**	**46,003**
Cash and cash equivalents – end of period	**$ 55,156**	**$ 82,505**

During the six months ended June 30, 2026, the Trust generated cash flows provided by operating activities of $87,210, an increase of $11,465 compared to the same period in 2025. The increase was primarily driven by higher Cash Royalty Receipts compared to 2025, coupled with lower cash expenses incurred during the six months ended June 30, 2026.

For the six months ended June 30, 2026, the Trust used cash flows of $76,465 from financing activities, a $51,723 increase in cash used compared to the same period in 2025. The increase is primarily attributable to the Trust drawing $49,000 from its credit facility in 2025 while the Trust did not make drawings during 2026. In addition, the Trust used $6,955 on debt issuance costs during the six months ended June 30, 2026, compared to $288 in 2025. Partially offsetting the higher cash usage during the six months ended June 30, 2026 is $1,901 used for repurchasing and cancelling Units under the NCIB Plans, compared to $9,140 used in 2025.

For the six months ended June 30, 2026, the Trust generated cash flows of $1,979 from investing activities, an increase of $6,979 compared to the same period in 2025. The increase was primarily attributed to proceeds of $3,479 from the sale of marketable securities, which did not occur in 2025. The Trust paid $6,500 related to the Xenpozyme II milestone payment, as described on page 4 of this MD&A, during the six months ended June 30, 2026, compared to cash usage of $10,000 for royalty investments in the same period in 2025.

EQUITY

Authorized equity

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

Units

Each Unit represents a proportionate undivided beneficial ownership interest in the Trust, which entitles the holder to one vote, participation in distributions made by the Trust on a pro rata basis and, in the event of the termination or winding-up of the Trust, in the pro rata share of its net assets remaining after the satisfaction of all its liabilities. Units are discussed in further detail in note 7 to the consolidated financial statements. As at June 30, 2026, 54,963,322 (December 31, 2025 – 55,073,836) Units were outstanding at a cost of $548,964 (December 31, 2025 – $550,235).

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**

(in thousands of U.S. dollars, unless otherwise noted)

Settlement of vested Restricted Units

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**

The decrease in the number of Units issued upon the settlement of vested RUs during the six months ended June 30, 2026 compared to the same period in 2025 is due to a lower number of RUs vesting and settling during the current quarter.

Settlement of Deferred Units

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

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

On May 12, 2026, the Trust was granted approval for the May 2026 NCIB by the TSX. In connection with the May 2026 NCIB, the Trust established an AUPP whereby Units of the Trust may be repurchased at the discretion of a dealer to the AUPP using commercially reasonable efforts and subject to trading parameters defined in the AUPP.

During the 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 the NCIB Plans.

As a SIFT trust, the Trust is subject to a 2% excise tax on the excess of the fair market value of equity repurchases over equity issuances, unless such repurchases are below the exemption threshold of 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 (2025 – nil).

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.

Warrants

On April 23, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants, as described on page 22 of this MD&A. 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).

(in thousands of U.S. dollars, unless otherwise noted)

Distributions

The Trust pays quarterly distributions in accordance with its distribution policy, which is described in the Trust's most recent annual information form. The following table presents cash and Unit distributions made by the Trust during the 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 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 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.

LIQUIDITY AND CAPITAL RESOURCES

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.

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

The Trust's primary ongoing source of liquidity is cash provided by operating activities. During the six months ended June 30, 2026, the Trust generated $87,210 (2025 – $75,745) of cash provided by operating activities.

The Trust believes its existing capital resources and cash provided by operating activities will continue to allow the Trust to meet its operating and working capital requirements, and to meet externally imposed capital requirements and obligations, including the scheduled repayments of its credit facility for the foreseeable future.

As at June 30, 2026, the Trust was in compliance with all externally imposed capital requirements. See "Financial Position - Long-term debt" on pages 21 to 24 of this MD&A for a discussion of the Trust's debt and other financing arrangements.

OFF-BALANCE SHEET OBLIGATIONS AND 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 stream on Empaveli/Syfovre. In accordance with the terms of the royalty agreement, the royalty seller may be entitled to an additional payment of $4,000 in the event that Empaveli/Syfovre sales exceed certain thresholds within a predefined period of time.

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

On February 1, 2024, the Trust amended the existing Omidria royalty agreement. 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 on page 7 of this MD&A. 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 on page 7 of this MD&A. In accordance with the terms of the royalty agreement, the royalty seller may be entitled to additional consideration of up to $245,000 subject to the achievement of certain milestones. As at June 30, 2026, the Trust's potential milestone obligation was reduced to $130,000 as certain pre-specified clinical milestones related to elegrobart were not achieved. The Trust also recognized a liability upon FDA approval of Lumvoa (veligrotug). The milestone payment related to Lumvoa (veligrotug)'s FDA approval was funded subsequent to June 30, 2026.

The Trust did not have any other off-balance sheet obligations, commitments or guarantees at June 30, 2026.

(in thousands of U.S. dollars, unless otherwise noted)

CONTINGENT LIABILITY

On or about September 19, 2024, a statement of claim was issued on behalf of Andrea Reid, seeking leave to institute a securities class proceeding before the Ontario Superior Court of Justice against Persis Capital Inc. (formerly DRI Capital Inc.), DRI Healthcare Trust, Behzad Khosrowshahi, former CEO of Persis Capital Inc. and the Trust and Chris Anastasopoulos, former CFO of Persis Capital Inc. and the Trust, on behalf of a class of investors who acquired Units of the Trust between February 11, 2021 to August 6, 2024 (and held such Units until August 6, 2024).

In connection with the Internalization described on page 5 of this MD&A, 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.

RELATED-PARTY TRANSACTIONS

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. On July 1, 2025, the Trust completed the Internalization and terminated the former management agreement, as described on page 5 of this MD&A, and as a result, management and performance fees are no longer payable by the Trust. The following related-party transactions occurred during the three and six months ended June 30, 2026 and 2025.

Management fees

Prior to the termination of the former management agreement, the Trust was required to pay quarterly management fees to the former external manager or its affiliates equal to 6.50% of total cash receipts for such quarter and 0.25% of the fair value of security investments and related derivative financial instruments as of the end of such quarter, as described in note 3(m) to the Trust's 2025 consolidated financial statements. The former management agreement was terminated following the Internalization, as a result, no management fees were incurred or paid during the three and six months ended June 30, 2026. During the three and six months ended June 30, 2025, the Trust recorded management fees to the former external manager of $2,657 and $6,733, respectively.

Performance fees

Prior to the termination of the former management agreement, the former external manager was entitled to performance fees determined on a portfolio-by-portfolio basis pursuant to the terms of the former management agreement, as described in note 3(n) to the Trust's 2025 consolidated financial statements. As a result of the Internalization, no performance fees were incurred or paid during the three and six months ended June 30, 2026. The Trust recorded performance fees of nil and $533, respectively, during the three and six months ended June 30, 2025, as the conditions for performance fees were met primarily due to the cash receipt of Casgevy in the first quarter of 2025.

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 on page 11 of this MD&A, 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 recorded total cash compensation and short-term benefits expense of $631 and $2,227, respectively (2025 – $214 and $583, respectively) related to compensation paid to 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.

(in thousands of U.S. dollars, unless otherwise noted)

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

	Total Units January 1, 2026	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

CHANGES IN ACCOUNTING POLICIES

The Trust's accounting policies are discussed in detail in note 3 to the Trust's 2025 consolidated financial statements. There were no changes to the accounting policies during the three and six months ended June 30, 2026.

CRITICAL ACCOUNTING ESTIMATES

In the preparation of this MD&A, the Trust has used consistent judgment and estimates as described in note 4 to the Trust's 2025 consolidated financial statements.

SUBSEQUENT EVENTS

Ekterly disposition

On July 6, 2026, the Trust exercised its Put Option with respect to its royalty participation right in Ekterly, for a total net repurchase price of approximately $178,000. The Put Option has been exercised following the acquisition of KalVista by Chiesi Group on June 11, 2026. Subject to the terms of the royalty agreement, 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 no longer liable for the potential sales-based milestone payment.

Lumvoa (veligrotug) milestone payment

On July 10, 2026, the Trust made a milestone payment of $75,000 to Viridian pursuant to the term of its existing royalty agreement, following the FDA approval of Lumvoa (veligrotug) for the treatment of TED, as described on page 4 of this MD&A. 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.