



DRI HEALTHCARE TRUST

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(unaudited)</i> <i>(in thousands of U.S. dollars)</i>		As at March 31, 2024	As at December 31, 2023
Assets			
Cash and cash equivalents		\$ 66,562	\$ 62,835
Royalties receivable		45,470	64,082
Other current assets		863	372
Current assets		112,895	127,289
Royalty assets, net of accumulated amortization	note 5	789,453	706,105
Derivative instruments	note 13	108	—
Other non-current assets		993	1,563
Non-current assets		790,554	707,668
Total assets		\$ 903,449	\$ 834,957
Liabilities			
Accounts payable and accrued liabilities	note 17	\$ 4,362	\$ 5,043
Distributions payable to Unitholders	note 8	4,790	19,230
Performance fees payable	note 17	4,916	5,918
Current portion of credit facility	note 7	56,250	48,750
Current portion of unit-based compensation liability	note 10	3,466	1,499
Other current liabilities		1,595	1,241
Current liabilities		75,379	81,681
Credit facility	note 7	180,724	96,728
Preferred securities	note 7	94,327	93,250
Derivative instruments	note 13	—	1,089
Unit-based compensation liability	note 10	1,312	712
Total liabilities		351,742	273,460
Equity			
Unitholders' capital	note 8	561,503	561,503
Other equity	note 8	2,150	2,150
Accumulated other comprehensive earnings (loss)	note 13	108	(1,089)
Accumulated retained earnings (deficit)		(12,054)	(1,067)
Total equity		551,707	561,497
Total liabilities and equity		\$ 903,449	\$ 834,957

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

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

<i>(unaudited)</i> <i>(in thousands of U.S. dollars except per unit data)</i>		Three months ended March 31, 2024	Three months ended March 31, 2023
Income			
Royalty income	note 5	\$ 41,345	\$ 26,292
Interest and other income on loan receivable	note 6	—	1,707
Other interest income		722	237
Total income		42,067	28,236
Expenses			
Amortization of royalty assets	note 5	25,089	19,168
Impairment of royalty assets	note 5	4,451	—
Management fees	note 17	4,164	1,676
Performance fees	note 17	231	—
Interest expense	note 7	8,398	6,166
Deal investigation and research expenses	note 11	1,902	981
Unit-based compensation	note 10	2,567	288
Other operating expenses	note 12	1,462	1,080
Total expenses		48,264	29,359
Net earnings (loss)		(6,197)	(1,123)
Other comprehensive earnings (loss)			
Net unrealized gain (loss) on derivative instruments	note 13	1,197	—
Comprehensive earnings (loss)		\$ (5,000)	\$ (1,123)
Net earnings (loss) per Unit			
Basic	note 9	\$ (0.11)	\$ (0.03)
Diluted	note 9	\$ (0.11)	\$ (0.03)

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>(unaudited)</i> <i>(in thousands of U.S. dollars)</i>	Unitholders' Capital	Other Equity	Accumulated Other Comprehensive Earnings (Loss)	Accumulated Retained Earnings (Deficit)	Total Equity
Balance – December 31, 2022	\$ 373,577	\$ —	\$ —	\$ (1,236)	\$ 372,341
Issuance of Units:					
Settlement of vested Restricted Units note 10	68	—	—	—	68
Issuance of Warrants note 8	—	2,229	—	—	2,229
Warrant issuance costs note 8	—	(74)	—	—	(74)
Repurchase and cancellation of Units note 8	(1,735)	—	—	—	(1,735)
Reserve for Units subject to automated purchase plan note 8	—	(480)	—	—	(480)
Cash distributions to Unitholders note 8	—	—	—	(2,811)	(2,811)
Net loss and comprehensive loss	—	—	—	(1,123)	(1,123)
Balance – March 31, 2023	\$ 371,910	\$ 1,675	\$ —	\$ (5,170)	\$ 368,415
Balance – December 31, 2023	\$ 561,503	\$ 2,150	\$ (1,089)	\$ (1,067)	\$ 561,497
Cash distributions to Unitholders note 8	—	—	—	(4,790)	(4,790)
Other comprehensive earnings (loss) note 13	—	—	1,197	—	1,197
Net earnings (loss)	—	—	—	(6,197)	(6,197)
Balance – March 31, 2024	\$ 561,503	\$ 2,150	\$ 108	\$ (12,054)	\$ 551,707

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(unaudited)</i> <i>(in thousands of U.S. dollars)</i>	Three months ended March 31, 2024	Three months ended March 31, 2023
Operating Activities		
Net earnings (loss)	\$ (6,197)	\$ (1,123)
Adjustment for non-cash items:		
Interest and other income on loan receivable	note 6 —	(1,707)
Interest expense	note 7 8,398	6,166
Amortization of royalty assets	note 5 25,089	19,168
Impairment of royalty assets	note 5 4,451	—
Unit-based compensation expense	note 10 2,567	288
	34,308	22,792
Changes in non-cash working capital:		
Royalties receivable	22,172	(2,930)
Other current assets	(491)	(446)
Other non-current assets	587	(89)
Accounts payable and accrued liabilities	146	606
Performance fees payable	note 17 (1,002)	—
Other current liabilities	354	78
	21,766	(2,781)
Cash provided by operating activities	\$ 56,074	\$ 20,011
Financing Activities		
Repurchase and cancellation of Units	note 8 —	(1,735)
Distributions to Unitholders paid in cash	note 8 (19,230)	(2,834)
Drawings from credit facility	note 7 115,000	70,000
Repayment of credit facility	note 7 (23,813)	(89,377)
Cash interest paid, net	note 7 (7,850)	(8,268)
Debt issuance costs paid	note 7 —	(735)
Issuance of Preferred Securities and Warrants	note 7, 8 —	95,000
Preferred Securities and Warrants issuance costs paid	note 7, 8 (6)	(2,997)
Cash provided by financing activities	\$ 64,101	\$ 59,054
Investing Activities		
Purchase of royalty assets and other net assets, net of cash	note 4 \$ (115,000)	\$ (106,500)
Cash transaction costs paid	note 4 (1,448)	(430)
Cash interest received	note 6 —	1,633
Cash used in investing activities	\$ (116,448)	\$ (105,297)
Increase (decrease) in cash and cash equivalents	\$ 3,727	\$ (26,232)
Cash and cash equivalents, beginning of year	62,835	36,686
Cash and cash equivalents	\$ 66,562	\$ 10,454

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

DRI Healthcare Trust was established as an unincorporated open-ended trust under the laws of the Province of Ontario pursuant to a declaration of trust on October 21, 2020, as amended and restated on February 19, 2021. DRI Healthcare Trust is a “mutual fund trust” as defined in the Income Tax Act (Canada) but not a “mutual fund” within the meaning of applicable Canadian securities legislation.

DRI Healthcare Trust was formed to provide Unitholders with differential exposure to the pharmaceutical and biotechnology industries through ownership and acquisitions of pharmaceutical royalties. DRI Capital Inc. (“DRI Healthcare”, “our manager” or the “manager”) acts as the manager for the Trust pursuant to the terms of a management agreement. In December 2022, DRI Capital Inc. changed its brand name to DRI Healthcare in order to be better aligned with the Trust; its legal name remains unchanged. All references in these consolidated financial statements to DRI Healthcare are to DRI Capital Inc.

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

The registered address for DRI Healthcare Trust is 100 King Street West, Suite 7250, Toronto, Ontario, M5X 1B1, Canada.

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

These unaudited interim condensed consolidated financial statements (the “consolidated financial statements”) were authorized for issuance by the board of trustees on May 6, 2024.

NOTE 1 | BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and its interpretations adopted by the International Accounting Standards Board (“IASB”). Accordingly, certain financial information and note disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These consolidated financial statements should be read in conjunction with the Trust’s audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2023 (“2023 annual consolidated financial statements”).

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, adjusted for the revaluation of certain financial assets and liabilities recorded at fair value through net earnings (loss) as explained in note 2(e) to the Trust’s 2023 annual consolidated financial statements.

(c) Basis of Consolidation

These consolidated financial statements represent the accounts of DRI Healthcare Trust and its directly or indirectly owned subsidiaries. Control is achieved when the Trust has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of operations of subsidiaries are included in the consolidated financial statements from the date on which the Trust obtains control. All intercompany balances and transactions have been eliminated. There have been no changes to the basis of consolidation as described in the Trust’s 2023 annual consolidated financial statements.

(d) Functional and Presentation Currency

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

(e) Comparative information

Certain comparative figures have been adjusted to conform with the current period’s presentation. In accordance with IAS 1, *Presentation of financial statements*, the deferred unit liability as at March 31, 2023 was reclassified to current from non-current.

NOTE 2 | MATERIAL ACCOUNTING POLICIES

In the preparation of these consolidated financial statements, the Trust has consistently applied the material accounting policies as described in note 2 to the Trust’s 2023 annual consolidated financial statements.

NOTE 3 | USE OF JUDGMENTS AND ESTIMATES

In the preparation of these consolidated financial statements, the Trust has used consistent judgments and estimates as described in note 3 to the Trust’s 2023 annual consolidated financial statements.

NOTE 4 | ASSET TRANSACTIONS

Transactions Completed in 2024

(a) Omidria Royalty Amendment

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

The Trust recognized acquired royalties receivable of \$3,560 related to the Trust's royalty entitlement accrued from November 1, 2023 to February 1, 2024, the date of the amendment. Transaction costs of \$1,448 were capitalized as part of the royalty asset amendment.

Summary of Transactions Completed in 2024

The following is a summary of the royalty transactions for the three months ended March 31, 2024:

	Omidria Royalty Amendment	Total for the three months ended March 31, 2024
Assets		
Royalties receivable	\$ 3,560	\$ 3,560
Royalty assets	111,440	111,440
Net acquired assets	\$ 115,000	\$ 115,000

Transactions Completed in 2023

(a) Tzield Transactions

On March 8, 2023, the Trust bought royalties on the sales of Tzield (teplizumab-mzwv) for \$100,000. The transaction was funded on March 14, 2023 and entitled the Trust to a single-digit royalty on worldwide net sales of Tzield. Tzield is a biologic drug indicated to delay the onset of stage 3 type 1 diabetes in adults and pediatric patients aged 8 years and older who have stage 2 (at-risk) type 1 diabetes. It was approved by the U.S. Food and Drug Administration ("FDA") in November 2022. Tzield is marketed by Sanofi S.A. ("Sanofi").

The Trust was entitled to receive quarterly royalty payments on a one-quarter lag based on Tzield sales beginning January 1, 2023. The Trust recognized acquired royalties receivable of \$96 related to the Trust's royalty entitlement accrued from January 1, 2023 to March 8, 2023, the date of the royalty transaction. Transaction costs of \$712 were capitalized as part of the royalty transaction.

On April 27, 2023, the Trust sold its royalty interest in the worldwide net sales of Tzield to a subsidiary of Sanofi for \$210,000. Pursuant to the terms of the agreement, the Trust assigned to Sanofi its obligation to pay up to \$100,000 in milestone payments to the extent the pre-specified events and thresholds are met. The Trust declared a special cash distribution of \$20,000 using the proceeds from this transaction to Unitholders of record as of June 30, 2023, as described in note 8. In addition, the Trust used a portion of the sale proceeds to pay down the balance outstanding under the Trust's revolving acquisition credit facility on May 2, 2023.

(b) Additional Empaveli/Syfovre Royalty Stream

On April 3, 2023, the Trust bought an additional royalty stream on Empaveli/Syfovre (pegcetacoplan) for \$3,700. This royalty is in addition to our existing Empaveli/Syfovre royalty purchased in 2022. The transaction entitles the Trust to an additional fractional percentage of worldwide net sales of pegcetacoplan. The Trust is entitled to receive quarterly royalty payments in respect of net sales of all formulations of pegcetacoplan, commencing July 1, 2022 to be paid on a three-quarter lag. The cash royalty receipts generated from July 1, 2022 to September 30, 2022 totaled \$14 and were applied as a reduction in the total cash consideration transferred in the transaction. The Trust recognized acquired royalties receivable of \$72 related to the Trust's royalty entitlement accrued from October 1, 2022 to April 3, 2023, the date of the royalty transaction. Transaction costs of \$254 were capitalized as part of the royalty transaction.

The Trust's royalty entitlement will step down upon the expiry of the relevant patents in each jurisdiction. In accordance with the terms of the royalty agreement, the royalty seller may also be entitled to an additional payment of \$4,000 if worldwide net sales exceed certain thresholds within a predefined period of time.

(c) Orserdu Transaction

On June 29, 2023, the Trust bought royalties on the sales of Orserdu for \$85,000 ("Orserdu I"). The transaction entitles the Trust to a mid-single digit tiered royalty on the worldwide net sales of Orserdu. The Trust is entitled to receive quarterly royalty payments on a one-quarter lag based on sales beginning April 1, 2023. The Trust received its first payment in the third quarter of 2023. The Trust recognized acquired royalties receivable of \$3,415 related to the Trust's royalty entitlement accrued from April 1, 2023 to June 29, 2023, the date of the royalty transaction. The acquired royalties receivable and the value of the royalty asset were adjusted in the third quarter of 2023 to reflect the actual royalties received for the period from April 1, 2023 to June 29, 2023. Transaction costs of \$975 were capitalized as part of the royalty asset acquired.

In accordance with the royalty agreement, the Trust is also entitled to receive additional milestone royalty payments based on the achievement of regulatory approvals and sales performance thresholds. Orserdu was approved for the treatment of postmenopausal women or adult men with advanced or metastatic breast cancer, who have experienced disease progression despite prior endocrine therapy by the FDA in January 2023 and by the European Medicines Agency (“EMA”) in September 2023. The approval of Orserdu by the EMA triggered milestone royalty income of \$2,750, which was recognized in royalty income during the third quarter of 2023 and was received in the fourth quarter of 2023. For the year ended December 31, 2023, Orserdu sales exceeded certain sales performance thresholds that triggered milestone royalty income of \$3,367, which was recognized in royalty income in the fourth quarter of 2023, \$1,263 of which was received by the Trust in the fourth quarter of 2023 and \$2,104 of which was received in the first quarter of 2024. Orserdu was discovered by Eisai Co., Ltd. and is marketed by Menarini Group (“Menarini”).

(d) Additional Vonjo Royalty Stream

On July 7, 2023, the Trust bought an additional royalty stream on Vonjo for \$66,000 (“Vonjo II”). This royalty is in addition to our existing Vonjo royalty acquired in 2022 (“Vonjo I”). The transaction was funded on July 25, 2023 and entitles the Trust to a tiered royalty on worldwide net sales of Vonjo. The Trust is entitled to receive quarterly royalty payments on a one-quarter lag based on sales beginning April 1, 2023. The Trust received its first payment in the third quarter of 2023. The Trust recognized acquired royalties receivable of \$557 related to the Trust’s royalty entitlement accrued from April 1, 2023 to July 25, 2023, the date of the royalty transaction. Transaction costs of \$951 were capitalized as part of the royalty asset acquired.

In accordance with the royalty agreement, the Trust is also entitled to receive up to \$107,500 in milestone royalty payments. During the year ended December 31, 2023, Vonjo sales exceeded certain sales thresholds that triggered milestone royalty income of \$5,000, which was recognized in royalty income in the fourth quarter of 2023 and received in the first quarter of 2024.

(e) Additional Orserdu Royalty Stream

On August 14, 2023, the Trust bought an additional royalty stream on Orserdu for \$130,000 (“Orserdu II”). This royalty is in addition to our existing Orserdu royalty acquired on June 29, 2023. The transaction entitles the Trust to a net low to high single digit tiered royalty on the worldwide net sales of Orserdu. The Trust is entitled to receive quarterly royalty payments on a one-quarter lag based on sales beginning July 1, 2023, with the first payment received in the fourth quarter of 2023. The Trust recognized acquired royalties receivable of \$1,299 related to the Trust’s royalty entitlement accrued from July 1, 2023 to August 14, 2023, the date of the royalty transaction. Transaction costs of \$1,574 were capitalized as part of the royalty asset acquired. Upon the occurrence of pre-specified events, the Trust is obligated to pay a \$10,000 milestone to the royalty seller.

In accordance with the royalty agreement, the Trust is also entitled to receive additional milestone royalty payments on the achievement of sales performance thresholds. For the year ended December 31, 2023, Orserdu sales exceeded certain sales performance thresholds that triggered milestone royalty income of \$30,303, which was recognized in royalty income in the fourth quarter of 2023, \$11,364 of which was received by the Trust in the fourth quarter of 2023 and \$18,939 of which was received in the first quarter of 2024.

Summary of Transactions Completed in 2023

The following is a summary of the transactions completed for the year ended December 31, 2023:

	Tzield Transaction ⁽ⁱ⁾	Empaveli/Syfovre Transaction	Orserdu I Transaction ⁽ⁱⁱ⁾	Vonjo II Transaction	Orserdu II Transaction	Total for the year ended December 31, 2023
Assets						
Cash and cash equivalents	\$ —	\$ 14	\$ —	\$ —	\$ —	\$ 14
Royalties receivable	96	72	3,415	557	1,299	5,439
Royalty assets	99,904	3,614	81,585	65,443	128,701	379,247
Net acquired assets	\$ 100,000	\$ 3,700	\$ 85,000	\$ 66,000	\$ 130,000	\$ 384,700

(i) On April 27, 2023, the Trust sold its royalty interest in the worldwide sales of Tzield, as described above. The net book value of the royalty asset was \$99,450 at the time of the sale, as described in note 5. Acquired royalties receivable of \$96 were reversed as the entitlement to the royalty income was sold.

(ii) During the third quarter of 2023, the acquired royalties receivable and value of the royalty asset were adjusted to reflect the actual royalties received for the period from April 1, 2023 to June 29, 2023.

NOTE 5 | ROYALTY ASSETS

The following table presents a roll of the royalty assets held by the Trust. Royalty assets were acquired by the Trust in the asset transactions, as described in note 4.

	Cost	Accumulated Amortization and Impairment	Net Book Value
As at January 1, 2023	\$ 617,281	\$ (99,147)	\$ 518,134
Additions ⁽ⁱ⁾	100,616	—	100,616
Amortization	—	(19,168)	(19,168)
As at March 31, 2023	717,897	(118,315)	599,582
Additions ⁽ⁱⁱ⁾	283,097	—	283,097
Amortization	—	(67,908)	(67,908)
Impairment ⁽ⁱⁱⁱ⁾	—	(9,216)	(9,216)
Dispositions ^{(iv),(v)}	(107,934)	8,484	(99,450)
As at December 31, 2023	893,060	(186,955)	706,105
Additions ^(vi)	112,888	—	112,888
Amortization	—	(25,089)	(25,089)
Impairment ⁽ⁱⁱⁱ⁾	—	(4,451)	(4,451)
As at March 31, 2024	\$ 1,005,948	\$ (216,495)	\$ 789,453

(i) Includes capitalized transaction costs of \$712 related to the Tzield Transaction, as described in note 4.

(ii) Includes capitalized transaction costs of \$254 related to the additional Empaveli/Syfovre stream, \$975 related to the Orserdu I Transaction, \$951 related to the Vonjo II Transaction and \$1,574 related to the Orserdu II Transaction, as described in note 4.

(iii) During the three months ended March 31, 2024 and year ended December 31, 2023, the Trust recognized an impairment loss of \$4,451 related to the Oracea royalty asset and \$9,216 related to the Natpara royalty asset, respectively, as described below.

(iv) The Trust wrote off the cost and related accumulated amortization of \$7,318 and \$7,318, respectively, related to the FluMist royalty asset, which was fully amortized as the royalty arrangement had expired during the year ended December 31, 2023.

(v) The Trust sold its royalty interest in the worldwide sales of Tzield on April 27, 2023, as described in note 4. The net book value of the royalty asset was \$99,450 at the time of the sale.

(vi) Includes capitalized transaction costs of \$1,448 related to the amendment to the Omidria royalty agreement, as described in note 4.

As at March 31, 2024, the net book value of our royalty assets was \$789,453 (December 31, 2023 – \$706,105), net of accumulated amortization and impairment of \$216,495 (December 31, 2023 – \$186,955). During the three months ended March 31, 2024, the Trust recorded additions to the cost of its royalty assets totaling \$112,888 (December 31, 2023 – \$383,713) related to the Omidria royalty amendment, as described in note 4. During the year ended December 31, 2023, The Trust wrote off the cost and related accumulated amortization of \$7,318 and \$7,318, respectively, related to the fully amortized FluMist royalty asset as the royalty arrangement had expired. There was no change to the net book value of the royalty assets as a result of this write off. In addition, the Trust recorded a disposition to the cost of its royalty assets of \$100,616 and related accumulated amortization of \$1,166 related to the Tzield royalty sale, as described in note 4, during 2023.

Oracea Impairment

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

On April 1, 2024, the District Court issued a decision of non-infringement in favour of Lupin. Consequently, Galderma has filed an appeal of the District Court’s decision with the United States Court of Appeals for the Federal Circuit. On April 9, 2024, Lupin launched its generic version of Oracea “at-risk” in the United States, prior to the appeal decision. On April 16, 2024, Galderma filed a motion for preliminary injunction to require Lupin to cease marketing of its generic product while the appeal is pending, and subsequently filed a motion to expedite the appeal.

These events represent indicators of potential impairment of the Trust’s Oracea royalty asset that require the Trust to determine the recoverable amount of Oracea to assess if the asset is impaired. The Trust calculated the recoverable amount for Oracea at March 31, 2024 using a discounted cash flow model based on the unadjusted forecasted royalties on remaining future cash flows, as the potential impact of these events on future cash flows cannot be determined at this time. Key assumptions and sources of estimation uncertainty relate to the discount rate and future cash flows, including future sales of Oracea, future sales of generic versions of Oracea, and the outcome of the appeal. Based on the Trust’s analysis, as the net book value of Oracea was higher than the recoverable amount, the Trust recognized an impairment of the Oracea royalty asset of \$4,451 as at March 31, 2024. As a result of recognizing this impairment, the net book value of the Oracea royalty asset as at March 31, 2024 is \$19,665, which represents the recoverable value as at this date.

Given the recent launch of Lupin’s product “at-risk” and its potential impact on sales of Oracea, and with the decisions on the motions filed by Galderma yet to be determined, it is reasonably possible, on the basis of existing knowledge, that additional information in upcoming quarters will result in updates or revisions to the assumptions used as at March 31, 2024 and could require a further adjustment to the carrying value of the Oracea royalty asset.

Natpara Impairment

On October 4, 2022, Takeda Pharmaceutical Company Ltd. (“**Takeda**”) announced that it will discontinue manufacturing the pharmaceutical Natpara globally at the end of 2024 due to unresolved manufacturing issues related to protein and rubber particle formation. As a result, Takeda does not intend to re-commercialize Natpara in the United States. Beyond 2024, Takeda intends to supply available doses of Natpara to Europe and other regions around the world until the inventory of Natpara is depleted or expired.

In December 2023, the Trust filed a complaint against Takeda in the State of New York alleging breach of contract and seeking damages.

The announcement from Takeda and the filing of a legal complaint represented indicators of potential impairment that required the Trust to determine the recoverable amount of Natpara to assess if the asset is impaired. The Trust calculated the recoverable amount for Natpara at December 31, 2023 using a discounted cash flow model based on the forecasted royalties on remaining future cash flows, as the Trust continues to earn royalty income on European and rest of the world sales and expects that this will continue past Takeda's planned end of manufacturing at the end of 2024 to account for residual inventory depletion. Key assumptions and sources of estimation uncertainty relate to future cash flows, including future sales of Natpara. Based on the Trust's analysis, the net book value of Natpara was higher than the recoverable amount of \$2,419, and the Trust recognized an impairment of the Natpara royalty asset of \$9,216 as at December 31, 2023.

As at March 31, 2024, the case is proceeding as expected in New York State Supreme Court and is currently in the discovery phase.

The following table presents details about the products underlying the Trust's royalty assets as at March 31, 2024:

Royalty Asset	Therapeutic Area	Primary Marketer(s)	Acquisition Quarter	Expected Expiry ^{(i), (ii)}	Royalty
Empaveli/Syfovre ^{(iii), (iv)}	Hematology/Ophthalmology	Apellis, Sobi	Q3 2022	Q4 2033	
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	Q1 2021	Q1 2027	
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	Q1 2021	Q1 2027	
Natpara	Endocrinology	Takeda	Q1 2021	Q3 2025	
Omidria ^(v)	Ophthalmology	Rayner Surgical	Q3 2022	Q4 2031	
Oracea	Dermatology	Galderma	Q3 2021	Q1 2028	
Orserdu I	Oncology	Menarini	Q2 2023	Q1 2035	
Orserdu II	Oncology	Menarini	Q3 2023	Q1 2035	
Rydapt	Oncology	Novartis	Q1 2021	Q1 2028	
Spinraza	Neurology	Biogen	Q1 2021	Q3 2031	
Stelara, Simponi and Ilaris ^(vi)	Immunology	Johnson & Johnson, Merck, Mitsubishi Tanabe, Novartis	Q1 2021	Q1 2025	
Vonjo I	Hematology	Sobi	Q1 2022	Q2 2034	
Vonjo II	Hematology	Sobi	Q3 2023	Q2 2034	
Xenpozyme	Lysosomal Storage Disorder	Sanofi	Q4 2022	Q4 2036	
Xolair	Immunology	Roche, Novartis	Q1 2021	Q2 2032	
Zejula	Oncology	GSK	Q3 2022	Q2 2033	
Zytiga	Oncology	Johnson & Johnson	Q1 2021	Q2 2028	
Other Products ^(vii)	Various	Various	Various	n/a	

- (i) Represents the quarter during which the final royalty payment is expected and is based on our manager's 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) On February 17, 2023, the FDA approved Syfovre (pegcetacoplan) as a treatment for geographic atrophy. The Trust's royalty entitlement on Syfovre is consistent with that of Empaveli.
- (iv) Empaveli/Syfovre includes two royalty streams on each product held directly. In Q2 2023, the Trust bought an additional royalty stream on Empaveli/Syfovre, as described in note 4. The expected royalty expiry is consistent with the Empaveli/Syfovre royalty stream bought in Q3 2022.
- (v) In Q1 2024 the Trust amended the existing Omidria agreement, as described in note 4. As a result of the amendment the expected royalty expiry was adjusted from Q4 2030 to Q4 2031.
- (vi) Stelara, Simponi and Ilaris include two royalty streams on each product, for a total of six royalty streams held directly and indirectly.
- (vii) Other Products includes royalty assets which are not individually material, as well as royalty assets which are fully amortized or, where applicable, the entitlements to which have substantially expired.

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

Royalty Asset	Royalty Income		Net Book Value	
	Three months ended March 31, 2024	Three months ended March 31, 2023	As at March 31, 2024	As at December 31, 2023
Empaveli/Syfovre ⁽ⁱ⁾	\$ 2,238	\$ 782	\$ 24,103	\$ 24,770
Eylea I	1,295	1,317	10,431	11,376
Eylea II	280	303	5,418	5,909
FluMist ⁽ⁱⁱ⁾	—	31	—	—
Natpara	423	639	2,017	2,419
Omidria	8,647	3,250	213,088	106,245
Oracea	2,361	2,356	19,665	25,718
Orserdu I ⁽ⁱⁱⁱ⁾	5,096	—	77,130	78,917
Orserdu II ⁽ⁱⁱⁱ⁾	3,678	—	123,067	125,918
Rydapt	1,610	2,934	6,677	7,120
Spinraza	3,446	3,843	73,862	76,402
Stelara, Simponi and Ilaris ^(iv)	142	258	1,433	1,920
Tzield ^(v)	—	35	—	—
Vonjo I	4,156	1,421	55,897	57,290
Vonjo II ⁽ⁱⁱⁱ⁾	866	—	62,141	63,689
Xenpozyme	273	30	28,344	28,933
Xolair	3,094	2,945	40,815	42,127
Zejula	1,051	773	29,834	30,660
Zytiga	2,401	4,822	13,609	14,578
Other Products ^(vi)	288	553	1,922	2,114
Total	\$ 41,345	\$ 26,292	\$ 789,453	\$ 706,105

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

(ii) The Trust recorded no royalty income related to FluMist in 2024 as it received its final royalty payment in Q4 2023.

(iii) The Trust recorded no royalty income related to Orserdu I, Orserdu II or Vonjo II prior to March 31, 2023 as the Trust obtained control over the royalty assets in subsequent periods, as described in note 4.

(iv) Stelara, Simponi and Ilaris include two royalty streams on each product, for a total of six royalty streams held directly and indirectly.

(v) The Tzield royalty was acquired on March 8, 2023. On April 27, 2023, the Trust sold the Tzield royalty, as described in note 4.

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

Royalty Income

Royalty income for the three months ended March 31, 2024 was \$41,345 (2023 – \$26,292). The Trust records royalty income from royalty assets from the date on which the Trust obtains control of those assets. For the three months ended March 31, 2024, the Trust recorded royalty income earned related to Orserdu I, Orserdu II and Vonjo II, which were added to the portfolio subsequent to March 31, 2023.

Net Book Value

During the three months ended March 31, 2024, the Trust recorded additions to the cost of its royalty assets totaling \$112,888 (December 31, 2023 – \$383,713) related to the Omidria royalty amendment, as described in note 4.

During the three months ended March 31, 2024, the Trust recorded amortization expense of \$25,089 (2023 – \$19,168). The Trust records amortization related to royalty assets from the date on which the Trust obtains control of those assets. During the three months ended March 31, 2024, the Trust recorded amortization related to Orserdu I, Orserdu II, and Vonjo II, which were added to the portfolio subsequent to March 31, 2023.

During the three months ended March 31, 2024, the Trust recognized an impairment loss of \$4,451 related to the Oracea royalty asset. The impairment loss is recognized in the consolidated statements of net earnings and comprehensive earnings. The recoverable amount of Oracea is \$19,665 as at March 31, 2024. The Trust determined the recoverable amount of the asset using a discounted cash flow model based on forecasted royalties and a discount rate of 12%. The carrying value of the asset prior to recognizing an impairment exceeded the recoverable amount and the difference of \$4,451 was recognized as an impairment loss.

NOTE 6 | LOAN RECEIVABLE

On August 25, 2021, concurrent with an agreement regarding the purchase a tiered royalty on Vonjo I, the Trust provided CTI BioPharma Corp (“**CTI**”) \$50,000 in secured debt, the proceeds of which were used by CTI to partially fund the commercialization of Vonjo. The loan receivable bore interest at London Interbank Offered Rate (“**LIBOR**”) plus 8.25%, subject to a LIBOR floor of 1.75% and was set to mature on August 25, 2026. Interest payments were due quarterly and the principal amount of the loan was due on maturity. The Trust was also entitled to receive an exit fee of 2.00% on the principal balance repaid. A commitment fee of \$500 was received by the Trust and was recorded as a reduction in the gross principal amount receivable.

On June 26, 2023, CTI prepaid all amounts outstanding under the loan agreement, resulting in a prepayment of \$54,771, which included \$50,000 for the principal balance outstanding, \$1,000 for exit fees, \$1,631 for accrued interest and \$2,140 for prepayment premiums. The loan prepayment was driven by Swedish Orphan Biovitrum AB (“**Sobi**”)’s acquisition of CTI. As a result of the prepayment, the loan agreement between the Trust and CTI was terminated. The Trust maintains its royalty investment in Vonjo I pursuant to the purchase and sale agreement dated August 25, 2021.

As at March 31, 2024 the carrying amount of the Trust’s loan receivable is nil (December 31, 2023 – nil). The related interest and other income are presented below:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Interest on principal loan receivable	\$ —	\$ 1,633
Amortization of commitment fee	—	25
Accretion of exit fee received	—	49
Interest and other income on loan receivable	\$ —	\$ 1,707

NOTE 7 | CREDIT FACILITY AND PREFERRED SECURITIES

Credit Facility

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

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

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

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

Interest payments are due on a quarterly basis and principal repayments totaling 3.75% of a predetermined reference amount are due on a quarterly basis for the acquisition credit facility and term credit facility. Principal repayments on the working capital credit facility are due on maturity. Principal repayments do not result in a corresponding decrease in the borrowing capacity under the acquisition credit facility and working capital credit facility. As principal repayments result in a corresponding cancellation in the borrowing capacity under the term credit facility, there is no remaining available credit under the term credit facility as at March 31, 2024 (December 31, 2023 – nil).

During the three months ended March 31, 2024 and year ended December 31, 2023, the Trust drew on its amended credit agreement to fund royalty transactions, as described in note 4. The details of the draws are presented below:

	Draw Date	Facility	Amount
2024			
Omidria ⁽ⁱ⁾	January 3, 2024	Acquisition credit facility	\$ 115,000
Total			\$ 115,000
2023			
Tzield ⁽ⁱⁱ⁾	March 6, 2023	Acquisition credit facility	\$ 70,000
Empaveli/Syfovre	April 3, 2023	Acquisition credit facility	3,715
Orserdu I	June 28, 2023	Acquisition credit facility	85,000
Orserdu II ⁽ⁱⁱ⁾	August 10, 2023	Acquisition credit facility	75,000
Total			\$ 233,715

- (i) The Trust drew \$115,000 from the acquisition credit facility to fund the amendment to the Omidria royalty agreement, as described in note 4.
(ii) The Tzield and Orserdu II Transactions were partially funded by the Trust's existing cash and cash flows.

During the three months ended March 31, 2024, the Trust made total credit facility repayments of \$23,813 (2023 – \$89,377), which did not include any voluntary repayments (2023 – \$68,155).

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

	As at March 31, 2024			As at December 31, 2023
	Total Available Credit	Remaining Available Credit	Balance Outstanding	Balance Outstanding
Acquisition credit facility	\$ 375,000	\$ 226,312	\$ 148,688	\$ 70,812
Term credit facility	100,000	—	90,812	77,500
Working capital credit facility	25,000	25,000	—	—
	\$ 500,000	\$ 251,312	\$ 239,500	\$ 148,312
Deferred transaction costs, net of amortization	n/a	n/a	(2,526)	(2,834)
Total	\$ 500,000	\$ 251,312	\$ 236,974	\$ 145,478
Current portion of credit facility			\$ 56,250	\$ 48,750
Long-term portion of credit facility			180,724	96,728
Total			\$ 236,974	\$ 145,478

The following table presents expected principal repayments to be made until the maturity of the amended credit agreement as at March 31, 2024:

	Total
Remainder of: 2024	\$ 42,188
Full year: 2025	56,250
Full year: 2026	141,062
	\$ 239,500

The Trust is subject to certain financial as well as customary non-financial covenants under the amended credit agreement. Certain compliance requirements have also been revised as part of the amended credit agreement. Substantially all of the assets of the Trust are pledged as collateral under the amended credit agreement. As at March 31, 2024, the Trust was in compliance with all covenant requirements under the amended credit agreement.

Interest Rate Swap

On August 31, 2023, the Trust entered into an interest rate swap agreement to fix the interest rate on a notional amount of \$100,000 of the credit facility, as described in note 13. The interest earned on the interest rate swap partially offsets the interest payable on the credit facility. During the three months ended March 31, 2024, the Trust recorded total interest earned on the interest rate swap of \$180 (2023 – nil).

Preferred Securities

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

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

The interest rate on the Series A Preferred Securities would increase to 10% per annum if any of the Series A Preferred Securities were outstanding on January 1, 2028 and was subject to an annual increase of 1.5% per annum if any of the Series A Preferred Securities remained outstanding on each one year anniversary of such date, up to a specified cap.

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

The carrying amount of the 2023 Preferred Securities is presented below:

		As at March 31, 2024	As at December 31, 2023
Series A	\$	80,146	\$ 79,377
Series B		16,670	16,510
	\$	96,816	\$ 95,887
Deferred transaction costs, net of amortization		(2,489)	(2,637)
Total	\$	94,327	\$ 93,250

Subsequent to March 31, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants. As a result of the refinancing, holders of the 2023 Preferred Securities and 2023 Warrants received \$135,202 of new Series C Preferred Securities and 1,749,996 new warrants (the “**2024 Warrants**”) having an exercise price representing a 20% premium to the five day volume-weighted average price of the Trust’s Units. The 2023 Preferred Securities were cancelled and the 2023 Warrants were redeemed upon completion of the refinancing, with holders entitled to receive accrued and unpaid interest on the 2023 Preferred Securities up to and excluding such date.

The Series C Preferred Securities are unsecured, subordinated debt securities of the Trust and have a principal amount of \$135,202. The Series C Preferred Securities have substantially the same terms as the Series A Preferred Securities, but will mature on April 23, 2074. The Series C Preferred Securities initially pay cash interest at a rate of 7.50% per annum on the principal amount of the Series C Preferred Securities outstanding, payable semi-annually on April 30 and October 31 of each year. The Series C 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 Series C Preferred Securities will increase to 10% per annum if any of the Series C 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 Series C Preferred Securities remain outstanding on each one year anniversary of such date, up to a specified cap.

The summary of interest expense for the periods ended March 31, 2024 and 2023 is presented below:

		Three months ended March 31, 2024		Three months ended March 31, 2023
Interest on credit facility net borrowings	\$	4,899	\$	4,027
Standby fees		273		133
Amortization of deferred transaction costs		309		305
Interest earned on interest rate swap		(180)		—
Total interest expense on credit facility	\$	5,301	\$	4,465
Interest on Preferred Securities	\$	2,014	\$	1,151
Accretion of par value		930		473
Amortization of deferred transaction costs		153		77
Total interest expense on Preferred Securities	\$	3,097	\$	1,701
Total interest expense	\$	8,398	\$	6,166

NOTE 8 | EQUITY

Authorized Equity

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

(i) Units

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

The following table outlines the changes in the number of Units outstanding from December 31, 2022 to March 31, 2024:

	Units	Weighted Average Cost per Unit		Total Cost
Balance – December 31, 2022	37,790,395	n/a	\$	373,577
Issuance of Units:				
Units issued on the settlement of vested Restricted Units	12,706	\$ 5.36	\$	68
Repurchase and cancellation of Units – NCIB	(319,453)	\$ 5.43	\$	(1,735)
Balance – March 31, 2023	37,483,648	n/a	\$	371,910
Issuance of Units:				
Follow-on public offerings	18,653,000	\$ 8.12	\$	151,456
Units issued on the settlement of Restricted Units	227,792	\$ 8.94	\$	2,037
Unit issuance costs	n/a	n/a	\$	(6,924)
Repurchase and cancellation of Units – NCIB	(6,200)	\$ 5.48	\$	(34)
Unit distributions to Unitholders	4,651,782	\$ 9.26	\$	43,058
Consolidation of Units	(4,651,782)	n/a		n/a
Balance – December 31, 2023	56,358,240	n/a	\$	561,503
No activity				
Balance – March 31, 2024	56,358,240	n/a	\$	561,503

Follow-on offerings of Units

On July 19, 2023, the Trust completed a follow-on public offering of its Units whereby the Trust issued 9,223,000 Units at \$8.03 (C\$10.60) per Unit, for gross proceeds of \$74,086 (C\$97,764).

On September 20, 2023, the Trust completed an additional follow-on public offering of its Units whereby the Trust issued 9,430,000 Units at \$8.20 (C\$11.00) per Unit, for gross proceeds of \$77,370 (C\$103,730).

Settlement of vested Restricted Units

The following table outlines the Units issued upon settlement of vested RUs during the three months ended March 31, 2023, the period from April 1, 2023 to December 31, 2023, and three months ended March 31, 2024:

	Units Issued on Settlement of Restricted Units		
	Three months ended March 31, 2023	Nine months ended December 31, 2023	Three months ended March 31, 2024
Restricted Units Grant Date:			
September 10, 2021	—	12,779	—
October 8, 2021	—	8,727	—
November 30, 2021	—	39,304	—
June 10, 2022	—	8,805	—
September 10, 2022	—	13,424	—
November 22, 2022	12,706	3,867	—
August 17, 2023	—	140,886	—
Total	12,706	227,792	—

Subsequent to March 31, 2024, on April 1, 2024, the Trust issued an additional 9,938 Units upon the settlement of vested RUs which were granted on January 10, 2024 and the related distribution equivalents.

Normal course issuer bid ("NCIB")

On November 7, 2022, the Trust was granted approval by the TSX to acquire, from time to time, if considered advisable, up to 2,493,280 Units of the Trust for cancellation between November 14, 2022 and November 13, 2023 ("**November 2022 NCIB**"). In connection with the November 2022 NCIB, the Trust established an automated unit repurchase plan ("**AUPP**") whereby Units of the Trust may be repurchased at the discretion of a dealer to the AUPP using commercially reasonable efforts and subject to trading parameters defined in the AUPP.

On November 13, 2023, the Trust was granted approval by the TSX to acquire, from time to time, if considered advisable, up to 3,280,195 Units of the Trust for cancellation between November 20, 2023 and November 19, 2024 ("**November 2023 NCIB**" and, together with the September 2021 NCIB and November 2022 NCIB, the "**NCIB Plans**"). In connection with the November 2023 NCIB, the Trust established an AUPP whereby Units of the Trust may be repurchased at the discretion of a dealer to the AUPP using commercially reasonable efforts and subject to trading parameters defined in the AUPP. As of March 31, 2024 no Units were repurchased under the November 2023 NCIB.

As at March 31, 2024, in aggregate, the Trust had acquired and cancelled 2,757,163 Units at an average Unit price of \$5.26, totaling \$14,510 under all current and previous NCIB Plans.

As at March 31, 2023, the Trust had recorded an other current liability of \$480 representing the maximum amount that would be required to settle the AUPP in effect on March 31, 2023 with a corresponding decrease in other equity. The actual number of Units repurchased under the AUPP was less than the estimate as at March 31, 2023 resulting in a subsequent decrease in other current liabilities and an increase in other equity.

(ii) Preferred Units

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

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

As at March 31, 2024, no Preferred Units had been issued or were outstanding (December 31, 2023 – nil).

(iii) Warrants

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

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

As at March 31, 2024, the net value of the 2023 Warrants recognized in other equity was \$2,150 (December 31, 2023 – \$2,150).

Subsequent to March 31, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants. As a result of the refinancing, the 2023 Warrants have been redeemed and 1,749,996 2024 Warrants were issued. Each 2024 Warrant entitles the holder thereof to acquire one Unit of the Trust for an exercise price of \$15.00 at any time until the expiry of the 2024 Warrant on April 23, 2029. The 2024 Warrant exercise price represents a 20% premium to the volume-weighted average price of the Trust's Units for the five trading days ending April 12, 2024.

Distributions

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

The following table presents cash and Unit distributions made by the Trust during three months ended March 31, 2024 and year ended December 31, 2023:

	Record Date	Payment Date	Distribution per Unit	Total Distribution
2024				
Q1 2024 – Quarterly cash distribution	March 31, 2024	April 19, 2024	\$ 0.0850	\$ 4,790
Total			\$ 0.0850	\$ 4,790
2023				
Q1 2023 – Quarterly cash distribution	March 31, 2023	April 20, 2023	\$ 0.0750	\$ 2,811
Q2 2023 – Quarterly cash distribution	June 30, 2023	July 20, 2023	\$ 0.0750	\$ 2,812
Q2 2023 – Special cash distribution ⁽ⁱ⁾	June 30, 2023	July 20, 2023	\$ 0.5334	\$ 20,000
Q3 2023 – Quarterly cash distribution	September 30, 2023	October 20, 2023	\$ 0.0750	\$ 4,224
Q4 2023 – Quarterly cash distribution	December 31, 2023	January 19, 2024	\$ 0.0750	\$ 4,227
Q4 2023 – Special cash distribution ⁽ⁱⁱ⁾	December 31, 2023	January 19, 2024	\$ 0.2662	\$ 15,003
Q4 2023 – Unit distribution ⁽ⁱⁱⁱ⁾	December 31, 2023	n/a	\$ 0.7640	\$ 43,058
Total			\$ 1.8636	\$ 92,135

(i) On April 27, 2023, the board of trustees declared a special cash distribution totaling \$20,000 to Unitholders of record as at June 30, 2023, which was paid on July 20, 2023.

(ii) On December 20, 2023, the board of trustees declared a special cash distribution totaling \$15,003 to Unitholders of record as at December 31, 2023, which was paid on January 19, 2024.

(iii) On December 20, 2023, the board of trustees declared a special Unit distribution of \$0.7640 per Unit, totaling \$43,058 to Unitholders of record as at December 31, 2023, which was issued on December 31, 2023. Immediately following the special Unit distribution, Units of the Trust were consolidated such that, after each consolidation, each Unitholder held the same number of Units that were held by the Unitholder immediately before the special Unit distribution.

During the three months ended March 31, 2024, the board of trustees declared distributions totaling \$4,790 (2023 – \$2,811). During the year ended December 31, 2023, the board of trustees declared distributions totaling \$92,135, comprised of cash distributions of \$49,077 and a Unit distribution of \$43,058.

On May 6, 2024, the board of trustees declared a quarterly cash distribution of \$0.0850 per Unit to Unitholders of record as at June 30, 2024 and payable on July 19, 2024.

NOTE 9 | NET EARNINGS PER UNIT

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

	Three months ended March 31, 2024	Three months ended March 31, 2023
Basic	56,358,240 Units	37,753,194 Units
Diluted	56,358,240 Units	37,821,801 Units

NOTE 10 | UNIT-BASED COMPENSATION

The Trust provides unit-based compensation under its Incentive Plan, as described in note 2(p) to the Trust's 2023 annual consolidated financial statements. The total number of Units authorized to be issued under the Omnibus Equity Incentive Plan is the lower of (i) 4,101,741; and (ii) 10% of the total outstanding Units of the Trust.

For the three months ended March 31, 2024, the unit-based compensation expense was \$2,567 (2023 – \$288) and was comprised of RU grants.

The following table provides the details of RU grants up to March 31, 2024:

	Restricted Units
Balance – January 1, 2023	392,594 Units
Distribution equivalent Units granted ⁽ⁱ⁾	5,063 Units
Vesting of Restricted Units	(21,108) Units
Forfeiture of Restricted Units	(212) Units
Balance – March 31, 2023	376,337 Units
Restricted Units granted:	
Granted on August 17, 2023 ⁽ⁱⁱ⁾	235,278 Units
Granted on August 17, 2023 ⁽ⁱⁱⁱ⁾	16,000 Units
Granted on October 25, 2023 ^(iv)	85,816 Units
Granted on December 21, 2023 ^(v)	15,000 Units
Distribution equivalent Units granted ⁽ⁱ⁾	40,845 Units
Vesting of Restricted Units	(390,697) Units
Forfeiture of Restricted Units	(30,221) Units
Balance – December 31, 2023	348,358 Units
Restricted Units granted:	
Granted on January 10, 2024 ^(vi)	370,128 Units
Granted on January 10, 2024 ^(vii)	21,232 Units
Distribution equivalent Units granted ⁽ⁱ⁾	5,373 Units
Balance – March 31, 2024	745,091 Units

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

(ii) Vested immediately on August 17, 2023.

(iii) Vesting equally on September 10, 2023, September 10, 2024 and September 10, 2025.

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

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

(vi) Vesting equally on June 15, 2024 and June 15, 2025.

(vii) Vesting on April 1, 2024.

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

		As at March 31, 2024		As at December 31, 2023
Current portion of unit-based compensation liability	\$	3,466	\$	1,499
Long-term portion of unit-based compensation liability		1,312		712
Total unit-based compensation liability	\$	4,778	\$	2,211

Subsequent to March 31, 2024, on April 1, 2024, the Trust issued an additional 9,938 Units upon the settlement of vested RUs which were granted on January 10, 2024 and the related distribution equivalent Units.

No Options or PUs were granted as at March 31, 2024 and 2023. Certain members of the board of trustees elected to be compensated fully or partially in DUs, as described in note 12.

NOTE 11 | DEAL INVESTIGATION AND RESEARCH EXPENSES

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

The Trust recorded total deal investigation and research expenses of \$1,902 for the three months ended March 31, 2024 (2023 – \$981).

Directly attributable costs associated with successful acquisitions are capitalized as part of the cost of royalty assets in accordance with IFRS.

NOTE 12 | OTHER OPERATING EXPENSES

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

	Three months ended March 31, 2024	Three months ended March 31, 2023
Board of trustees fees	\$ 401	\$ 128
Professional fees	453	538
Amortization of other current assets	—	143
Other expenses	608	271
Total other operating expenses	\$ 1,462	\$ 1,080

Board of trustees fees

Certain members of the board of trustees 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. 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 2(p) to the Trust's 2023 annual consolidated financial statements.

During the three months ended March 31, 2024, the Trust granted 8,047 DUs (2023 – 17,490) in lieu of cash compensation to trustees and 903 distribution equivalent Units (2023 – 946) in relation to the quarterly distributions. Board compensation expense for the three months ended March 31, 2024 included \$354 (2023 – \$82) related to the issuance of DUs and the related distribution equivalents. The fair value of the DUs vested but not settled was \$1,459 (December 31, 2023 – \$1,105) and was included in other current liabilities.

Professional fees

For the three months ended March 31, 2024, the Trust recorded total professional fees of \$453 (2023 – \$538) related to professional services including audit, legal, tax, valuation and consulting.

Other expenses

Other expenses for the three months ended March 31, 2024 were \$608 (2023 – \$271) and included \$250 (2023 – nil) in donations, related to the pledge agreement with Mayo Clinic, as described in note 16.

NOTE 13 | FINANCIAL INSTRUMENTS

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

	Fair value through net earnings - recognized	Fair value through net earnings - designated as hedging instruments	Amortized Cost	Total
Financial Assets				
Cash and cash equivalents	\$ 66,562	\$ —	\$ —	\$ 66,562
Royalties receivable	—	—	45,470	45,470
Derivative instruments	—	108	—	108
	\$ 66,562	\$ 108	\$ 45,470	\$ 112,140
Financial Liabilities				
Accounts payable and accrued liabilities	\$ —	\$ —	\$ 4,362	\$ 4,362
Distributions payable to Unitholders	—	—	4,790	4,790
Performance fees payable	—	—	4,916	4,916
Current portion of credit facility	—	—	56,250	56,250
Other current liabilities	—	—	1,595	1,595
Credit facility	—	—	180,724	180,724
Preferred Securities	—	—	94,327	94,327
	\$ —	\$ —	\$ 346,964	\$ 346,964

The financial assets and liabilities held by the Trust as at December 31, 2023 were as follows:

	Fair value through net earnings - recognized	Fair value through net earnings - designated as hedging instruments	Amortized Cost	Total
Financial Assets				
Cash and cash equivalents	\$ 62,835	\$ —	\$ —	\$ 62,835
Royalties receivable	—	—	64,082	64,082
	\$ 62,835	\$ —	\$ 64,082	\$ 126,917
Financial Liabilities				
Accounts payable and accrued liabilities	\$ —	\$ —	\$ 5,043	\$ 5,043
Distributions payable to Unitholders	—	—	19,230	19,230
Derivative instruments	—	1,089	—	1,089
Performance fees payable	—	—	5,918	5,918
Current portion of credit facility	—	—	48,750	48,750
Other current liabilities	—	—	1,241	1,241
Credit facility	—	—	96,728	96,728
Preferred securities	—	—	93,250	93,250
	\$ —	\$ 1,089	\$ 176,910	\$ 271,249

Derivative instruments

The Trust uses an interest rate swap as a derivative financial instrument designated as a cash flow hedge to manage interest rate risk related to its credit facility, as described in note 7. The Trust does not hold or use any derivative instruments for speculative trading purposes. On August 31, 2023, the Trust entered into an interest rate swap agreement to fix a portion of the interest rate on a notional amount of \$100,000 of the credit facility. The details of the interest rate swap are as follows:

Derivative Instruments	Maturity Date	Notional Value	Fair Value as at March 31, 2024	Fair Value as at December 31, 2023
Interest rate swap	March 31, 2026	\$ 100,000	\$ 108	\$ (1,089)

The Trust applies hedge accounting, as described in note 2(e) to the Trust's 2023 annual consolidated financial statements. During the three months ended March 31, 2024, the Trust recognized an unrealized fair value gain in other comprehensive earnings (loss) of \$1,197 (2023 – nil) as a result of the interest rate swap derivative instrument. During the three months ended March 31, 2024, the Trust also recognized \$180 (2023 – nil) in interest income on the interest rate swap, which was netted against the interest expense arising from the amended credit agreement, as described in note 7.

NOTE 14 | FAIR VALUE MEASUREMENTS

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

There were no transfers among the three levels of the fair value hierarchy during the three months ended March 31, 2024 (2023 – nil).

As at March 31, 2024 and December 31, 2023, the Trust had cash and cash equivalents measured at fair value, which were classified as Level 1 financial instruments. The Trust also had derivative instruments measured at fair value, which were classified as Level 2 financial instruments. The derivative instrument is related to the interest rate swap described in note 13, and the fair value is estimated using a valuation model that predicts future cash flows over the contractual terms of the agreement based on observable market data, such as interest rate curves.

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

NOTE 15 | CAPITAL MANAGEMENT

As at March 31, 2024, the Trust's capital was \$900,048 (December 31, 2023 – \$807,931) and consisted of its Unitholders' capital of \$561,503 (December 31, 2023 – \$561,503), Preferred Securities, prior to deduction of deferred transaction costs net of amortization, of \$96,816 (December 31, 2023 – \$95,887), Warrants of \$2,229 (December 31, 2023 – \$2,229) and credit facilities of \$239,500, prior to deduction of deferred transaction costs net of amortization (December 31, 2023 – \$148,312).

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.

As described in note 8, the Trust completed the 2023 Private Placement to a group of investors on February 8, 2023. The Private Placement provided gross proceeds to the Trust of \$95,000 through the sale of \$95,000 principal amount of Series A Preferred Securities, \$19,760 principal amount of Series B Preferred Securities and the issuance of 6,369,180 Warrants.

The Trust has total credit available under its amended credit agreement of \$500,000, comprised of (i) a \$375,000 acquisition credit facility; (ii) a \$25,000 working capital credit facility; and (iii) a \$100,000 term credit facility, as described in note 7.

On July 19, 2023, the Trust completed a follow-on public offering of its Units. The offering provided gross proceeds to the Trust of \$74,086 (C\$97,764) through the issuance of 9,223,000 Units at \$8.03 (C\$10.60) per Unit. On September 20, 2023, the Trust completed a second follow-on public offering of its Units. The offering provided gross proceeds to the trust of \$77,370 (C\$103,730) through the issuance of 9,430,000 Units at \$8.20 (C\$11.00) per Unit, further increasing the Trust's capital.

There have been no changes in the composition of the Trust's capital or its capital management policies during the three months ended March 31, 2024 compared to prior periods. As at March 31, 2024 and December 31, 2023, the Trust was in compliance with all externally imposed capital requirements.

Subsequent to March 31, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants. As a result of the refinancing, holders of the 2023 Preferred Securities and 2023 Warrants received \$135,202 of new Series C Preferred Securities and 1,749,996 2024 Warrants having an exercise price representing a 20% premium to the five day volume-weighted average price of the Trust's Units. The 2023 Preferred Securities have been cancelled and the 2023 Warrants have been redeemed upon completion of the refinancing, with holders entitled to receive accrued and unpaid interest on the 2023 Preferred Securities up to and excluding such date, as described in note 7 and note 8.

NOTE 16 | COMMITMENTS

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

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

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

On August 14, 2023, the Trust bought an additional royalty stream on Orserdu pursuant to the Orserdu II Transaction, as described in note 4. In accordance with the royalty agreement, the Trust is obligated to pay a \$10,000 milestone to the royalty seller upon the occurrence of pre-specified events.

On August 16, 2023, the Trust entered into a pledge agreement with 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 Mayo Clinic to directly support and further the Center for Regenerative Biotherapeutics. To date, the Trust has paid a total of \$750.

On February 1, 2024, the Trust expanded its interest in royalties on the sales of Omidria, as described in note 4. In accordance with the terms of the amended royalty agreement, the royalty seller may be entitled to receive up to \$55,000 in potential sales-based milestone payments.

NOTE 17 | RELATED-PARTY TRANSACTIONS

Transactions with our manager

DRI Healthcare serves as manager of the Trust. Management fees and performance fees are payable by the Trust pursuant to the management agreement.

The Trust recorded the following transactions and balances with its manager:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Management fee expense	\$ 4,164	\$ 1,676
Performance fee expense	231	—
Total	\$ 4,395	\$ 1,676
	As at March 31, 2024	As at December 31, 2023
Accounts payable and accrued liabilities	\$ 46	\$ —
Management fees payable	—	82
Performance fee payable	4,916	5,918
Total	\$ 4,962	\$ 6,000

Accounts payable and accrued liabilities

The Trust has a balance of \$46 payable to DRI Healthcare which relates to expenses paid by DRI Healthcare on behalf of the Trust.

Management fees

The Trust recorded management fees of \$4,164 during the three months ended March 31, 2024 (2023 – \$1,676). There were no management fees payable as at March 31, 2024 (December 31, 2023 – \$82).

Performance fees

The Trust recorded performance fees of \$231 during the three months ended March 31, 2024 (2023 – nil) as the calculation for the accrued performance fees recognized in the fourth quarter of 2023 was finalized. During the fourth quarter of 2023, conditions for performance fee payments were met as a result of the milestone royalty income earned from Orserdu I, Orserdu II and Vonjo II, as described in note 4, and performance fees of \$5,918 were recognized. During the three months ended March 31, 2024, \$1,233 of performance fees were paid (2023 – nil) and the remaining balance is expected to be paid in future quarters.

Key management compensation

During the three months ended March 31, 2024 and 2023, the Trust issued compensation to members of the board of trustees, as described in note 12.

During the three months ended March 31, 2024, the Trust granted 63,811 RUs to certain officers of the Trust which vest equally on June 15, 2024 and June 15, 2025. During the year ended December 31, 2023, the Trust granted 32,730 RUs which vested immediately and were settled, net of withholding taxes, with 15,209 Units issued. To date, the Trust has issued 24,964 Units on the settlement of vested RUs, of which 2,584 were issued in 2021, 3,376 were issued in 2022 and 19,004 were issued in 2023. During the three months ended March 31, 2024, the Trust recorded unit-based compensation expense of \$276 (2023 – \$6) related to the RU grants and the accretion of the related distribution equivalent Units.

NOTE 18 | SUBSEQUENT EVENTS

Settlement of vested Restricted Units

On April 1, 2024, the Trust issued 9,938 Units upon the settlement of vested RUs which were granted on January 10, 2024 and the related distribution equivalents, as described in note 10.

Preferred Securities and Warrants Refinancing

On April 23, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants. As a result of the refinancing, holders of the 2023 Preferred Securities and 2023 Warrants received \$135,202 of new Series C Preferred Securities and 1,749,996 2024 Warrants having an exercise price representing a 20% premium to the five day volume-weighted average price of the Trust's Units. The 2023 Preferred Securities have been cancelled and the 2023 Warrants have been redeemed upon completion of the refinancing, with holders entitled to receive accrued and unpaid interest on the 2023 Preferred Securities up to and excluding such date, as described in note 7 and note 8.

2024 second quarter distribution declared

On May 6, 2024, the board of trustees declared a quarterly distribution of \$0.0850 per Unit to Unitholders of record as at June 30, 2024 and payable on July 19, 2024.

INVESTOR INFORMATION

Traded Units

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

Trading Symbols

U.S. dollars: DHT.U

Canadian dollars: DHT.UN

Registrar and Transfer Agent

Computershare

100 University Avenue, 8th Floor

Toronto, Ontario M5J 2Y1

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

Investor Relations

DRI Healthcare Trust

100 King Street West, Suite 7250

Toronto, Ontario M5X 1B1

ir@drihealthcare.com

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

Website

www.drihealthcare.com

Auditor

Deloitte LLP, Chartered Professional Accountants

Licensed Public Accountants

8 Adelaide Street West, Suite 200

Toronto, Ontario M5H 0A9