DRI HEALTHCARE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026

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 nine months ended September 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**").

On April 9, 2024, the IASB issued IFRS 18: *Presentation and Disclosure in Financial Statements*, replacing IAS 1. The standard will change how the Trust presents results on the face of the consolidated statement of net earnings (loss) and comprehensive earnings (loss) and discloses information in the notes of the financial statements, including disclosures of certain non-GAAP measures, which are management-defined performance measures. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. We are currently assessing the impact of the standard on the Trust's consolidated financial statements.

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 November 4, 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 elegrobart, anticipated product commercialization including, but not limited to, the commercialization of Lumvoa and Juvmo (tavapadon), 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 (the "**former management agreement**"). 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 former external manager. As part of the Internalization, the Trust terminated the former management agreement for a termination fee of $48,000 and received indemnification protection against certain liabilities arising from transactions occurring prior to the Internalization. The termination of the former management agreement resulted in the elimination of management and performance fees on a prospective basis.

In addition, in connection with the Internalization, the Trust acquired certain relevant assets of the former external manager for a purchase price of $1,000 pursuant to a certain asset purchase agreement. Following the Internalization, the employees of the former external manager transitioned to subsidiaries of DRI Healthcare Trust.

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**".

Key Corporate and Business Developments

Following a competitive request for proposal process led by the Audit Committee, on November 4, 2026, the Board of Trustees approved the appointment of PricewaterhouseCoopers LLP ("**PwC**") as the Trust's external auditor, effective on the business day following the filing of the Trust's audited consolidated financial statements for the year ending December 31, 2026 and Deloitte LLP's auditor's report thereon. Pursuant to Section 19.6 of the Amended and Restated Declaration of Trust dated as of May 15, 2025, PwC will be appointed as the Trust's external auditor effective on the same date to fill the vacancy and hold office until the Trust's 2027 annual unitholder meeting (the "**Meeting**"). To knowledge of the Trust, there have been no reportable events, as defined under securities regulations, in connection with the change of auditor. A change of auditor reporting package will be filed on SEDAR+ at www.sedarplus.ca in accordance with National Instrument 51-102.

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 September 30, 2026, our portfolio consisted of 29 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 AbbVie Inc. ("**AbbVie**"), Apellis Pharmaceuticals Inc. ("**Apellis**"), Biogen Inc. ("**Biogen**"), GSK plc ("**GSK**"), Galderma S.A. ("**Galderma**"), Johnson & Johnson Services, Inc. ("**Johnson & Johnson**"), Menarini Group ("**Menarini**"), Novartis AG ("**Novartis**"), Rayner Surgical Inc. ("**Rayner Surgical**"), Regeneron Pharmaceuticals Inc. ("**Regeneron**"), Hoffmann-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 September 30, 2026, we completed 17 royalty transactions related to 16 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 $214 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 AbbVie, Apellis, Biogen, GSK, Galderma, Johnson & Johnson, Menarini, Novartis, Rayner Surgical, Regeneron, Roche, Sanofi, Sobi, Vertex and Viridian. In addition, the Trust holds two financial royalty assets that it acquired from the Casgevy and Juvmo (tavapadon) transactions. The Casgevy royalties and one stream of the Juvmo (tavapadon) royalties are classified as financial royalty assets 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 September 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.

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
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
Juvmo (tavapadon)[vi]	Neurology	AbbVie	September 2026	Q4 2031
Lumvoa	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[vii]	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) Juvmo (tavapadon) includes two royalty streams as it is separated into an intangible royalty asset and a financial royalty asset due to the nature of the transaction, as described on page 6 of this MD&A.
(vii) Xenpozyme includes two royalty streams.

Key Developments Related to our Assets

Juvmo (tavapadon)

On September 25, 2026, the U.S. Food and Drug Administration ("**FDA**") approved Juvmo (tavapadon) for the treatment of motor symptoms that occur in Parkinson's disease ("**PD**"). The transaction was funded on September 29, 2026 through a combination of cash on hand and borrowings from the Trust's credit facility. 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 Juvmo (tavapadon) in the U.S.

Zejula impairment

During the three months ended September 30, 2026, the continued underperformance of the Zejula royalty asset represented an indicator of potential impairment that required the Trust to determine the recoverable amount of Zejula to assess if the asset was impaired. The recoverable amount as of September 30, 2026 was calculated using a discounted cash flow model based on revised forecasted cash flows adjusted for the impact of the current market environment. The key assumptions and sources of estimation uncertainty were related to the discount rate and future cash flows. Zejula has experienced product label restrictions and is facing competition. Based on the Trust's analysis, the net book value of Zejula exceeded its recoverable amount, and the Trust recorded an impairment of $14,613 as at September 30, 2026. As a result of recognizing the impairment, the net book value of the Zejula intangible royalty asset as at September 30, 2026 was $6,880, which represented the recoverable amount.

Lumvoa

On June 26, 2026, the FDA approved Lumvoa for the treatment of thyroid eye disease ("**TED**"). The Trust is entitled to tiered royalties on U.S. net sales of Lumvoa, 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 in the U.S. Pursuant to the purchase agreement, Viridian was entitled to a regulatory milestone payment equal to $75,000 upon regulatory approval. Accordingly, the Trust recognized a corresponding increase of $75,000 in the cost base of the Lumvoa royalty asset during the nine months ended September 30, 2026. The regulatory milestone payment was funded on July 10, 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 nine months ended September 30, 2026. The milestone payment was funded on June 1, 2026.

During the nine months ended September 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 top-line results from the elegrobart REVEAL-1 phase 3 clinical trial in patients with active TED. On May 5, 2026, Viridian announced positive top-line results from REVEAL-2, the second pivotal phase 3 clinical trial of elegrobart. While phase 3 REVEAL-1 and REVEAL-2 clinical trials of elegrobart met their respective primary endpoints, the pre-specified clinical milestone conditions under the Viridian purchase agreement were not satisfied. As a result, the Trust's aggregate potential remaining milestone payment obligations under the Viridian agreement were reduced by $40,000.

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 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 attacks. The Trust began receiving royalties related to the Ekterly royalty entitlement in the fourth quarter of 2025.

On July 6, 2026, the Trust exercised its contractual put option (the "**Put Option**") with respect to the Trust's royalty participation right in Ekterly for a total net repurchase price of $178,187 (the "**Put Price**"). The Put Option has been exercised in connection with the completion of Chiesi Group's acquisition of KalVista on June 11, 2026. On August 7, 2026, the Put Price payment was received in accordance with the terms of the royalty agreement, and the Trust is no longer 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 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.

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 ("**Deferred Carry Points**"). 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.

*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 nine months ended September 30, 2026, the Trust acquired and canceled 311,758 Units at an average price of $11.93, totaling $3,719. As at September 30, 2026, in aggregate, we acquired and canceled 4,924,516 Units at an average price per Unit of $7.39, totaling $36,377, under all current and previous normal course issuer bid plans ("**NCIB Plans**"). Our NCIB Plans are discussed further on page 26 of this MD&A.

Senior Notes

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

Preferred Securities

On February 10, 2026, the Trust repurchased and canceled $9,924 in face value of the 2024 Preferred Securities (as defined herein) 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 23 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.

On August 7, 2026, the board of trustees of the Trust declared a quarterly cash distribution of $0.11 per Unit totaling $6,035 to Unitholders of record as at September 30, 2026, which was paid on October 20, 2026.

We pay quarterly distributions in accordance with our distribution policy. Distributions are discussed in further detail in note 8 to the consolidated financial statements.

Transactions Completed

Juvmo (tavapadon)

On September 19, 2026, the Trust entered into purchase agreements to acquire certain royalty participation rights in the U.S. net sales of Juvmo (tavapadon) from funds managed by Bain Capital and NovaQuest Capital Management for an aggregate purchase price of $316,000 upon approval of Juvmo (tavapadon) by the FDA.

Following FDA approval of Juvmo (tavapadon) and the satisfaction of customary closing conditions, the transaction was completed on September 29, 2026, at which time the Trust funded the aggregate purchase price of $316,000. The transaction entitles the Trust to tiered royalties on annual U.S. net sales of Juvmo (tavapadon), at combined tiered, mid-single digit to low-double digit royalty rates, and certain sales milestone payments upon first reaching certain cumulative U.S. net sales thresholds. The Trust is also entitled to receive four annual fixed payments of $23,438 on or before the first four anniversaries of FDA approval of Juvmo (tavapadon), commencing on September 25, 2027. Under the terms of the purchase agreement, aggregate receipts are subject to a contractual hard cap of $437,500.

The transaction was funded through a combination of cash on hand and borrowings under the Trust's credit facility. 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 Juvmo (tavapadon) in the U.S.

The Trust recognized two assets as part of the transaction; an intangible royalty asset of $236,500 representing the tiered royalty interest and sales milestone payments, and a financial royalty asset of $79,500 representing the four annual fixed payments ("**Juvmo (tavapadon) fixed payments**"). Transaction costs of $670 and $225 were capitalized to the intangible royalty asset and the Juvmo (tavapadon) fixed payments financial asset, respectively.

Juvmo (tavapadon) is a novel selective dopamine D1/D5 receptor partial agonist developed as a once-daily oral treatment for Parkinson's disease, for use both with and without levodopa.

Key developments related to this royalty asset are further discussed on page 4 of this MD&A.

Xenpozyme

Key developments related to the Xenpozyme II transaction completed in 2024 are discussed on page 5 of this MD&A.

Lumvoa and elegrobart

On October 17, 2025, the Trust acquired a royalty interest in the U.S. net sales of Lumvoa 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 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.

As of September 30, 2026, certain pre-specified clinical milestone events totaling $40,000 defined under the purchase agreement have not been satisfied, 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 global phase 3 pivotal clinical trials, REVEAL-1 and REVEAL-2, in patients with active and chronic TED, respectively. During the first nine months of 2026, Viridian announced positive top-line 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.

Key developments related to the Lumvoa royalty asset are further discussed on page 4 of this MD&A and key developments related to the elegrobart royalty asset are further discussed on page 5 of this MD&A.

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.

On July 6, 2026, the Trust exercised its Put Option and is no longer entitled to royalty participation rights in Ekterly. Key developments related to this royalty asset are further discussed on page 5 of this MD&A.

Orserdu II Milestone Payment

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

Summary of Transactions Completed

The following is a summary of the transactions completed for the nine months ended September 30, 2026.

For the nine months ended September 30, 2026	Lumvoa Milestone Payment	Xenpozyme II Milestone Payment	Juvmo (tavapadon) Transaction	Total
Assets				
Intangible royalty assets	**$ 75,000**	**$ 6,500**	**$ 236,500**	**$ 318,000**
Financial royalty assets	**—**	**—**	**79,500**	**79,500**
Net acquired assets	**$ 75,000**	**$ 6,500**	**$ 316,000**	**$ 397,500**

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

For the year ended December 31, 2025	Orserdu II Milestone Payment	Ekterly Optional Payment	Lumvoa and elegrobart Transaction	Total
Assets				
Intangible royalty assets	$ 10,000	$ 22,000	$ 55,000	$ 87,000
Net acquired assets	**$ 10,000**	**$ 22,000**	**$ 55,000**	**$ 87,000**

FINANCIAL REVIEW: RESULTS OF OPERATIONS

During the three and nine months ended September 30, 2026, the Trust recorded net earnings of $46,505 and $51,543, respectively, and comprehensive earnings of $49,680 and $57,675, respectively (2025 – net loss of $57,860 and $59,236, respectively, and comprehensive loss of $57,676 and $60,208, 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		Nine months ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Income				
Royalty income	$ 46,053	$ 46,884	$ 140,879	$ 131,311
Financial royalty income[(i)]	647	1,173	3,963	2,830
Net gain (loss) on marketable securities	—	435	168	1,855
Other interest income	190	253	601	907
Total income	**46,890**	**48,745**	**145,611**	**136,903**
Expenses				
Amortization of intangible royalty assets	27,565	26,326	77,977	75,822
Impairment of intangible royalty assets	14,613	13,691	14,613	13,691
Management fees	—	—	—	6,733
Performance fees	—	—	—	533
Interest expense	8,496	10,252	28,158	28,887
Deal investigation and research expenses	1,042	1,119	2,645	3,531
Compensation expense	4,074	3,542	9,962	4,125
Unit-based compensation	577	1,150	1,850	2,580
General and administrative expenses	501	819	1,479	1,016
Other operating expenses	2,298	1,946	5,498	10,490
Total expenses	**59,166**	**58,845**	**142,182**	**147,408**
Net gain on disposition of royalty assets	**59,883**	**—**	**59,883**	**—**
Gain (loss) on debt refinancing	**—**	**—**	**(9,794)**	(971)
Net unrealized gain (loss) on derivative instruments	**359**	**—**	**(1,153)**	**—**
Net unrealized gain (loss) on foreign exchange remeasurement	**(311)**	**—**	**2,956**	**—**
Termination fee	**—**	(48,000)	**—**	(48,000)
Net earnings (loss) before tax	**47,655**	**(58,100)**	**55,321**	**$ (59,476)**
Income tax recovery (expense)	**(1,150)**	240	**(3,778)**	240
Net earnings (loss)	**46,505**	**(57,860)**	**51,543**	**$ (59,236)**
Other comprehensive earnings (loss)				
Net unrealized gain (loss) on derivative instruments	3,175	184	6,132	(972)
Comprehensive earnings (loss)	**$ 49,680**	**$ (57,676)**	**$ 57,675**	**$ (60,208)**

(i) Following the Q3 2026 acquisition of the Juvmo (tavapadon) fixed payments, as discussed on page 6 of this MD&A, the Trust holds two financial royalty assets: Casgevy, measured at fair value, and the Juvmo (tavapadon) fixed payments, measured at amortized cost. Accordingly, during the three and nine months ended September 30, 2026, the Trust renamed the line previously presented as "Change in fair value of financial royalty assets" to "Financial royalty income" as it includes both the change in fair value of the Casgevy royalty asset and the income earned on the Juvmo (tavapadon) fixed payments, as discussed on page 10 of this MD&A.

Royalty income

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

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

	Three months ended				Nine months ended			
	September 30, 2026	September 30, 2025	$ Change	% Change	September 30, 2026	September 30, 2025	$ Change	% Change
Intangible Royalty Assets								
Ekterly[i]	$ 120	$ 821	$ (701)	(85)%	$ 3,845	$ 821	$ 3,024	368 %
Empaveli/Syfovre[ii]	159	123	36	29 %	4,997	4,900	97	2 %
Eylea I	1,015	1,244	(229)	(18)%	2,937	3,612	(675)	(19)%
Eylea II	212	268	(56)	(21)%	617	778	(161)	(21)%
Lumvoa/elegrobart	1,850	—	1,850	n/a	1,850	—	1,850	n/a
Omidria	9,318	9,152	166	2 %	26,012	24,403	1,609	7 %
Oracea	889	811	78	10 %	2,830	2,913	(83)	(3)%
Orserdu I	9,570	9,535	35	— %	26,505	24,055	2,450	10 %
Orserdu II	9,570	9,535	35	— %	26,833	24,715	2,118	9 %
Rydapt	592	805	(213)	(26)%	1,848	3,238	(1,390)	(43)%
Spinraza	4,179	3,772	407	11 %	11,669	11,265	404	4 %
Vonjo I	3,303	3,045	258	8 %	9,417	8,489	928	11 %
Vonjo II	703	662	41	6 %	1,985	1,862	123	7 %
Xenpozyme[iii]	1,553	1,165	388	33 %	4,241	3,513	728	21 %
Xenpozyme[iii] – milestone royalty income	—	—	—	n/a	450	—	450	n/a
Xolair	2,584	3,782	(1,198)	(32)%	11,329	10,491	838	8 %
Zejula	(4)	1,228	(1,232)	(100)%	2,316	3,463	(1,147)	(33)%
Zytiga	129	391	(262)	(67)%	(54)	773	(827)	(107)%
Other Products[iv]	311	545	(234)	(43)%	1,252	2,020	(768)	(38)%
Total Royalty Income	**$ 46,053**	**$ 46,884**	**$ (831)**	**(2)%**	**$ 140,879**	**$ 131,311**	**$ 9,568**	**7 %**

(i) On July 6, 2026, the Trust exercised its Put Option under the Ekterly royalty agreement, as discussed on page 5 of this MD&A. As a result, royalty income recognized for the three months ended September 30, 2026 reflects only the period from July 1, 2026 to July 6, 2026.
(ii) Empaveli/Syfovre includes two royalty streams on each product.
(iii) Xenpozyme includes two royalty streams.
(iv) Other Products includes intangible royalty assets which are not individually material, as well as intangible royalty assets which are fully amortized or, where applicable, the entitlements to which have substantially expired. 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 begins receiving economic benefit from the royalty asset.

Royalty income for the three months ended September 30, 2026 was $46,053, which decreased by $831 or 2% compared to the same period in 2025. The decrease in royalty income is primarily driven by $1,198 in lower revenue for Xolair due to a one-time revenue adjustment recorded in 2025, and $1,232 in lower revenue for Zejula due to continued decreasing sales from FDA label restrictions. Royalty income also decreased compared to the prior year as a full quarter of income for the Ekterly asset was recognized in the prior year, while the current period reflects income for this asset only from July 1, 2026 through July 6, 2026, the date the Trust exercised its Put Option under the Ekterly agreement. Partially offsetting the decrease in royalty income for the three months ended September 30, 2026 is the inclusion of royalty income from Lumvoa, which began earning income in the current period.

Royalty income for the nine months ended September 30, 2026 was $140,879, which increased by $9,568 or 7% compared to the same period in 2025. The increase in royalty income is primarily driven by the inclusion of $3,024 in Ekterly royalty income as the Trust began recording royalty income for Ekterly at the start of Q3 2025 and the inclusion of $1,850 in Lumvoa royalty income as the Trust began recording royalty income for Lumvoa at the start of the current period. Additionally, higher royalty income of $4,568 and $1,609 was recognized for Orserdu and Omidria, respectively, both due primarily to growth in sales. Partially offsetting these increases were $1,390 in lower revenue for Rydapt as prior year income included a one-time upward adjustment in sales, and $1,147 in lower revenue for Zejula due to continued decreasing sales from FDA label restrictions.

Financial royalty income

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 stream is classified as a financial royalty asset measured at fair value and changes in fair value are recognized in net earnings.

On September 29, 2026, the Trust acquired a financial royalty asset through the Juvmo (tavapadon) transaction representing the four annual fixed payments irrevocably earned and payable on or before the first four anniversaries of FDA approval of Juvmo (tavapadon), as described on page 6 of this MD&A. As a result of the nature of the contractual cash flows from the transaction, which consist of fixed and determinable amounts not dependent on the underlying pharmaceutical product, the Trust's entitlement to these fixed payments is classified as a financial royalty asset measured at amortized cost and income from these fixed payments based on an effective interest rate is recognized in net earnings.

During the three months ended September 30, 2026, the Trust recorded income from financial royalty assets of $647 (2025 – $1,173), of which $14 relates to interest earned on the Juvmo (tavapadon) fixed payments (2025 – nil) and $633 relates to the change in fair value of the Casgevy royalty asset (2025 – $1,173). During the nine months ended September 30, 2026, the Trust recorded income from financial royalty assets of $3,963 (2025 – $2,830), of which $14 relates to interest earned on the Juvmo (tavapadon) fixed payments (2025 – nil) and $3,949 relates to the change in fair value of the Casgevy royalty asset (2025 – $2,830).

The net change in fair value of the Casgevy royalty asset during the nine months ended September 30, 2026 is composed of accretion towards future value due to the passage of time of $5,769 and a decrease in fair value of $1,820 due to movements in the risk-free rate. The net change in fair value of the Casgevy royalty asset during the nine months ended September 30, 2025 is composed of accretion towards future value due to the passage of time of $5,748, an increase in fair value of $768 due to movements in the risk-free rate, and a decrease in fair value of $3,686 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 resulted in a net gain of $168 recognized during Q1 2026, after which the Trust no longer holds any marketable securities.

During the three and nine months ended September 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 gain of $435 and $1,855, 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 nine months ended September 30, 2026, the Trust recorded amortization of intangible royalty assets of $27,565 and $77,977, respectively (2025 – $26,326 and $75,822, respectively).

The increase in amortization expense compared to the prior period is primarily due to the commencement of amortization of Lumvoa and Juvmo (tavapadon) following their respective FDA approvals during 2026. The increase was partially offset by the discontinuance of amortization on the Ekterly asset following its disposition, as well as prior year impairments recorded on the Omidria and Vonjo II assets, which reduced their amortizable base and thus their amortization.

Impairment of intangible royalty assets

During the three and nine months ended September 30, 2026, an impairment loss of $14,613 was recognized related to the Zejula intangible royalty asset as described on page 4 of this MD&A. Due to the impairment indicators identified, the Zejula asset's net recoverable amount was calculated using an adjusted cash flow forecast and a discount rate of 8%. The difference between the calculated recoverable amount and the net book value was recorded as an impairment.

During the three and nine months ended September 30, 2025, an impairment loss of $13,691 was recognized related to the Vonjo II intangible royalty asset, as described on page 5 of this MD&A. Due to the impairment indicators identified, the Vonjo II asset's net recoverable amount was calculated using an adjusted cash flow forecast and a discount rate of 8%. The difference between the calculated recoverable amount and the net book value was recorded as an impairment.

Management fees

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

Performance fees

During the three and nine months ended September 30, 2026, the Trust did not incur or pay performance fees as a result of the termination of the former management agreement in connection with the Internalization, as described on page 2 of this MD&A. During the three and nine months ended September 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 nine months ended September 30, 2026 and 2025 is presented below. The decrease in total interest expense during the three and nine months ended September 30, 2026 is primarily due to lower combined interest charged, including accretion to par value, as lower interest rates were applied on the Senior Notes and debentures and credit facility principal amount outstanding decreased compared to the prior period. This decrease was partially offset by higher standby fees incurred during the three and nine months ended September 30, 2026 compared to the same periods in 2025.

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 23 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 nine months ended September 30, 2026, the Trust recorded an increase in interest due to the interest rate swap of $215 and $699, respectively (2025 – reduction of $18 and $57, respectively).

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Interest on credit facility net borrowings	$ 1,061	$ 6,016	$ 8,283	$ 16,301
Standby fees	558	276	1,372	886
Amortization of deferred transaction costs	271	513	1,498	1,044
Increase (reduction) in interest expense from interest rate swap	215	(18)	699	(57)
Total interest expense on credit facility	**$ 2,105**	**$ 6,787**	**$ 11,852**	**$ 18,174**
Interest on preferred securities	$ 672	$ 2,367	$ 3,373	$ 7,371
Accretion of par value	308	959	1,474	2,891
Amortization of deferred transaction costs	43	139	266	451
Total interest expense on preferred securities	**$ 1,023**	**$ 3,465**	**$ 5,113**	**$ 10,713**
Interest on debentures	$ 1,124	$ —	$ 2,393	$ —
Accretion of par value	523	—	1,101	—
Amortization of deferred transaction costs	174	—	369	—
Total interest expense on debentures	**$ 1,821**	**$ —**	**$ 3,863**	**$ —**
Interest on Senior Notes	$ 3,452	$ —	$ 7,134	$ —
Amortization of deferred transaction costs	95	—	196	—
Total interest expense on senior notes	**$ 3,547**	**$ —**	**$ 7,330**	**$ —**
Total interest expense	**$ 8,496**	**$ 10,252**	**$ 28,158**	**$ 28,887**

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 nine months ended September 30, 2026, the Trust recorded deal investigation and research expenses of $1,042 and $2,645, respectively (2025 – $1,119 and $3,531, respectively). The year-over-year decrease is primarily due to lower legal costs and consulting costs in the current period compared to the same periods in 2025.

Compensation expense

During the three and nine months ended September 30, 2026, the Trust recognized compensation expense of $4,074 and $9,962, respectively, compared to $3,542 and $4,125, respectively, recorded in the same period in 2025. The increase for the three months ended September 30, 2026 compared to the same period in 2025 is primarily due to higher accrued compensation driven by strong business performance in 2026. The increase is partially offset by a one-time organizational restructuring cost of $709 related to severance paid to the former Chief Financial Officer of the Trust which was included in compensation expense for the three and nine months ended September 30, 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. During the first half of 2025, compensation expense only included compensation paid to the Trust's Chief Executive Officer and the Chief Financial Officer as the Trust had no personnel. Since July 1, 2025, in connection with the Internalization, the compensation of employees that were transferred to subsidiaries of the Trust is being recorded in the Trust's financial results as compensation expense.

The Trust provides carry compensation under its Carry Plan, which was approved May 15, 2026, as described on page 5 of this MD&A. During the three and nine months ended September 30, 2026, the Trust recognized $60 and $60, respectively, related to the Carry Plan to be settled in cash (2025 – nil).

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 nine months ended September 30, 2026, the unit-based compensation expense was $577 and $1,850, respectively, compared to $1,150 and $2,580, respectively, recorded during the same period in 2025, and was composed of Restricted Unit ("**RU**") grants, net of RU vestings and any RU forfeitures during the period. As at September 30, 2026, the unit-based compensation liability was $1,062 (December 31, 2025 – $1,903), composed of a current portion of $628 and a long-term portion of $434 (December 31, 2025 – $1,704 and $199, respectively) related to the outstanding awards.

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

	Restricted Units
Balance – December 31, 2024	**437,371 Units**
Granted on July 1, 2025[(i)]	99,254 Units
Granted on July 1, 2025[(ii)]	99,254 Units
Granted on September 4, 2025[(iii)]	7,580 Units
Granted on September 4, 2025[(iv)]	13,125 Units
Distribution equivalent Units granted[(v)]	10,123 Units
Vesting of Restricted Units	(348,078) Units
Forfeiture of Restricted Units	(4,243) Units
Balance – September 30, 2025	**314,386 Units**
Restricted Units granted:	
Granted on October 15, 2025[(ii)]	17,158 Units
Granted on November 10, 2025[(vi)]	8,917 Units
Distribution equivalent Units granted[(v)]	2,607 Units
Vesting of Restricted Units	(41,852) 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[(ii)]	**9,102 Units**
Granted on July 1, 2026[(ii)]	**85,713 Units**
Granted on August 17, 2026[(viii)]	**15,042 Units**
Distribution equivalent Units granted[(v)]	**6,273 Units**
Vesting of Restricted Units	**(210,312) Units**
Balance – September 30, 2026	**223,196 Units**

(i) Vested equally on a quarterly basis beginning October 1, 2025 until July 1, 2026.
(ii) Vesting equally over three years on each anniversary date.
(iii) Vesting equally on September 10, 2025, September 10, 2026 and September 10, 2027.
(iv) Vesting equally on April 1, 2026, April 1, 2027 and April 1, 2028.
(v) 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.
(vi) Vested equally on a quarterly basis beginning November 13, 2025 until August 13, 2026.
(vii) Vesting on March 31, 2029.
(viii) Vesting equally on a monthly basis beginning September 1, 2026 until January 1, 2027.

No Options or Performance Units ("**PUs**") were granted as at September 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. The maximum number of Units authorized to be issued under the Carry Plan is 1,000,000. For the three and nine months ended September 30, 2026, the Trust recorded $18 and $18, respectively, related to Deferred Carry Points granted (2025 – nil). The Deferred Carry Points granted during the three and nine months ended September 30, 2026 vest on December 31, 2029.

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 nine months ended September 30, 2026, the Trust recorded general and administrative expenses of $501 and $1,479, respectively (2025 – $819 and $1,016, respectively). The decrease for the three months ended September 30, 2026 is primarily due to 2025 expenses including $252 in transitional services incurred as part of the Internalization transaction.

The increase for the nine months ended September 30, 2026 is primarily due to the change in cost structure following Internalization. Prior to Internalization, certain administrative costs were included in the management fee paid to the former external manager. Since Internalization on July 1, 2025, these costs are incurred directly by the Trust and are recorded in G&A. As a result, the 2026 period reflects a full nine months of these costs in G&A, compared to only a partial period in 2025. The increase is partially offset by synergies realized driven by Internalization efficiencies. General and administrative expenses for the three and nine months ended September 30, 2026 included expenses of $119 and $296, respectively, related to the depreciation of fixed assets and other intangible assets, $94 and $261, respectively, related to premises and office expenses, including insurance, and $107 and $546, 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 nine months ended September 30, 2026, the Trust recorded total other operating expenses of $2,298 and $5,498, respectively, compared to $1,946 and $10,490, respectively, recorded in the same periods during 2025. The change year-over-year is described in more detail below.

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

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Board of trustees fees	$ 425	$ 416	$ 1,133	$ 1,271
Professional fees	319	664	1,544	7,204
Other expenses	1,554	866	2,821	2,015
Total other operating expenses	**$ 2,298**	**$ 1,946**	**$ 5,498**	**$ 10,490**

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 nine months ended September 30, 2026, the Trust recorded board of trustees fees of $425 and $1,133, respectively, which is an increase of $9 and a decrease of $138, respectively, compared to the corresponding periods in 2025. The increase is primarily due to more board of trustee members appointed during 2026. The decrease during the nine months ended September 30, 2026 is due to the inclusion of $230 in special committee fees paid to the Board of Trustees during the nine months ended September 30, 2025 related to the investigation and Internalization, described on page 2 of this MD&A.

Included in Board of trustees fees for the three and nine months ended September 30, 2026 are costs related to the issuance of DUs and related distribution equivalents of $344 and $910, respectively (2025 – $370 and $926, respectively). These amounts relate to 14,484 and 42,431 DUs, respectively, issued in lieu of cash compensation to trustees (2025 – 15,105 and 47,985, respectively), and to 2,232 and 6,447 distribution equivalent Units issued in connection with the quarterly distributions, respectively (2025 – 1,836 and 6,147, respectively). The total fair value of the DUs vested but not settled was $3,347 as at September 30, 2026 (December 31, 2025 – $2,437) and is included in other current liabilities.

Professional fees

For the three and nine months ended September 30, 2026, the Trust recorded total professional fees of $319 and $1,544, respectively, which is a decrease of $344 and $5,659, respectively, compared to the corresponding periods in 2025. Professional fees consisted of professional services including audit, legal, tax, valuation and consulting. Included in professional fees during the nine months ended September 30, 2026 is $344 related to the issuance of the conversion option on the Trust's debentures, as described on page 24 of this MD&A. This is a one-time cost in 2026 not expected to recur.

The decrease was primarily due to non-recurring costs incurred during the three and nine months ended September 30, 2025, including $28 and $2,087, 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 $130 and $4,202, respectively, of legal expenses related to entity management in connection with the Internalization. These incremental governance and entity management costs associated with the 2024 Investigation and Internalization did not recur in 2026.

Other expenses

Other expenses for the three and nine months ended September 30, 2026 were $1,554 and $2,821, respectively (2025 – $866 and $2,015, respectively) and included $255 and $755 in donations, respectively (2025 – $250 and $763, respectively), primarily related to the pledge agreement with the Mayo Clinic, as described on page 28 of this MD&A. The increase in other expenses for the three and nine months ended September 30, 2026 is primarily due to higher non-recoverable HST on intercompany administrative services provided to a subsidiary of the Trust. These intercompany administrative charges are eliminated on consolidation but they remain subject to HST.

Net gain on disposition of royalty assets

On July 6, 2026, the Trust exercised its Put Option in connection with its royalty participation right in Ekterly for total proceeds of $178,187, as described on page 5 of this MD&A. Of this amount, $1,977 offset the royalties receivable recognized prior to the exercise of the Put Option, with the remaining $176,210 attributable to the disposition of the royalty asset. As at July 6, 2026, the royalty asset had a net book value of $116,327. As a result, the Trust recognized a gain on disposition of $59,883 for the three and nine months ended September 30, 2026.

Gain (loss) on debt refinancing

For the three and nine months ended September 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 23 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 23 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 nine months ended September 30, 2025, the Trust recognized a net loss of nil and $971, respectively, related to the partial purchase and cancellation of the 2024 Preferred Securities.

Termination fee

On July 1, 2025, in connection with the Internalization as described on page 2 of this MD&A, the Trust terminated the management agreement with the former external manager for $48,000. As a result, during the year ended December 31, 2025, the Trust recorded a loss in the consolidated statements of net earnings (loss) and comprehensive earnings (loss) due to termination fees of $48,000.

Income tax expense (recovery)

Related to the updated corporate structure of the Trust as a result of the Internalization, as described on page 2 of this MD&A, certain subsidiaries of the Trust are subject to income taxes starting July 1, 2025. No income tax was payable by the Trust itself for the periods presented. As a SIFT trust, the Trust is subject to tax on any non-portfolio earnings. The reported income tax expense reflects taxes payable by certain Trust subsidiaries. During the three and nine months ended September 30, 2026, the Trust recorded an income tax expense of $1,150 and $3,778, respectively (2025 – income tax recoveries of $240 and $240, respectively).

Net unrealized gain (loss) on derivative instruments

Interest rate swap

The Trust uses an interest rate swap as a derivative financial instrument designated as a cash flow hedge to manage its exposure to fluctuations in interest rates on its amended credit agreement. As a result of the October 3, 2025 amendment to the amended credit agreement, on December 1, 2025, the Trust modified and consolidated its existing interest rate swaps into a single $150,000 notional interest rate swap maturing on September 28, 2029. The Trust discontinued hedge accounting for the previous swaps and designated the new interest rate swap 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 Secured Overnight Financing Rate ("**SOFR**") interest rate, offsetting the floating component on a portion of the credit facility.

During the three and nine months ended September 30, 2026, the Trust recorded $122 and $358, 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 $3,175 and $6,132, respectively (2025 – net gain of $184 and net loss of $972, respectively) into other comprehensive earnings 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. On September 29, 2026, the hedge became fully effective as the outstanding principal balance on the credit facility was higher than the notional amount of the interest rate swap.

The details of the interest rate swap are as follows:

Derivative Instruments	Maturity Date	Notional Value	Fair Value as at September 30, 2026	Fair Value as at December 31, 2025
Interest rate swap	September 28, 2029	$ 150,000	$ 4,383	$ (1,486)

Conversion option

In connection with the issuance of debentures, as described on page 24 of this MD&A, the Trust recognized an embedded derivative liability for the conversion option of the debentures. During the three and nine months ended September 30, 2026, the Trust recognized a net gain of $237 and net loss of $1,511, 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 nine months ended September 30, 2026, the Trust recorded a net loss of $311 and a net gain of $2,956, respectively, related to the remeasurement of its debentures and conversion option (2025 – nil and nil, respectively).

Weighted average number of Units

For the three months ended September 30, 2026, the Trust generated basic and diluted net earnings (loss) per Unit of $0.85 and $0.84, respectively (2025 – $(1.05) and $(1.05), respectively). For the nine months ended September 30, 2026, the Trust generated basic and diluted net earnings (loss) per Unit of $0.94 and $0.93, respectively (2025 – $(1.06) and $(1.06), respectively). The weighted average number of Units outstanding for the purpose of calculating net earnings (loss) per Unit was as follows:

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Basic	**54,982,140 Units**	55,351,226 Units	**55,009,341 Units**	55,944,375 Units
Diluted	**55,251,123 Units**	55,351,226 Units	**55,238,533 Units**	55,944,375 Units

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	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31
Total assets	**$ 1,126,851**	**$ 978,029**	**$ 916,384**	$ 942,819	$ 909,046	$ 967,257	$ 962,045	$ 984,867
Long-term debt	**570,953**	**372,348**	**388,968**	415,851	391,238	389,349	362,065	374,802
Three months ended	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31
Total income	**$ 46,890**	**$ 50,077**	**$ 48,644**	$ 61,686	$ 48,745	$ 44,130	$ 44,028	$ 61,521
Total expenses	**(59,166)**	**(40,862)**	**(42,154)**	(53,995)	(58,845)	(42,783)	(45,780)	(54,520)
Net gain on disposition of royalty assets	**59,883**	**—**	**—**	—	—	—	—	—
Gain (loss) on debt refinancing	**—**	**—**	**(9,794)**	789	—	(971)	—	—
Net unrealized gain (loss) on derivative instruments	**359**	**(1,765)**	**253**	—	—	—	—	—
Net unrealized gain (loss) on foreign exchange remeasurement	**(311)**	**1,603**	**1,664**	—	—	—	—	—
Termination fee	**—**	**—**	**—**	—	(48,000)	—	—	—
Income tax recovery (expense)	**(1,150)**	**(3,031)**	**403**	285	240	—	—	—
Net earnings (loss)	**$ 46,505**	**$ 6,022**	**$ (984)**	$ 8,765	$ (57,860)	$ 376	$ (1,752)	$ 7,001
Net unrealized gain (loss) on derivative instruments	**3,175**	**1,514**	**1,443**	333	184	(1,076)	(80)	871
Comprehensive earnings (loss)	**$ 49,680**	**$ 7,536**	**$ 459**	$ 9,098	$ (57,676)	$ (700)	$ (1,832)	$ 7,872
Net earnings (loss) per Unit								
Basic	**$ 0.85**	**$ 0.11**	**$ (0.02)**	$ 0.16	$ (1.05)	$ 0.01	$ (0.03)	$ 0.12
Diluted	**$ 0.84**	**$ 0.11**	**$ (0.02)**	$ 0.16	$ (1.05)	$ 0.01	$ (0.03)	$ 0.12
Distributions per Unit[(i)]								
Cash	**$ 0.1100**	**$ 0.1100**	**$ 0.1100**	$ 0.1000	$ 0.1000	$ 0.1000	$ 0.1000	$ 0.0850
Unit[(ii)]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	$ 0.0237
Weighted average number of Units								
Basic	**54,982,140**	**55,007,167**	**55,039,344**	55,116,438	55,351,226	55,685,363	56,307,817	56,282,403
Diluted	**55,251,123**	**55,374,923**	**55,039,344**	55,311,470	55,351,226	55,685,363	56,307,817	56,678,956

(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.

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. For the three and nine months ended September 30, 2026, Total Cash Receipts were adjusted for the proceeds from disposition of the Ekterly royalty asset, as described on page 5 of this MD&A, to calculate Normalized Total Cash Receipts.

	Cash Receipts				Cash Receipts			
	Three months ended September 30, 2026	Three months ended September 30, 2025	$ Change	% Change	Nine months ended September 30, 2026	Nine months ended September 30, 2025	$ Change	% Change
Royalty Assets								
Casgevy	$ —	$ —	$ —	n/a	$ 5,000	$ 5,000	$ —	— %
Ekterly[i]	1,977	—	1,977	n/a	5,969	—	5,969	n/a
Empaveli/Syfovre	2,213	1,715	498	29 %	3,524	2,987	537	18 %
Eylea I	1,015	1,245	(230)	(18)%	3,154	3,925	(771)	(20)%
Eylea II	211	268	(57)	(21)%	664	847	(183)	(22)%
Omidria	9,168	8,314	854	10 %	26,199	25,301	898	4 %
Oracea	992	1,175	(183)	(16)%	2,843	3,755	(912)	(24)%
Orserdu I	8,655	8,110	545	7 %	28,534	22,397	6,137	27 %
Orserdu I – milestone royalty income	—	—	—	n/a	5,000	633	4,367	690 %
Orserdu II	8,983	8,769	214	2 %	27,564	32,575	(5,011)	(15)%
Orserdu II – milestone royalty income	—	—	—	n/a	—	5,523	(5,523)	(100)%
Rydapt	623	813	(190)	(23)%	1,979	2,749	(770)	(28)%
Spinraza	4,179	3,727	452	12 %	11,530	11,470	60	1 %
Vonjo I	3,171	2,890	281	10 %	9,159	8,538	621	7 %
Vonjo II	675	623	52	8 %	1,977	1,974	3	— %
Xenpozyme	—	—	—	n/a	2,879	1,913	966	50 %
Xenpozyme – milestone royalty income	—	—	—	n/a	450	—	450	n/a
Xolair	4,676	3,808	868	23 %	9,873	8,343	1,530	18 %
Zejula	509	1,228	(719)	(59)%	2,519	3,280	(761)	(23)%
Zytiga	—	—	—	n/a	1,762	2,230	(468)	(21)%
Other Products[ii]	420	960	(540)	(56)%	1,699	2,347	(648)	(28)%
Total Cash Royalty Receipts	**$ 47,467**	**$ 43,645**	**$ 3,822**	**9 %**	**$ 152,278**	**$ 145,787**	**$ 6,491**	**4 %**
Proceeds from disposition of royalty assets[i]	176,210	—	176,210	n/a	176,210	—	176,210	n/a
Total Cash Receipts	**$ 223,677**	**$ 43,645**	**$180,032**	**412 %**	**$ 328,488**	**$ 145,787**	**$182,701**	**125 %**
Proceeds from disposition of royalty assets[i]	(176,210)	—	(176,210)	n/a	(176,210)	—	(176,210)	n/a
Normalized Total Cash Receipts	**$ 47,467**	**$ 43,645**	**$ 3,822**	**9 %**	**$ 152,278**	**$ 145,787**	**$ 6,491**	**4 %**

(i) The Trust received total proceeds of $178,187 in relation to the disposition of Ekterly, as described on page 5 of this MD&A. $1,977 is related to cash royalty receipts and $176,210 is related to exercise of the Put Option of the Ekterly royalty asset. Disposition of royalty assets are not expected to recur in the normal course of operations, as such, proceeds from disposition are not included in Normalized Total Cash Receipts.

(ii) 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 asset Natpara are included in Other Products.

Q3 Total Cash Receipts, Normalized Total Cash Receipts and Total Cash Royalty Receipts

Total Cash Royalty Receipts and Normalized Total Cash Receipts during the three months ended September 30, 2026 increased by $3,822 or 9% compared to the same period in 2025. The increase was driven primarily by the inclusion of royalties from the Ekterly royalty stream, which only began earning cash receipts in Q4 2025. In addition, higher royalties were received from Xolair and Omidria due to improved sales. The increase in cash royalty receipts was partially offset by a decline in Zejula due to FDA label restrictions and the continued decline of Other Products due to expected expiries.

Total Cash Receipts during the three months ended September 30, 2026 included proceeds from the exercise of the Put Option of the Ekterly royalty assets of $176,210.

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

Total Cash Royalty Receipts and Normalized Total Cash Receipts during the nine months ended September 30, 2026 increased by $6,491 or 4% compared to the same period in 2025. The increase was primarily driven by the inclusion of royalties from the Ekterly royalty stream, which only began earning cash receipts in Q4 2025. In addition, cash royalty receipts during the nine months ended September 30, 2026 included higher Xenpozyme royalties due to sales growth in various regions and milestone income of $450 resulting from the achievement of a certain pre-specified clinical threshold.

Cash receipts for Orserdu I also increased from prior year 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.

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 entry into the market impacting the sales of Oracea; and the decline in Zejula sales due to FDA label restrictions.

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 and proceeds from disposition of royalty assets.

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

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Total income	$ 46,890	$ 48,745	$ 145,611	$ 136,903
[−] Other interest income	(190)	(253)	(601)	(907)
[+] Net (gain) loss on marketable securities	—	(435)	(168)	(1,855)
[+] Royalties receivable, beginning of period	54,723	49,647	59,708	62,362
[−] Royalties receivable, end of period	(53,309)	(52,886)	(53,309)	(52,886)
[+] Financial royalty assets, beginning of period	55,592	54,184	57,276	57,527
[+] Financial royalty assets, acquired during period[(i)]	79,725	—	79,725	—
[−] Financial royalty assets, end of period	(135,964)	(55,357)	(135,964)	(55,357)
[+] Proceeds from disposition of royalty assets[(ii)]	176,210	—	176,210	—
[=] Total Cash Receipts	**$ 223,677**	**$ 43,645**	**$ 328,488**	**$ 145,787**
[−] Proceeds from disposition of royalty assets[(ii)]	(176,210)	—	(176,210)	—
[=] Total Cash Royalty Receipts and Normalized Total Cash Receipts	**$ 47,467**	**$ 43,645**	**$ 152,278**	**$ 145,787**

(i) Financial royalty assets acquired during the period relates to the Juvmo (tavapadon) transaction, as described on page 6 of this MD&A.
(ii) On July 6, 2026, the Trust exercised its Put Option under the Ekterly purchase agreement, as described on page 5 of this MD&A. The proceeds from the disposition of the Ekterly royalty asset represents cash received by the Trust in the quarter that is not expected to recur in the normal course of operations. As such, this item is not included in Normalized Total Cash Receipts.

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 September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Comprehensive earnings (loss)	$ 49,680	$ (57,676)	$ 57,675	$ (60,208)
[+] Amortization of intangible royalty assets	27,565	26,326	77,977	75,822
[+] Impairment of intangible royalty assets	14,613	13,691	14,613	13,691
[+] Depreciation of fixed assets and other intangible assets[(i)]	119	136	296	136
[+] Income tax expense (recovery)	1,150	(240)	3,778	(240)
[−] Other interest income	(190)	(253)	(601)	(907)
[+] Interest expense	8,496	10,252	28,158	28,887
[=] EBITDA	**101,433**	**(7,764)**	**181,896**	**57,181**
[+] Royalties receivable, beginning of period	54,723	49,647	59,708	62,362
[−] Royalties receivable, end of period	(53,309)	(52,886)	(53,309)	(52,886)
[−] Performance fees payable, beginning of period	—	—	—	(1,665)
[+] Performance fees payable, end of period	—	—	—	—
[+] Financial royalty assets, beginning of period	55,592	54,184	57,276	57,527
[+] Financial royalty assets, acquired during period[(ii)]	79,725	—	79,725	—
[−] Financial royalty assets, end of period	(135,964)	(55,357)	(135,964)	(55,357)
[+] Unrealized (gain) loss on marketable securities[(iii)]	—	(435)	1,261	(1,855)
[+] Unit-based compensation	577	1,150	1,850	2,580
[+] Board of trustees' unit-based compensation[(iv)]	343	370	910	926
[+] (Gain) loss on debt refinancing	—	—	9,794	971
[+] Termination fee[(v)]	—	48,000	—	48,000
[+] Net (gain) loss on disposition of royalty assets[(vi)]	(59,883)	—	(59,883)	—
[+] Net (gain) loss on foreign exchange remeasurement	311	—	(2,956)	—
[+] Net unrealized (gain) loss on derivative instruments	(3,534)	(184)	(4,979)	972
[=] Adjusted EBITDA	**$ 40,014**	**$ 36,725**	**$ 135,329**	**$ 118,756**

(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) Financial royalty assets acquired during the period relates to the Juvmo (tavapadon) transaction, as described on page 6 of this MD&A.
(iii) 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.
(iv) 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 13 of this MD&A.
(v) For the three and nine months ended September 30, 2025 the Trust paid a termination fee as part of the Internalization of its former external manager, as described further on page 2 of this MD&A.
(vi) During the three and nine months ended September 30, 2026, the Trust disposed of its royalty interest in Ekterly, as described on page 5 of this MD&A.

EBITDA during the three and nine months ended September 30, 2026 was $101,433 and $181,896, respectively, representing an increase of $109,197 and $124,715, respectively, compared to the same periods in 2025. The increase is primarily due to the Trust recognizing a gain on the disposition of Ekterly of $59,883 during the three and nine months ended September 30, 2026, in addition to the Trust paying a termination fee of $48,000 during the same period in 2025. Both events are not expected to recur, and both are not included in Adjusted EBITDA.

Adjusted EBITDA during the three and nine months ended September 30, 2026 was $40,014 and $135,329, respectively, representing an increase of $3,289 and $16,573, respectively, or 9% and 14%, respectively, compared to the same period in 2025. Adjusted EBITDA is greater during the three and nine months ended September 30, 2026 compared to the prior period primarily due to higher Total Cash Royalty Receipts.

Adjusted EBITDA is impacted by certain non-recurring expenses. The table below details non-recurring expenses incurred during the three and nine months ended September 30, 2026 and 2025.

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Non-recurring expenses				
Organizational restructuring costs[(i)]	$ —	$ 709	$ —	$ 709
Transition fees[(ii)]	—	252	—	252
Special committee fees[(iii)]	—	—	—	230
Professional fees related to improving governance[(iv)]	—	28	—	2,087
Professional fees related to Internalization[(iv)]	—	130	—	4,202
Conversion option issuance costs[(v)]	—	—	344	—
Total non-recurring expenses	**$ —**	**$ 1,119**	**$ 344**	**$ 7,480**

(i) Included in compensation expense is a one-time organizational restructuring cost that is not expected to recur.
(ii) Transition fees are included in general and administrative expenses for services rendered during the transition from the former external manager as part of the Internalization, as described on page 2 of this MD&A.
(iii) Included in board of trustee fees within other operating expenses were special committee costs related to the internal investigation and Internalization.
(iv) Various professional fees were incurred by the Trust related to improving governance in the aftermath of the investigation of irregular expenses in 2024, and related to the Internalization, as described on page 2 of this MD&A. These costs are included in professional fees within other operating expenses and are non-recurring by nature.
(v) 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 24 of this MD&A. These costs are included in professional fees within other operating expenses and are non-recurring by nature.

Adjusted EBITDA, without the non-recurring expenses detailed above of nil and $344 for the three and nine months ended September 30, 2026, respectively (2025 – $1,119 and $7,480, respectively) would have been $40,014 and $135,673, respectively (2025 – $37,844 and $126,236, 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 September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Adjusted EBITDA	**$ 40,014**	$ 36,725	**$ 135,329**	$ 118,756
[÷] Normalized Total Cash Receipts	**47,467**	43,645	**152,278**	145,787
[=] Adjusted EBITDA Margin	**84%**	**84%**	**89%**	**81%**

As described earlier, Adjusted EBITDA without non-recurring expenses for the three and nine months ended September 30, 2026 would have been $40,014 and $135,673, respectively (2025 – $37,844 and $126,236, respectively). Without these non-recurring expenses, Adjusted EBITDA margin would have been 84% and 89%, respectively, for the three and nine months ended September 30, 2026 (2025 – 87% 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 September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Comprehensive earnings (loss)	$ 49,680	$ (57,676)	$ 57,675	$ (60,208)
[+] Amortization of intangible royalty assets	27,565	26,326	77,977	75,822
[+] Depreciation of fixed assets and other intangible assets[(i)]	119	136	296	136
[+] Impairment of intangible royalty assets	14,613	13,691	14,613	13,691
[+] Unrealized (gain) loss on marketable securities[(ii)]	—	(435)	1,261	(1,855)
[+] Unit-based compensation	577	1,150	1,850	2,580
[+] Board of trustees' unit-based compensation[(iii)]	343	370	910	926
[−] Financial royalty income	(647)	(1,173)	(3,963)	(2,830)
[+] Cash receipts on financial royalty assets	—	—	5,000	5,000
[+] (Gain) loss on debt refinancing	—	—	9,794	971
[+] Termination fee[(iv)]	—	48,000	—	48,000
[+] Net (gain) loss on disposition of royalty assets[(v)]	(59,883)	—	(59,883)	—
[+] Net (gain) loss on foreign exchange remeasurement	311	—	(2,956)	—
[+] Net unrealized (gain) loss on derivative instruments	(3,534)	(184)	(4,979)	972
[=] Adjusted Cash Earnings (Loss)	**$ 29,144**	**$ 30,205**	**$ 97,595**	**$ 83,205**
[÷] Weighted average number of Units – basic	54,982,140	55,351,226	55,009,341	55,944,375
[=] Adjusted Cash Earnings (Loss) per Unit – basic	$ 0.53	$ 0.55	$ 1.77	$ 1.49
[÷] Weighted average number of Units – diluted	55,251,123	55,351,226	55,238,533	55,944,375
[=] Adjusted Cash Earnings (Loss) per Unit – diluted	$ 0.53	$ 0.55	$ 1.77	$ 1.49

(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 13 of this MD&A.
(iv) For the three and nine months ended September 30, 2025 the Trust paid a termination fee as part of the Internalization of its former external manager, as described on page 2 of this MD&A.
(v) During the three and nine months ended September 30, 2026, the Trust disposed of its royalty interest in Ekterly, as described on page 5 of this MD&A. The net gain recognized on the disposition of the Ekterly royalty asset is an amount that is not expected to recur and is not included in Adjusted Cash Earnings.

Adjusted Cash Earnings (Loss) were $29,144 and $97,595, respectively, for the three and nine months ended September 30, 2026, a decrease of $1,061 and an increase of $14,390, respectively, compared to the same periods in 2025. Basic and Diluted Adjusted Cash Earnings (Loss) for the three and nine months ended September 30, 2026 were $0.53 and $1.77, respectively, compared to $0.55 and $1.49, respectively, for the same periods in 2025.

The decrease in Adjusted Cash Earnings for the three months ended September 30, 2026 was primarily driven by lower royalty income earned of $831 and higher cash expenses incurred compared to the same period in 2025. The increase in Adjusted Cash Earnings for the nine months ended September 30, 2026 was primarily driven by higher royalty income earned of $9,568 and the inclusion of the realized gain on marketable securities of $1,429.

FINANCIAL REVIEW: FINANCIAL POSITION

As at September 30, 2026, the Trust had consolidated total assets of $1,126,851 (December 31, 2025 – $942,819) and consolidated total liabilities of $652,977 (December 31, 2025 – $504,239). The following table presents the components of consolidated total assets and total liabilities as at September 30, 2026 and December 31, 2025, followed by a discussion of significant categories of assets and liabilities.

	As at September 30, 2026	As at December 31, 2025
Assets		
Cash and cash equivalents	$ 41,062	$ 42,432
Royalties receivable	53,309	59,708
Current portion of financial royalty assets	21,946	—
Other current assets	1,246	983
Current assets	117,563	**103,123**
Intangible royalty assets, net of accumulated amortization and impairments	887,571	777,818
Financial royalty assets	114,018	57,276
Investment in marketable securities	—	3,311
Derivative asset	4,383	—
Other non-current assets	3,316	1,291
Non-current assets	1,009,288	**839,696**
Total assets	$ 1,126,851	$ **942,819**
Liabilities		
Accounts payable and accrued liabilities	$ 15,667	$ 6,240
Distributions payable to Unitholders	6,035	5,507
Current portion of credit facility	40,650	67,088
Current portion of unit-based compensation liability	628	1,704
Other current liabilities	8,678	5,810
Current liabilities	71,658	**86,349**
Long-term debt	570,953	415,851
Derivative liability	7,770	1,486
Unit-based compensation liability	434	199
Other non-current liabilities	2,162	354
Total liabilities	$ 652,977	$ **504,239**

Intangible royalty assets

As at September 30, 2026, the net book value of our intangible royalty assets was $887,571 (December 31, 2025 – $777,818), net of accumulated amortization and impairments of $472,469 (December 31, 2025 – $387,386). During the three and nine months ended September 30, 2026, the Trust recorded amortization of intangible royalty assets of $27,565 and $77,977, respectively (2025 – $26,326 and $75,822, respectively). During the nine months ended September 30, 2026, the Trust recorded additions to the cost of its intangible royalty assets of $318,670 related to the Juvmo (tavapadon) transaction, and the Xenpozyme II and Lumvoa milestone payments, as described on page 6 of this MD&A (December 31, 2025 – $78,990 related to the Lumvoa and elegrobart royalty transaction and the Ekterly one-time optional payment). During the nine months ended September 30, 2025, the Trust 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 three and nine months ended September 30, 2026, the Trust recognized an impairment loss of $14,613 related to the Zejula royalty asset, as described on page 4 of this MD&A. The impairment loss is recognized in the interim condensed consolidated statements of net earnings and comprehensive earnings. The recoverable amount of Zejula is $6,880 as at September 30, 2026 and is based on a value-in-use calculation. The Trust determined the recoverable amount of the asset using a discounted cash flow model based on forecasted royalties and a discount rate of 8%. The net book value of the asset prior to recognizing an impairment exceeded the recoverable amount and the difference of $14,613 was recognized as an impairment loss.

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.

Financial royalty assets

As at September 30, 2026, the Trust held financial royalty assets totaling $135,964 (December 31, 2025 – $57,276), representing the fair value of the Casgevy royalty asset and the carrying value of the Juvmo (tavapadon) fixed payments measured at amortized cost, as described on page 6 of this MD&A. The Juvmo (tavapadon) fixed payments were initially recognized at $79,500 upon completion of the transaction, representing approximately 25% of the total purchase price. Transaction costs of $225 were also capitalized. The Juvmo royalty asset is being amortized using the effective interest rate method up to September 25, 2030, the last expected fixed payment receipt date. As at September 30, 2026, the total carrying amount of the Juvmo (tavapadon) fixed payments is $79,739, including a current portion of $21,946 and a long-term portion of $57,793 (December 31, 2025 – nil).

During the nine months ended September 30, 2026, the Trust also recorded cash receipts of $5,000, an increase in fair value due to the passage of time of $5,769, and a decrease in fair value due to changes in the risk-free rate of $1,820 related to the Casgevy royalty asset.

Distributions payable to Unitholders

As at September 30, 2026, the Trust had distributions payable of $6,035, representing a quarterly cash distribution declared on August 7, 2026 to Unitholders of record as at September 30, 2026, which was paid on October 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 8 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 September 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	64,300	—	—	—	64,300
Repurchases/repayments	(43,341)	(9,500)	—	—	(52,841)
Loss (gain) on debt refinancing	—	971	—	—	971
Deferred transaction costs	(380)	—	—	—	(380)
Amortization of deferred transaction costs	1,044	451	—	—	1,495
Accretion of par value	—	2,891	—	—	2,891
Balance – September 30, 2025	**$ 285,488**	**$ 105,750**	**$ —**	**$ —**	**$ 391,238**
New issuance/drawings	42,500	—	—	—	42,500
Repurchases/repayments	(16,771)	—	—	—	(16,771)
Loss (gain) on debt refinancing	(789)	—	—	—	(789)
Deferred transaction costs	(1,890)	—	—	—	(1,890)
Amortization of deferred transaction costs	438	140	—	—	578
Accretion of par value	—	985	—	—	985
Balance – December 31, 2025	**$ 308,976**	**$ 106,875**	**$ —**	**$ —**	**$ 415,851**
New issuance/drawings[(i)]	**272,850**	**—**	**70,734**	**250,000**	**593,584**
Repurchases/repayments[(i)]	**(356,449)**	**(87,056)**	**—**	**—**	**(443,505)**
Loss (gain) on debt refinancing	**—**	**9,794**	**—**	**—**	**9,794**
Deferred transaction costs	**(562)**	**—**	**(3,740)**	**(2,653)**	**(6,955)**
Amortization of deferred transaction costs	**1,498**	**266**	**369**	**196**	**2,329**
Accretion of par value	**—**	**1,474**	**1,101**	**—**	**2,575**
FX remeasurement	**—**	**—**	**(2,720)**	**—**	**(2,720)**
Balance – September 30, 2026	**$ 226,313**	**$ 31,353**	**$ 65,744**	**$ 247,543**	**$ 570,953**

(i) Current portions of drawings and repayments related to the credit facility are $48,150 and $74,592 for the nine months ended September 30, 2026, respectively.

Credit facility

The Trust's credit agreement, originally entered into on October 22, 2021 and as further amended, currently provides for a $570,000 senior secured revolving acquisition credit facility (the "**acquisition credit facility**") and a $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 up to $250,000 of the Senior Notes, as described on page 24 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.

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

	As at September 30, 2026			As at December 31, 2025
	Total Available Credit	Remaining Available Credit	Balance Outstanding	Balance Outstanding
Acquisition credit facility	$ 570,000	$ 299,000	$ 271,000	$ 332,041
Working capital credit facility	50,000	50,000	—	49,000
	$ 620,000	$ 349,000	$ 271,000	$ 381,041
Deferred transaction costs, net of amortization	n/a	n/a	(4,037)	(4,977)
Total	$ 620,000	$ 349,000	$ 266,963	$ 376,064
Current portion of credit facility			$ 40,650	$ 67,088
Long-term portion of credit facility, net of unamortized transaction costs			226,313	308,976
Total			$ 266,963	$ 376,064

During the nine months ended September 30, 2026, the Trust drew $50,000 from the acquisition credit facility to partially fund the $75,000 milestone payment for Lumvoa and $271,000 to partially fund the Juvmo (tavapadon) transaction, as described on page 6 of this MD&A. The decrease in the carrying amount of the credit facility is attributed to the principal repayments made during the period of $431,041 (2025 – $43,341), including a principal repayment of $247,000 (2025 – nil) in connection with the issuance of the Senior Notes, as described on page 24 of this MD&A, and $150,497 in connection with the Ekterly Put Price received, as described on page 5 of this MD&A.

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

	Total
Remainder of 2026	$ 10,163
2027	40,650
2028	40,650
2029	179,537
	$ 271,000

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 September 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 nine months ended September 30, 2026, the Trust recorded an increase in interest due to the interest rate swap of $215 and $699, respectively (2025 – reduction of $18 and $57, 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 nine months ended September 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 – nil and $971, respectively), which is included in gain (loss) on debt refinancing in the interim condensed consolidated statements of net earnings and comprehensive earnings.

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 September 30, 2026	As at December 31, 2025
Series C Preferred Securities	$ 31,821	$ 108,862
Deferred transaction costs, net of amortization	(468)	(1,987)
Total	**$ 31,353**	**$ 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 their par value up until their 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 September 30, 2026	As at December 31, 2025
Debentures	$ 69,121	$ —
Deferred transaction costs, net of amortization	(3,377)	—
Total	**$ 65,744**	**$ —**

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-weighted average price of the Trust's Units from February 25, 2026 to February 27, 2026. The fair market value of the conversion option was initially recognized as $6,497 upon issuance using the Black-Scholes valuation model. The assumptions used to determine the initial fair value of the conversion option 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 during the nine months ended September 30, 2026. 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 September 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	(2,457)	—
Total	$ 247,543	$ —

FINANCIAL REVIEW: CASH FLOWS

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

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Cash and cash equivalents – beginning of period	$ 42,432	$ **36,502**
Cash provided by operating activities	127,684	64,601
Cash provided by (used in) financing activities	84,652	(37,495)
Cash provided by (used in) investing activities	(213,706)	(28,000)
Change in cash and cash equivalents	(1,370)	**(894)**
Cash and cash equivalents – end of period	$ 41,062	$ **35,608**

During the nine months ended September 30, 2026, the Trust generated cash flows provided by operating activities of $127,684, an increase of $63,083 compared to the same period in 2025. The increase was primarily driven by termination fees paid in 2025 of $48,000, which did not recur in 2026, combined with higher cash royalty receipts and lower cash expenses in 2026.

For the nine months ended September 30, 2026, the Trust generated cash flows of $84,652 from financing activities, a $122,147 increase in cash compared to the same period in 2025. The increase is primarily attributable to the Trust drawing $321,000 from its credit facility in 2026 and issuing $250,000 in Senior Notes, compared to drawings of $67,000 from its credit facility in 2025 and no Senior Notes issuance. In addition, the Trust used cash of $3,719 for NCIB repurchases during 2026, compared to $13,193 in 2025, and used cash of $16,958 to make interest payments, compared to $22,106 during 2025. Partially offsetting the increase in cash is the Trust using cash of $431,041 to repay its credit facility during 2026, compared to $43,341 used during 2025, and the Trust paid debt issuance costs of $6,955 during 2026 compared to $388 during 2025.

For the nine months ended September 30, 2026, the Trust used cash flows of $213,706 in investing activities, an increase in cash usage of $185,706 compared to the same period in 2025. During 2026, the Trust used cash of $397,500 and $895 to purchase royalty assets and pay related transaction costs, compared to royalty purchase of $32,000 during 2025. Partially offsetting the increase in cash usage is the proceeds from disposition of royalty assets of $176,210 and proceeds from sale of marketable securities of $3,479 received in 2026, which both did not occur during 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 8 to the consolidated financial statements. As at September 30, 2026, 54,861,461 Units (December 31, 2025 – 55,073,836) were outstanding at a cost of $547,697 (December 31, 2025 – $550,235). As at September 30, 2026, 1,749,996 2024 Warrants were exercisable for 1,749,996 Units (December 31, 2025 – 1,7,49,996 Units) and C$108,723 aggregate principal amount of debentures were convertible into approximately 4,944,202 Units (December 31, 2025 – nil) at C$21.99 per Unit.

The following table outlines the changes in the number of Units outstanding from December 31, 2024 to September 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	179,265	$ 9.67	$ 1,733
Units issued on the settlement of vested Deferred Units	17,759	$ 9.10	$ 162
Repurchase and cancellation of Units – NCIB	(1,351,897)	$ 9.76	$ (13,193)
Excise tax on share repurchases	n/a	n/a	$ (229)
Balance – September 30, 2025	**55,149,552**	**n/a**	**$ 551,056**
Issuance of Units:			
Units issued on the settlement of vested Restricted Units	21,636	$ 10.77	$ 233
Repurchase and cancellation of Units – NCIB	(97,352)	10.66	$ (1,038)
Excise tax on share repurchases	n/a	n/a	$ (16)
Balance – December 31, 2025	**55,073,836**	**n/a**	**$ 550,235**
Issuance of Units:			
Units issued on the settlement of vested Restricted Units	**99,383**	**$ 12.39**	**$ 1,231**
Repurchase and cancellation of Units – NCIB	**(311,758)**	**$ 11.93**	**$ (3,719)**
Excise tax on share repurchases	n/a	n/a	**$ (50)**
Balance – September 30, 2026	**54,861,461**	**n/a**	**$ 547,697**

Settlement of vested Restricted Units

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

	Units Issued on Settlement of Restricted Units		
	Nine months ended September 30, 2026	Nine months ended September 30, 2025	Three 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	**2,824**	2,547	—
January 10, 2024	—	75,410	—
May 1, 2024	**2,617**	2,909	—
May 31, 2024	**13,734**	12,851	—
August 13, 2024	**20,586**	19,841	6,772
July 1, 2025	**35,339**	—	13,829
July 1, 2025	**15,937**	—	—
September 4, 2025	**1,701**	—	—
September 4, 2025	**2,088**	1,506	—
November 10, 2025	**3,160**	—	1,035
August 17, 2026	**1,397**	—	—
Total	**99,383**	**179,265**	**21,636**

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

Settlement of Deferred Units

During the nine months ended September 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, as described on page 6 of this MD&A. During the nine months ended September 30, 2026, the Trust acquired and canceled 311,758 Units at an average price of $11.93, totaling $3,719. As at September 30, 2026, in aggregate, the Trust acquired and canceled 4,924,516 Units at an average price per Unit of $7.39, totaling $36,377 under all current and previous normal course issuer bid 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 nine months ended September 30, 2026, the Trust recorded an excise tax of $50 related to repurchases under the NCIB programs (2025 – $229).

As at September 30, 2026, the Trust recorded an other current liability of $5,000 representing the maximum amount that would be required to settle the AUPP in effect on September 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 September 30, 2026, resulting in a decrease in other current liabilities and an increase in other equity.

In the subsequent period of October 1, 2026 to November 4, 2026, the Trust acquired 8,100 Units under the May 2026 NCIB at an average price of $12.71, totaling $103 under the AUPP.

Warrants

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

Distributions

The Trust pays quarterly distributions in accordance with its distribution policy, which is described in the Trust's most recent annual information form. The following table presents cash and Unit distributions made by the Trust during the nine months ended September 30, 2026 and the 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
Q3 2026 – Quarterly cash distribution	September 30, 2026	October 20, 2026	0.1100	6,035
Total			**$ 0.3300**	**$ 18,133**
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 nine months ended September 30, 2026, the Board of Trustees declared cash distributions totaling $6,035 and $18,133, respectively (2025 – $5,515 and $16,696, respectively).

Subsequent to September 30, 2026, the Board of Trustees declared a quarterly cash distribution of $0.11 per Unit to Unitholders of record as at December 31, 2026 and payable on January 20, 2027.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2026, the Trust's capital was $1,173,961 (December 31, 2025 – $1,044,460) and consisted of its Unitholders' capital of $547,697 (December 31, 2025 – $550,235), current portion and long-term debts of $621,942 (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 nine months ended September 30, 2026, the Trust generated $127,684 (2025 – $64,601) 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 September 30, 2026, the Trust was in compliance with all externally imposed capital requirements. See "Financial Position – Long-term debt" on page 22 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 $3,250.

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 September 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 October 17, 2025, the Trust completed the Lumvoa 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 September 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 and the Trust completed the funding of the $75,000 milestone pertaining to Lumvoa receiving FDA approval.

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

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).

During the nine months ended September 30, 2026, a settlement of C$8,000 was reached among the parties in the legal proceeding described above. The settlement was endorsed by the court on September 22, 2026. In connection with the Internalization described on page 2 of this MD&A, the former external manager agreed to fully indemnify the Trust against the damages arising from the legal proceeding and paid the settlement after receiving court endorsement. As a result, the Trust was not responsible for paying or contributing any monies towards the settlement amount and the Trust is no longer exposed to any potential loss arising from this matter as at September 30, 2026.

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 2 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 nine months ended September 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 nine months ended September 30, 2026. During the three and nine months ended September 30, 2025, the Trust recorded management fees to the former external manager of nil 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 nine months ended September 30, 2026. The Trust recorded performance fees of nil and $533, respectively, during the three and nine months ended September 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 nine months ended September 30, 2026 and 2025, the Trust issued compensation to members of the board of trustees of the Trust, as described on page 13 of this MD&A, and to certain officers of the Trust, as detailed below.

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Cash compensation and short-term benefits	$ 844	$ 962	$ 3,071	$ 1,545
Unit-based compensation	566	914	1,684	1,296
Total	**$ 1,410**	**$ 1,876**	**$ 4,755**	**$ 2,841**

During the three and nine months ended September 30, 2026, the Trust recorded total cash compensation and short-term benefits expense of $844 and $3,071, respectively (2025 – $962 and $1,545, respectively), related to compensation paid to certain officers of the Trust, including salaries, bonuses and benefits. Included in cash compensation for the three and nine months ended September 30, 2025 is a one-time organizational restructuring cost of $709 that is not expected to recur.

During the three and nine months ended September 30, 2026, the Trust recorded unit-based compensation expense of $566 and $1,684, respectively (2025 – $914 and $1,296, respectively), related to the RU grants and the accretion of the related distribution equivalent Units.

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

	Total Units December 31, 2025	Units Granted	Distribution Equivalent Units Granted[(i)]	Vesting of Restricted Units	Total Units September 30, 2026
Restricted Units Grant Date:					
August 13, 2024[(ii)]	44,104	—	397	(44,501)	—
July 1, 2025[(iii)]	75,806	—	682	(76,488)	—
July 1, 2025[(iv)]	101,073	—	2,413	(34,298)	69,188
September 4, 2025[(v)]	13,365	—	279	(4,495)	9,149
October 15, 2025[(iv)]	17,308	—	464	—	17,772
November 10, 2025[(vi)]	6,746	—	61	(6,807)	—
March 31, 2026[(vii)]	—	5,271	141	—	5,412
April 6, 2026[(iv)]	—	9,102	161	—	9,263
July 1, 2026[(iv)]	—	85,713	737	—	86,450
August 17, 2026[(viii)]	—	15,042	103	(3,008)	12,137
Balance	258,402	115,128	5,438	(169,597)	209,371

(i) All RUs are credited with distribution equivalents in the form of additional RUs on each distribution payment date in respect of which normal distributions are paid on the Trust's Units. Such distribution equivalents are subject to the same vesting conditions as the instruments to which they relate.
(ii) Vested equally on a quarterly basis beginning November 13, 2024 until August 13, 2026.
(iii) Vested 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) Vested equally on a quarterly basis beginning November 13, 2025 until August 13, 2026.
(vii) Vesting on March 31, 2029.
(viii) Vesting equally on a monthly basis beginning September 1, 2026 until January 1, 2027.

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

	Units Issued on Settlement of Restricted Units	
	Three months ended September 30, 2026	Nine months ended September 30, 2026
Restricted Units Grant Date:		
May 31, 2024	—	1,214
August 13, 2024	6,954	20,586
July 1, 2025	27,890	51,276
September 4, 2025	—	2,088
November 10, 2025	1,063	3,160
August 17, 2026	1,397	1,397
Total	37,304	79,721

CHANGES IN ACCOUNTING POLICIES

The Trust's accounting policies are discussed in detail in note 3 to the Trust's 2025 consolidated financial statements. The following accounting policy has been added in the current year, as described below.

Carry Compensation

The Trust awards carry compensation under its Carry Plan to certain key employees of the Trust. Awards under the Carry Plan are granted annually in respect of each fiscal year. For each fiscal year, a 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 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.

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 portion of each award settled in cash is accounted for as an employee benefit obligation and is recognized in compensation expense in the statements of net earnings (loss) and comprehensive earnings (loss). Deferred Carry Points are accounted for as cash-settled share-based payments and are recognized as Unit-based compensation expense in the statements of net earnings (loss) and comprehensive earnings (loss). Although Units of the Trust are issued to settle Deferred Carry Points, as the Trust is an open-ended trust, its Units are redeemable and thus require outstanding awards to be recognized as liabilities carried at fair value.

At each reporting date, the liabilities are measured to reflect current estimates of the amounts expected to be paid and the timing of settlement. The liabilities are adjusted for changes in fair value with a corresponding adjustment to either compensation expense or unit-based compensation expense in the period in which they occur. For unit-settled awards, when the awards are settled, the liability is reduced and a corresponding increase in equity is recorded.

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

NCIB repurchases

During the period from October 1, 2026 to November 4, 2026, the Trust acquired 8,100 Units under the May 2026 NCIB at an average price of $12.71, totaling $103 under the AUPP, as described on page 26 of this MD&A.

2026 fourth quarter distribution declared

On November 4, 2026, the board of trustees of the Trust declared a quarterly distribution of $0.11 per Unit to Unitholders of record as at December 31, 2026 and payable on January 20, 2027.