DRI HEALTHCARE TRUST

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024

DRI HEALTHCARE TRUST

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited) *(in thousands of U.S. dollars)*		As at June 30, 2024	As at December 31, 2023 As restated (note 2)	As at January 1, 2023 As restated (note 2)
Assets				
Cash and cash equivalents		$ 53,854	$ 62,835	$ 36,686
Royalties receivable		43,542	64,082	27,748
Other current assets		1,310	372	469
Current assets		98,706	**127,289**	**64,903**
Royalty assets, net of accumulated amortization	note 2,6	774,833	704,976	517,445
Loan receivable	note 7	—	—	49,897
Derivative instruments	note 14	336	—	—
Other non-current assets	note 2	192	894	184
Non-current assets		775,361	**705,870**	**567,526**
Total assets		$ 874,067	**$ 833,159**	**$ 632,429**
Liabilities				
Accounts payable and accrued liabilities	note 18	$ 4,720	$ 5,043	$ 5,542
Distributions payable to Unitholders	note 9	4,793	19,230	2,834
Performance fees payable	note 18	—	5,918	—
Current portion of credit facility	note 8	56,250	48,750	34,571
Current portion of unit-based compensation liability	note 11	3,301	1,499	509
Other current liabilities		3,526	1,241	6,936
Current liabilities		72,590	**81,681**	**50,392**
Credit facility	note 8	166,911	96,728	210,417
Preferred securities	note 8	108,805	93,250	—
Derivative instruments	note 14	—	1,089	—
Unit-based compensation liability	note 11	459	712	269
Total liabilities		348,765	**273,460**	**261,078**
Equity				
Unitholders' capital	note 9	543,673	561,503	373,577
Other equity	note 9	2,375	2,150	—
Accumulated other comprehensive earnings (loss)	note 14	336	(1,089)	—
Accumulated retained earnings (deficit)	note 2	(21,082)	(2,865)	(2,226)
Total equity		525,302	**559,699**	**371,351**
Total liabilities and equity		$ 874,067	**$ 833,159**	**$ 632,429**

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

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

(unaudited)		Three months ended		Six months ended	
(in thousands of U.S. dollars except per unit data)		**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
			As restated (note 2)		As restated (note 2)
Income					
Royalty income	note 6	**$ 41,027**	$ 23,207	**$ 82,372**	$ 49,499
Interest and other income on loan receivable	note 7	**—**	4,799	**—**	6,506
Other interest income		**577**	52	**1,299**	289
Total income		**41,604**	**28,058**	**83,671**	**56,294**
Expenses					
Amortization of royalty assets	note 2,6	**25,679**	19,582	**50,725**	38,731
Impairment of royalty assets	note 6	**820**	—	**5,200**	—
Management fees	note 18	**2,825**	15,560	**6,989**	17,236
Performance fees	note 18	**—**	18,616	**231**	18,616
Interest expense	note 8	**8,641**	6,284	**17,039**	12,450
Deal investigation and research expenses	note 2,12	**1,237**	635	**2,828**	1,201
Unit-based compensation	note 11	**4,675**	569	**7,242**	857
Other operating expenses	note 13	**1,233**	1,199	**2,652**	2,279
Total expenses		**45,110**	**62,445**	**92,906**	**91,370**
Net gain on sale of royalty assets	note 2,5	**—**	**109,972**	**—**	**109,972**
Net gain on debt refinancing	note 8	**2,176**	**—**	**2,176**	**—**
Other loss	note 2	**(764)**	**(411)**	**(1,575)**	**(995)**
Net earnings (loss)		**(2,094)**	**75,174**	**(8,634)**	**73,901**
Other comprehensive earnings (loss)					
Net unrealized gain on derivative instruments	note 14	**228**	—	**1,425**	—
Comprehensive earnings (loss)		**$ (1,866)**	**$ 75,174**	**$ (7,209)**	**$ 73,901**
Net earnings (loss) per Unit					
Basic	note 2,10	**$ (0.04)**	$ 2.01	**$ (0.15)**	$ 1.96
Diluted	note 10	**$ (0.04)**	$ 2.00	**$ (0.15)**	$ 1.96

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited) *(in thousands of U.S. dollars)*		Unitholders' Capital	Other Equity	Accumulated Other Comprehensive Earnings (Loss)	Accumulated Retained Earnings (Deficit)	Total Equity
					As restated (note 2)	As restated (note 2)
Balance – December 31, 2022	note 2	**$ 373,577**	**$ —**	**$ —**	**$ (2,226)**	**$ 371,351**
Issuance of Units:						
Settlement of vested Restricted Units	note 11	182	—	—	—	182
Issuance of 2023 Warrants	note 9	—	2,229	—	—	2,229
Warrant issuance costs	note 9	—	(74)	—	—	(74)
Repurchase and cancellation of Units	note 9	(1,769)	—	—	—	(1,769)
Cash distributions to Unitholders	note 9	—	—	—	(25,623)	(25,623)
Net loss and comprehensive loss	note 2	—	—	—	73,901	73,901
Balance - June, 30, 2023		**$ 371,990**	**$ 2,155**	**$ —**	**$ 46,052**	**$ 420,197**
Balance – December 31, 2023	note 2	**$ 561,503**	**$ 2,150**	**$ (1,089)**	**$ (2,865)**	**$ 559,699**
Issuance of Units:						
Settlement of vested Restricted Units	note 11	**2,566**	**—**	**—**	**—**	**2,566**
Issuance of 2024 Warrants	note 9	**—**	**4,322**	**—**	**—**	**4,322**
Redemption of 2023 Warrants	note 8	**—**	**(2,229)**	**—**	**—**	**(2,229)**
Warrant issuance costs	note 9	**—**	**(137)**	**—**	**—**	**(137)**
Preferred Securities and Warrants refinancing	note 9	**(18,212)**	**—**	**—**	**—**	**(18,212)**
Repurchase and cancellation of Units	note 9	**(2,184)**	**—**	**—**	**—**	**(2,184)**
Reserve for Units subject to automated purchase plan	note 9	**—**	**(1,731)**	**—**	**—**	**(1,731)**
Cash distributions to Unitholders	note 9	**—**	**—**	**—**	**(9,583)**	**(9,583)**
Other comprehensive earnings (loss)	note 14	**—**	**—**	**1,425**	**—**	**1,425**
Net earnings (loss)		**—**	**—**	**—**	**(8,634)**	**(8,634)**
Balance – June 30, 2024		**$ 543,673**	**$ 2,375**	**$ 336**	**$ (21,082)**	**$ 525,302**

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) *(in thousands of U.S. dollars)*			**Six months ended June 30, 2024**		Six months ended June 30, 2023
					As restated (note 2)
Operating Activities					
Net earnings (loss)	note 2	$	(8,634)	$	73,901
Adjustment for non-cash items:					
Interest and other income on loan receivable	note 7		—		(6,506)
Interest expense	note 8		17,039		12,450
Amortization of royalty assets	note 2,6		50,725		38,730
Impairment of royalty assets	note 6		5,200		—
Unit-based compensation expense	note 11		7,242		857
Net gain on sale of royalty assets	note 2,5		—		(109,972)
Net gain on debt refinancing	note 8		(2,176)		—
			69,396		**9,460**
Changes in non-cash working capital:					
Royalties receivable			24,100		920
Other current assets			(938)		(547)
Other non-current assets	note 2		810		(127)
Accounts payable and accrued liabilities			(3,010)		411
Performance fees payable	note 18		(5,918)		18,616
Other current liabilities			553		373
			15,597		19,646
Cash provided by operating activities		$	84,993	**$**	**29,106**
Financing Activities					
Unit issuance costs	note 9		—		(142)
Repurchase and cancellation of Units	note 9		(2,184)		(1,769)
Distributions to Unitholders paid in cash	note 9		(24,020)		(5,645)
Drawings from credit facility	note 8		115,000		158,715
Repayment of credit facility	note 8		(37,875)		(242,581)
Cash interest paid, net	note 8		(15,191)		(14,202)
Debt issuance costs paid	note 8		(185)		(752)
Issuance of Preferred Securities and Warrants	note 8, 9		20,441		95,000
Redemption of Warrants	note 7, 8		(20,441)		—
Preferred Securities and Warrants issuance costs paid	note 8, 9		(397)		(2,997)
Cash provided by financing activities		$	35,148	**$**	**(14,373)**
Investing Activities					
Purchase of royalty assets and other net assets, net of cash	note 5	$	(128,250)	$	(195,186)
Cash transaction costs paid	note 2,5		(871)		(1,308)
Proceeds from sale of royalty assets	note 5		—		210,000
Repayment of loan receivable, gross of fees	note 7		—		53,140
Cash interest received	note 7		—		3,264
Cash used in investing activities		$	(129,121)	**$**	**69,910**
Increase (decrease) in cash and cash equivalents		$	(8,980)	$	84,643
Cash and cash equivalents, beginning of year			62,834		36,686
Cash and cash equivalents		$	53,854	**$**	**121,329**

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 August 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 amended and restated consolidated financial statements and accompanying notes for the year ended December 31, 2023 ("**2023 annual amended and restated consolidated financial statements**").

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, adjusted for the revaluation of certain financial assets and liabilities recorded at fair value through net earnings (loss) as explained in note 3(e) to the Trust's 2023 annual amended and restated 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 amended and restated 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 June 30, 2023 was reclassified to current from non-current.

NOTE 2 | RESTATEMENT OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS

In the second quarter of 2024, the Audit Committee of the board of trustees of the Trust, assisted by independent legal counsel and forensic accountants, commenced an internal investigation into irregularities related to certain alleged consulting and other expenses charged to the Trust, either directly or indirectly by DRI Healthcare, the manager of the Trust, as directed by the former Chief Executive Officer. As a consequence of the investigation, it was determined that the Trust should not have been charged certain consulting and other expenses. These charges were made during periods from and including fiscal 2021 through June 30, 2024 and totaled $6,510.

The Trust has restated its consolidated statements of financial position as at December 31, 2023 and January 1, 2023 and its consolidated statements of net earnings and comprehensive earnings, consolidated statements of changes in equity and consolidated statements of cash flows for the three and six months ended June 30, 2023.

Impact of Restatement

As a result of the investigation, the Trust considered the resulting financial impact on its previously issued consolidated financial statements and the Trust has restated certain items previously reported in the Trust's audited annual consolidated financial statements for the years ended December 31, 2023 and 2022. The Trust determined that the following matters required adjustments.

- Certain alleged consulting and other expenses incorrectly included as capitalized transaction costs in royalty assets, net of accumulated amortization;
- Certain alleged consulting and other expenses incorrectly included as capitalized deal costs in other non-current assets; and
- Certain alleged consulting and other expenses incorrectly included as deal investigation and research costs.

The restatement adjustments related to the following items and are described in the paragraphs following the tables below.

- Royalty assets, net of accumulated amortization;
- Other non-current assets;
- Other operating expenses;
- Accumulated retained earnings (deficit);
- Accounts payable and accrued liabilities;
- Amortization of royalty assets;
- Deal investigation and research costs;
- Net gain on sale of royalty assets;
- Other loss;
- Net earnings (loss);
- Comprehensive earnings (loss);
- Cash transaction costs paid.

The following tables provide a summary of the impact of the restatement adjustments on all affected line items in the Trust's previously reported consolidated financial statements as at December 31, 2023 and as at January 1, 2023 as well as for the three and six months ended June 30, 2023. The "As restated" columns reflect final adjusted balances after the restatement.

Effect on Consolidated Statements of Financial Position

Consolidated Statements of Financial Position	As reported	Adjustment	As restated	As reported	Adjustment	As restated
	As at December 31, 2023			As at January 1, 2023		
Assets						
Royalty assets, net of accumulated amortization	$ 706,105	$ (1,129)	**$ 704,976**	$ 518,134	$ (689)	**$ 517,445**
Other non-current assets	1,563	(669)	**894**	485	(301)	**184**
Total Assets	$ 834,957	$ (1,798)	**$ 833,159**	$ 633,419	$ (990)	**$ 632,429**
Accumulated retained earnings (deficit)	(1,067)	(1,798)	**(2,865)**	(1,236)	(990)	**(2,226)**
Total equity	$ 561,497	$ (1,798)	**$ 559,699**	$ 372,341	$ (990)	**$ 371,351**

Effect on Consolidated Statements of Net Earnings and Other Comprehensive Earnings

Consolidated Statements of Net Earnings and Comprehensive Earnings	As reported	Adjustment	As restated	As reported	Adjustment	As restated
	Three months ended June 30, 2023			Six months ended June 30, 2023		
Expenses						
Amortization of royalty assets	$ 19,600	$ (18)	**$ 19,582**	$ 38,768	$ (37)	**$ 38,731**
Deal investigation and research expenses	760	(125)	**635**	1,741	(540)	**1,201**
Other operating expenses	1,242	(43)	**1,199**	2,322	(43)	**2,279**
Total expenses	62,631	(186)	**62,445**	91,990	(620)	**91,370**
Net gain on sale of royalty assets	109,606	366	**109,972**	109,606	366	**109,972**
Other loss	—	(411)	**(411)**	—	(995)	**(995)**
Net earnings	75,033	141	**75,174**	73,910	(9)	**73,901**
Comprehensive earnings	$ 75,033	$ 141	**$ 75,174**	$ 73,910	$ (9)	**$ 73,901**
Net earnings per Unit						
Basic	$ 2.00	$ 0.01	**$ 2.01**	$ 1.96	$ —	**$ 1.96**
Diluted	$ 2.00	$ —	**$ 2.00**	$ 1.96	$ —	**$ 1.96**

Effect on Consolidated Statements of Cash Flows

Consolidated Statements of Cash Flows	As reported	Adjustment	As restated
	Six months ended June 30, 2023		
Operating Activities			
Net earnings	$ 73,910	$ (9)	**$ 73,901**
Adjustment for non-cash items			
Amortization of royalty assets	38,768	(37)	**38,731**
Net (gain) loss on sale of royalty assets	(109,606)	(366)	**(109,972)**
Changes in non-cash working capital			
Other non-current assets	377	3	**380**
Accounts payable and accrued liabilities	411	—	**411**
Cash provided by operating activities	29,516	(409)	**29,107**
Investing activities			
Cash transaction costs paid	(1,718)	409	**(1,309)**
Increase (decrease) in cash and cash equivalents	$ 84,643	$ —	**$ 84,643**

Effect on Accumulated Retained Earnings (Deficit)

Accumulated Retained Earnings (Deficit)	As reported	Adjustment	As restated	As reported	Adjustment	As restated	As reported	Adjustment	As restated
	As at December 31, 2023			As at June 30, 2023			As at December 31, 2022		
Balance – beginning of year	$ (1,236)	$ (990)	**$ (2,226)**	$ (1,236)	$ (990)	**$ (2,226)**	$ 4,951	$ (345)	**$ 4,606**
Cash distributions to Unitholders	(49,077)	—	**(49,077)**	(25,623)	—	**(25,623)**	(11,531)	—	**(11,531)**
Unit distributions to Unitholders	(43,058)	—	**(43,058)**	—	—	**—**	(6,254)	—	**(6,254)**
Net earnings and comprehensive earnings	92,304	(808)	**91,496**	73,910	(9)	**73,901**	11,598	(645)	**10,953**
Accumulated Retained Earnings (Deficit)	$ (1,067)	$ (1,798)	**$ (2,865)**	$ 47,051	$ (999)	**$ 46,052**	$ (1,236)	$ (990)	**$ (2,226)**

The following is a description of the matters corrected in the restatement adjustments.

Removal of incorrectly charged consulting and other expenses from royalty assets, accumulated amortization and amortization of royalty assets

Transaction costs are capitalized as part of the overall cost of purchased royalty assets. The investigation identified that certain consulting and other expenses had been charged and capitalized as transaction costs in the cost of various royalty assets and were determined to be incorrectly charged. These consulting and other expenses were removed and the cost of the impacted royalty assets have been restated. As the cost of a royalty asset is amortized over the expected useful life of the asset, any amortization recognized on the incorrectly charged transaction costs were also reversed. The amortization of these incorrectly charged transaction costs may have been recognized over several periods.

These adjustments resulted in the removal of $1,256 as at December 31, 2023, $767 as at June 30, 2023 and $725 as at January 1, 2023 in capitalized transaction costs from the cost of royalty assets. These adjustments also resulted in amortization of royalty assets being reversed of $127 for the year ended December 31, 2023, $72 for the six months ended June 30, 2023 and $36 as at January 1, 2023, which reduced the accumulated amortization balances by the same amounts for the periods ended December 31, 2023, and June 30, 2023, and as at January 1, 2023, respectively.

Overall, the net effect of these adjustments resulted in a reduction of the previously reported balances for royalty assets, net of accumulated amortization, of $1,129 as at December 31, 2023, $695 as at June 30, 2023 and $689 as at January 1, 2023. The reversals for the year ended December 31, 2023 and six months ended June 30, 2023 were recognized as losses in other loss in the Statements of net earnings and comprehensive earnings. The reversals as at January 1, 2023, and for periods prior to this, were recognized in accumulated retained earnings (deficit) in the Statements of financial position.

During the year ended December 31, 2023, the Trust bought royalties on the sales of Tzield, as further described in note 5, which it then sold for $210,000 that same year. Transaction costs of $297 were incorrectly charged and capitalized as part of the overall cost of Tzield and $69 in costs associated with the sale were incorrectly charged to the Trust. The removal of these transaction costs from the net book value of Tzield resulted in an increase in the net gain on sale of royalty assets of $366.

Removal of incorrectly charged consulting and other expenses from capitalized deal costs included in other non-current assets

The investigation identified that certain consulting and other expenses had also been charged and capitalized as deal costs in other non-current assets and were determined to be incorrectly charged. These capitalized deal costs were removed and other non-current assets have been restated. These adjustments resulted in the removal of $669 as at December 31, 2023, $304 as at June 30, 2023, and $301 as at January 1, 2023 in capitalized deal costs from other non-current assets. The reversals were recognized as losses in other loss in the Statements of net earnings and comprehensive earnings for the year ended December 31, 2023 and the six months ended June 30, 2023. The reversals for periods prior to this were reflected in accumulated retained earnings (deficit) in the Statements of financial position.

Removal of incorrectly charged consulting and other expenses from deal investigation and research costs.

Certain consulting and other expenses were incorrectly charged to the Trust and expensed as deal investigation and research costs. These costs were removed and deal investigation and research costs have been restated. These adjustments resulted in the reversal of $125 for the three months ended June 30, 2023, and $540 for the six months ended June 30, 2023. The reversals were recognized as losses in other loss in the Statements of net earnings and comprehensive earnings. The reversals were recognized as losses in other loss in the Statements of net earnings and comprehensive earnings.

Notes 5, 6, 12, and 18 have been restated to reflect amendments arising as a result of the restatement adjustments described above.

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

On July 9, 2024, based on the preliminary information available at that date, DRI Healthcare, our manager, reimbursed the Trust for $5,501 (C$7,500) which was recorded to contributed surplus on the date it was received. As of August 6, 2024, the investigation has identified $6,510 in consulting and other expenses that had been incorrectly charged to the Trust as directed by the former Chief Executive Officer. On August 6, 2024, the Trust received an additional $1,009 from DRI Healthcare related to additional expenses identified from the investigation, which was recorded in contributed surplus on the date received.

The following tables provide a summary of the impact of the restatement adjustments on all affected line items for other comparative periods. The “As restated” columns reflect final adjusted balances after the restatement.

Effect on Consolidated Statements of Net Earnings and Other Comprehensive Earnings

Consolidated Statements of Net Earnings and Comprehensive Earnings	As reported	Adjustment	As restated	As reported	Adjustment	As restated	As reported	Adjustment	As restated
	Three months ended March 31, 2024			Three months ended September 30, 2023			Nine months ended September 30, 2023		
Expenses									
Amortization of royalty assets	$ 25,089	$ (44)	$ **25,045**	$ 23,589	$ (25)	$ **23,564**	$ 62,357	$ (63)	$ **62,294**
Deal investigation and research expenses	1,902	(311)	**1,591**	859	(175)	**684**	2,600	(715)	**1,885**
Other operating expenses	1,462	(43)	**1,419**	1,393	(44)	**1,349**	3,715	(87)	**3,628**
Total expenses	48,264	(469)	**47,795**	38,074	(244)	**37,830**	130,064	(865)	**129,199**
Net gain on sale of royalty assets	—	—	**—**	150	—	**150**	109,756	366	**110,122**
Other loss	—	(812)	**(812)**	—	(791)	**(791)**	—	(1,788)	**(1,788)**
Net earnings	(6,197)	(343)	**(6,540)**	(3,781)	(547)	**(4,328)**	70,129	(557)	**69,572**
Comprehensive earnings	$ (5,000)	$ (343)	$ **(5,343)**	$ (3,129)	$ (547)	$ **(3,676)**	$ 70,781	$ (557)	$ **70,224**
Net earnings per Unit									
Basic	$ (0.11)	$ (0.01)	$ **(0.12)**	$ (0.08)	$ (0.01)	$ **(0.09)**	$ 1.73	$ (0.01)	$ **1.72**
Diluted	$ (0.11)	$ (0.01)	$ **(0.12)**	$ (0.08)	$ (0.01)	$ **(0.09)**	$ 1.72	$ (0.01)	$ **1.71**

Effect on Consolidated Statements of Cash Flows

Consolidated Statements of Cash Flows	As reported	Adjustment	As restated	As reported	Adjustment	As restated
	Three months ended March 31, 2024			Nine months ended September 30, 2023		
Operating Activities						
Net earnings	$ (6,197)	$ (343)	$ **(6,540)**	$ 70,781	$ (557)	$ **70,224**
Adjustment for non-cash items						
Amortization of royalty assets	25,089	(44)	**25,045**	62,357	(61)	**62,296**
Net (gain) loss on sale of royalty assets	—	—	**—**	(109,756)	(366)	**(110,122)**
Changes in non-cash working capital						
Other non-current assets	587	(174)	**413**	(258)	87	**(171)**
Accounts payable and accrued liabilities	146	(39)	**107**	816	—	**816**
Cash provided by operating activities	56,074	(600)	**55,474**	33,150	(897)	**32,253**
Investing activities						
Cash transaction costs paid	(1,448)	600	**(848)**	(3,665)	897	**(2,768)**
Increase (decrease) in cash and cash equivalents	$ 3,727	$ —	$ **3,727**	$ (8,478)	$ —	$ **(8,478)**

Effect on Accumulated Retained Earnings (Deficit)

Accumulated Retained Earnings (Deficit)	As reported	Adjustment	As restated	As reported	Adjustment	As restated
	Three months ended March 31, 2024			Nine months ended September 30, 2023		
Balance – beginning of year	$ (1,067)	$ (1,798)	$ **(2,865)**	$ (1,236)	$ (990)	$ **(2,226)**
Cash distributions to Unitholders	(4,790)	—	**(4,790)**	(29,847)	—	**(29,847)**
Net earnings and comprehensive earnings	(6,197)	(343)	**(6,540)**	70,129	(557)	**69,572**
Accumulated Retained Earnings (Deficit)	$ (12,054)	$ (2,141)	$ **(14,195)**	$ 39,046	$ (1,547)	$ **37,499**

NOTE 3 | MATERIAL ACCOUNTING POLICIES

In the preparation of these consolidated financial statements, the Trust has consistently applied the material accounting policies as described in note 3 to the Trust's 2023 annual amended and restated consolidated financial statements.

NOTE 4 | USE OF JUDGMENTS AND ESTIMATES

In the preparation of these consolidated financial statements, the Trust has used consistent judgments and estimates as described in note 4 to the Trust's 2023 annual amended and restated consolidated financial statements.

NOTE 5 | 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 $777, as restated from $1,448, as described in note 2, were capitalized as part of the royalty asset amendment.

(b) Additional Xenpozyme Royalty Stream

On June 28, 2024, the Trust purchased an additional royalty stream on Xenpozyme for $13,250. This royalty is in addition to the Trust's existing Xenpozyme royalty purchased in 2022. The transaction entitles the Trust to an additional royalty of approximately 1.0% on worldwide net sales of Xenpozyme. The Trust is entitled to receive semi-annual royalty payments in respect of net sales of Xenpozyme commencing from July 1, 2024 on a two quarter lag from the respective half-year period. Transaction costs of $315 were capitalized as part of the royalty transaction.

In accordance with the royalty agreement additional milestone payments totaling up to $32,500 may be paid upon achievement of certain performance thresholds.

Summary of Transactions Completed in 2024

The following is a summary of the royalty transactions completed during the six months ended June 30, 2024:

	Omidria Royalty Amendment	Additional Xenpozyme Transaction	Total for the six months ended June 30, 2024
Assets			
Royalties receivable	$ 3,560	$ —	$ 3,560
Royalty assets	111,440	13,250	124,690
Net acquired assets	$ 115,000	$ 13,250	$ 128,250

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 $413, as restated from $712, as described in note 2, 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 9. 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 $249, as restated from $254, as described in note 2, 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 $938, as restated from $975, as described in note 2, 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 $813, as restated from $951, as described in note 2, 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 $1,224, as restated from $1,574, as described in note 2, 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 $99,153, as restated from $99,450, as described in note 2, at the time of the sale, as described in note 6. 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 6 | 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 5.

		Cost		Accumulated Amortization and Impairment		Net Book Value
As at January 1, 2023 - as restated[(i)]	**$**	**616,555**	**$**	**(99,110)**	**$**	**517,445**
Additions[(i),(ii)]		187,909		—		187,909
Amortization		—		(38,731)		(38,731)
Dispositions[(i),(iii)]		(100,318)		1,165		(99,153)
As at June 30, 2023 - as restated[(i)]		**704,146**		**(136,676)**		**567,470**
Additions[(i),(iv)]		194,975		—		194,975
Amortization		—		(48,253)		(48,253)
Impairment[(v)]				(9,216)		(9,216)
Dispositions[(vi)]		(7,318)		7,318		—
As at December 31, 2023 - as restated[(i)]		**891,803**		**(186,827)**		**704,976**
Additions[(vii)]		**125,782**		**—**		**125,782**
Amortization		**—**		**(50,725)**		**(50,725)**
Impairment[(v)]		**—**		**(5,200)**		**(5,200)**
Dispositions[(viii)]		**(1,475)**		**1,475**		**—**
As at June 30, 2024	**$**	**1,016,110**	**$**	**(241,277)**	**$**	**774,833**

(i) Comparative figures have been restated as a result of the restatement of certain expenses and capitalized costs, as described in note 2.
(ii) Includes capitalized transaction costs of $413, as restated, as described in note 2, related to the Tzield Transaction, as described in note 5.
(iii) The Trust sold its royalty interest in the worldwide sales of Tzield on April 27, 2023, as described in note 5. The net book value of the royalty asset was $99,153, as restated, as described in note 2, at the time of the sale.
(iv) Includes capitalized transaction costs of $249, as restated, as described in note 2, related to the additional Empaveli/Syfovre stream, $938, as restated, as described in note 2, related to the Orserdu I Transaction, $813, as restated, as described in note 2, related to the Vonjo II Transaction and $1,224, as restated, as described in note 2, related to the Orserdu II Transaction, as described in note 5.
(v) During the six months ended June 30, 2024 and year ended December 31, 2023, the Trust recognized an impairment loss of $5,200, as restated, as described in note 2, related to the Oracea royalty asset and $9,216 related to the Natpara royalty asset, respectively, as described below.
(vi) 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.
(vii) Includes capitalized transaction costs of $777, as restated, as described in note 2, related to the amendment to the Omidria royalty agreement, and $315 related to the additional Xenpozyme Transaction, as described in note 5.
(viii) The Trust wrote off the cost and related accumulated amortization of $1,475 and $1,475, respectively, related to the Stelara royalty asset, which was fully amortized as the royalty arrangement had expired during the six months ended June 30, 2024.

As at June 30, 2024, the net book value of our royalty assets was $774,833 (December 31, 2023 – $704,976, as restated, as described in note 2), net of accumulated amortization and impairment of $241,277 (December 31, 2023 – $186,827, as restated, as described in note 2). During the six months ended June 30, 2024, the Trust recorded additions to the cost of its royalty assets totaling $125,782 (December 31, 2023 – $382,884, as restated, as described in note 2) related to the royalty transactions described in note 5. During the six months ended June 30, 2024, the Trust wrote off the cost and related accumulated amortization of $1,475 and $1,475, respectively, related to the fully amortized Stelara royalty asset as the royalty arrangement had expired (December 31, 2023 – $7,318 and $7,318, respectively). There was no change to the net book value of the royalty assets as a result of this write off. For the year ended December 31, 2023, the Trust recorded a disposition to the cost of its royalty assets of $100,318, as restated, as described in note 2, and related accumulated amortization of $1,165, as restated, as described in note 2, related to the Tzield royalty sale, as described in note 5.

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 represented indicators of potential impairment of the Trust's Oracea royalty asset that required 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. The key assumptions and sources of estimation uncertainty were related to the discount rate and future cash flows, including future sales of Oracea, and future sales of generic versions of Oracea. 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 $4,380, as restated, as described in note 2, 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 was $19,665, which represented the recoverable amount.

The Oracea royalty asset was reassessed for impairment as at June 30, 2024 using the same assumptions as the prior quarter to calculate the recoverable amount. Future cash flows remained unadjusted as the full impact of the Lupin product launch is yet to be determined. Based on the analysis, the net book value of Oracea was higher than the recoverable amount and an additional impairment of the Oracea royalty asset of $820 was recognized. As a result of recognizing this impairment, the net book value of the Oracea royalty asset as at June 30, 2024 was $17,539, which represents the recoverable amount.

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 June 30, 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 June 30, 2024, the case is proceeding as expected in the 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 June 30, 2024:

Royalty Asset	Therapeutic Area	Primary Marketer(s)	Acquisition Quarter	Expected Royalty Expiry(i), (ii)
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(vii)	Lysosomal Storage Disorder	Sanofi	Q4 2022	Q2 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(viii)	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 5. 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 5. 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) Xenpozyme includes two royalty streams as result of the additional Xenpozyme stream acquired in Q2 2024 as described in note 5.
(viii) 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 Income				Net Book Value	
Royalty Asset	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023	As at June 30, 2024	As at December 31, 2023
Empaveli/Syfovre[(i),(ii)]	$ 3,098	$ 895	$ 5,336	$ 1,677	$ 23,432	$ 24,765
Eylea I	1,318	1,346	2,613	2,663	9,486	11,376
Eylea II	284	291	564	594	4,928	5,909
FluMist[(iii)]	—	—	—	31	—	—
Natpara	681	607	1,104	1,246	1,614	2,419
Omidria[(i)]	10,952	3,250	19,599	6,500	205,223	105,998
Oracea[(i)]	2,069	1,829	4,430	4,185	17,539	25,642
Orserdu I[(i)]	5,648	25	10,744	25	75,309	78,882
Orserdu II[(i),(iv)]	3,665	—	7,343	—	119,892	125,580
Rydapt	1,019	1,694	2,629	4,628	6,233	7,120
Spinraza	3,257	3,918	6,703	7,761	71,323	76,402
Stelara, Simponi and Ilaris[(v)]	182	349	324	607	983	1,920
Tzield[(vi)]	—	(35)	—	—	—	—
Vonjo I[(i)]	3,159	3,610	7,315	5,031	54,397	57,181
Vonjo II[(i),(iv)]	672	—	1,538	—	60,466	63,557
Xenpozyme[(i),(vii)]	712	340	985	370	41,200	28,825
Xolair	2,813	2,770	5,907	5,715	39,503	42,127
Zejula[(i)]	955	786	2,006	1,559	28,934	30,581
Zytiga	293	1,006	2,694	5,828	12,640	14,578
Other Products[(viii)]	250	526	538	1,079	1,731	2,114
Total	$ 41,027	**$ 23,207**	$ 82,372	**$ 49,499**	$ 774,833	**$ 704,976**

(i) The net book value as at December 31, 2023 has been restated as a result of the restatement of certain expenses and capitalized costs, as described in note 2.
(ii) Empaveli/Syfovre includes two royalty streams on each product held directly.
(iii) The Trust recorded no royalty income related to FluMist in 2024 as it received its final royalty payment in Q4 2023,
(iv) The Trust recorded no royalty income related to Orserdu II or Vonjo II prior to June 30, 2023 as the Trust obtained control over the royalty assets in subsequent periods, as described in note 5.
(v) Stelara, Simponi and Ilaris include two royalty streams on each product, for a total of six royalty streams held directly and indirectly.
(vi) The Tzield royalty was acquired on March 8, 2023. On April 27, 2023, the Trust sold the Tzield royalty, as described in note 5.
(vii) Xenpozyme includes two royalty streams as result of the additional Xenpozyme stream acquired in Q2 2024 as described in note 5. No additional royalty income has been recognized in relation to the additional royalty stream for the three and six months ended June 30, 2024.
(viii) 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 and six months ended June 30, 2024 was $41,027 and $82,372, respectively (2023 – $23,207 and $49,499, respectively). The Trust records royalty income from royalty assets from the date on which the Trust obtains control of those assets. For the three and six months ended June 30, 2024, the Trust recorded royalty income earned related to Orserdu II and Vonjo II, which were added to the portfolio subsequent to June 30, 2023.

Net Book Value

During the six months ended June 30, 2024, the Trust recorded additions to the cost of its royalty assets totaling $125,782 (December 31, 2023 – $382,884, as restated, as described in note 2) related to the royalty transactions, as described in note 5.

During the three and six months ended June 30, 2024, the Trust recorded amortization expense of $25,679 and $50,725, respectively (2023 – $19,582, as restated, as described in note 2, and $38,731, as restated, as described in note 2, respectively). The Trust records amortization related to royalty assets from the date on which the Trust obtains control of those assets. During the three and six months ended June 30, 2024, the Trust recorded amortization related to Orserdu II and Vonjo II, which were added to the portfolio subsequent to June 30, 2023.

During the three and six months ended June 30, 2024, the Trust recognized an impairment loss of $820 and $5,200, respectively (2023 – nil and nil, respectively) 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 was $17,539 as at June 30, 2024 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 12%. The net book value of the asset prior to recognizing an impairment exceeded the recoverable amount and the difference of $5,200 was recognized as an impairment loss.

NOTE 7 | LOAN RECEIVABLE

On August 25, 2021, concurrent with an agreement regarding the purchase of 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 June 30, 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 June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Interest on principal loan receivable	$ —	$ 1,631	$ —	$ 3,264
Amortization of commitment fee	—	343	—	368
Accretion of exit fee received	—	685	—	734
Premiums for prepayment	—	2,140	—	2,140
Interest and other income on loan receivable	**$ —**	**$ 4,799**	**$ —**	**$ 6,506**

NOTE 8 | 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 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 June 30, 2024 (December 31, 2023 – nil).

During the six months ended June 30, 2024 and year ended December 31, 2023, the Trust drew on its amended credit agreement to fund royalty transactions, as described in note 5. 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 5.
(ii) The Tzield and Orserdu II Transactions were partially funded by the Trust's existing cash and cash flows.

During the six months ended June 30, 2024, the Trust made total credit facility repayments of $37,875 (2023 – $242,581), which did not include any voluntary repayments (2023 – $214,422).

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

	As at June 30, 2024			As at December 31, 2023
	Total Available Credit	Remaining Available Credit	Balance Outstanding	Balance Outstanding
Acquisition credit facility	$ 375,000	$ 235,781	$ 139,219	$ 70,812
Term credit facility	100,000	—	86,219	77,500
Working capital credit facility	25,000	25,000	—	—
	$ 500,000	$ 260,781	$ 225,438	**$ 148,312**
Deferred transaction costs, net of amortization	n/a	n/a	(2,277)	(2,834)
Total	$ 500,000	$ 260,781	$ 223,161	**$ 145,478**
Current portion of credit facility			$ 56,250	$ 48,750
Long-term portion of credit facility			166,911	96,728
Total			$ 223,161	**$ 145,478**

The following table presents expected principal repayments to be made until the maturity of the amended credit agreement as at June 30, 2024:

	Total
Remainder of: 2024	$ 28,126
Full year: 2025	56,250
Full year: 2026	141,062
	$ 225,438

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 June 30, 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 14. Under the agreement, the Trust pays a fixed rate of 4.63% and in exchange receives a SOFR interest rate, offsetting the floating component on a portion of the credit facility. The interest earned on the interest rate swap partially offsets the interest payable on the credit facility. During the three and six months ended June 30, 2024, the Trust recorded interest earned on the interest rate swap of $173 and $353, respectively (2023 – nil and nil, respectively).

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 9. 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, 2073 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 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 was being 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 initially recognized and were being amortized using the effective interest rate method over the same period as the 2023 Preferred Securities accretion period.

On April 23, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants. As a result of the refinancing, holders of the 2023 Preferred Securities and 2023 Warrants received gross proceeds of $20,441 through the sale of $135,202 principal amount of new 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, maturing 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, 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 Trust determined that the modification of terms under the refinancing transaction is not substantial in nature by comparing the discounted cash flows under the Series C Preferred Securities and the 2023 Preferred Securities using the original discount rate of 12.77%. A gain on debt refinancing of $2,176 was recorded as a result of this refinancing. Additional deferred transaction costs of $501 were recognized related to the preferred securities refinancing and will be amortized using the effective interest rate method up to April 30, 2029, the date at which the Series C Preferred Securities could be redeemed by 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 carrying amount of the Preferred Securities is presented below.

	As at June 30, 2024	As at December 31, 2023
Series A	$ —	$ 79,377
Series B	—	16,510
Series C	111,657	—
	$ 111,657	$ 95,887
Deferred transaction costs, net of amortization	(2,852)	(2,637)
Total	**$ 108,805**	**$ 93,250**

The summary of interest expense for the three and six months ended June 30, 2024 and 2023 is presented below.

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Interest on credit facility net borrowings	$ 4,659	$ 2,642	$ 9,558	$ 6,669
Standby fees	281	247	554	380
Amortization of deferred transaction costs	434	396	743	701
Interest earned on interest rate swap	(173)	—	(353)	—
Total interest expense on credit facility	**$ 5,201**	**$ 3,285**	**$ 10,502**	**$ 7,750**
Interest on Preferred Securities	$ 2,405	$ 2,014	$ 4,419	$ 3,165
Accretion of par value	897	848	1,827	1,321
Amortization of deferred transaction costs	138	137	291	214
Total interest expense on Preferred Securities	**$ 3,440**	**$ 2,999**	**$ 6,537**	**$ 4,700**
Total interest expense	**$ 8,641**	**$ 6,284**	**$ 17,039**	**$ 12,450**

NOTE 9 | 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 June 30, 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	30,238	$	6.02	$	182
Repurchase and cancellation of Units – NCIB	(325,653)	$	5.43	$	(1,769)
Balance – June 30, 2023	**37,494,980**		**n/a**	**$**	**371,990**
Issuance of Units:					
Follow-on public offerings	18,653,000	$	8.12	$	151,456
Units issued on the settlement of Restricted Units	210,260	$	9.15	$	1,923
Unit issuance costs	n/a		n/a	$	(6,924)
Repurchase and cancellation of Units – NCIB	—			$	—
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**	**$**	**561,503**
Issuance of Units:					
Units issued on the settlement of vested Restricted Units	**235,242**	**$**	**10.91**	**$**	**2,566**
Repurchase and cancellation of Units – NCIB	**(207,600)**	**$**	**10.52**	**$**	**(2,184)**
Preferred Securities and Warrants refinancing	**n/a**		**n/a**	**$**	**(18,212)**
Balance – June 30, 2024	**56,385,882**		**n/a**	**$**	**543,673**

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 six months ended June 30, 2023, the period from April 1, 2023 to December 31, 2023, and six months ended June 30, 2024:

	Units Issued on Settlement of Restricted Units		
	Six months ended June 30, 2023	Six months ended December 31, 2023	Six months ended June 30, 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	10	**7,309**
September 10, 2022	—	13,424	**—**
November 22, 2022	12,706	3,867	**—**
August 17, 2023	—	140,886	**—**
January 10, 2024	—	—	**104,495**
May 31, 2024	—	—	**123,438**
Total	**30,238**	**210,270**	**235,242**

Subsequent to June 30, 2024, on July 2, 2024, the Trust issued an additional 28,576 Units upon the settlement of vested RUs which were granted on October 25, 2023 and the related distribution equivalent Units.

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**"). 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 at June 30, 2024 the Trust is eligible to make additional repurchases under the November 2023 NCIB plan of up to C$2,370 ($1,731).

During the six months ended June 30, 2024, the Trust acquired and cancelled 207,600 Units at an average price of $10.52, totaling $2,184. As at June 30, 2024, in aggregate, the Trust has acquired and cancelled 2,964,763 Units at an average price per Unit of $5.63, totaling $16,694 under all current and previous normal course issuer bid plans.

As at June 30, 2024, the Trust has recorded an other current liability of $1,731 (C$2,370) representing the maximum amount that would be required to settle the AUPP in effect on June 30, 2024 with a corresponding decrease in other equity. In the subsequent period from June 30, 2024 to August 6, 2024, the Trust acquired 198,746 Units at an average price of $8.72, totaling $1,733 (C$2,370) under the AUPP. Due to exchange rate fluctuations, the cost of Unit repurchases exceeded the liability as of June 30, 2024 and the Unit repurchases have been accounted for based on actual cost incurred in the third quarter of 2024.

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

Preferred Units rank on 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 June 30, 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%.

On April 23, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants. As a result of the refinancing, the 2023 Warrants were redeemed for $20,441 and 1,749,996 2024 Warrants were issued. Each 2024 Warrant entitles the holder thereof to acquire one Unit of the Trust for an exercise price of $15.00 at any time until the expiry of the 2024 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.

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 4.380%; (iii) a five-year term; (iv) average expected volatility of 30.5%; and (v) expected distribution yield of 3.35%.

As at June 30, 2024, the net value of the 2024 Warrants recognized in other equity was $1,956 (December 31, 2023 – $2,150).

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 the six months ended June 30, 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**
Q2 2024 – Quarterly cash distribution	June 30, 2024	July 19, 2024	**$ 0.0850**	**$ 4,793**
Total			**$ 0.1700**	**$ 9,583**
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 of the Trust 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 of the Trust 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 of the Trust 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 and six months ended June 30, 2024, the board of trustees of the Trust declared distributions totaling $4,793 and $9,583, respectively (2023 – $22,812 and $25,623, respectively). During the year ended December 31, 2023, the board of trustees of the Trust declared distributions totaling $92,135, comprised of cash distributions of $49,077 and a Unit distribution of $43,058.

On August 6, 2024, the board of trustees of the Trust declared a quarterly cash distribution of $0.0850 per Unit to Unitholders of record as at September 30, 2024 and payable on October 18, 2024.

NOTE 10 | 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 June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Basic	**56,426,259 Units**	37,487,973 Units	**56,392,250 Units**	37,623,590 Units
Diluted	**56,426,259 Units**	37,680,076 Units	**56,392,250 Units**	37,798,310 Units

Prior period net earnings per Unit have been adjusted due to the changes in net earnings (loss) as a result of the restatement, as described in note 2.

NOTE 11 | UNIT-BASED COMPENSATION

The Trust provides unit-based compensation under its Incentive Plan, as described in note 3(p) to the Trust's 2023 annual amended and restated 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 and six months ended June 30, 2024, the unit-based compensation expense was $4,675 and $7,242, respectively (2023 – $569 and $857, respectively) and was comprised of RU grants.

The following table provides the details of RU grants up to June 30, 2024:

	Restricted Units	
Balance – January 1, 2023	**392,594**	**Units**
Distribution equivalent Units granted(i)	31,040	Units
Vesting of Restricted Units	(54,230)	Units
Forfeiture of Restricted Units	(22,771)	Units
Balance – June 30, 2023	**346,633**	**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)	14,868	Units
Vesting of Restricted Units	(357,575)	Units
Forfeiture of Restricted Units	(7,662)	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**
Granted on May 1, 2024(v)	**19,500**	**Units**
Granted on May 31, 2024(viii)	**117,245**	**Units**
Granted on May 31, 2024(ix)	**233,333**	**Units**
Distribution equivalent Units granted(i)	**9,655**	**Units**
Vesting of Restricted Units	**(541,303)**	**Units**
Balance – June 30, 2024	**578,148**	**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) Vested on April 1, 2024.
(viii) Vesting equally on May 31, 2024, May 31, 2025 and May 31, 2026.
(ix) Vested immediately on May 31, 2024.

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

	As at June 30, 2024	As at December 31, 2023
Current portion of unit-based compensation liability	**$ 3,301**	$ 1,499
Long-term portion of unit-based compensation liability	**459**	712
Total unit-based compensation liability	**$ 3,760**	**$ 2,211**

Subsequent to June 30, 2024, on July 2, 2024, the Trust issued an additional 28,576 Units upon the settlement of vested RUs which were granted on October 25, 2023 and the related distribution equivalent Units.

No Options or PUs were granted as at June 30, 2024 and 2023. Certain members of the board of trustees of the Trust elected to be compensated fully or partially in DUs, as described in note 13.

NOTE 12 | 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 $1,237, and $2,828, respectively for the three and six months ended June 30, 2024 (2023 – $635, as restated, as described in note 2 and $1,201, as restated, as described in note 2, respectively).

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

NOTE 13 | OTHER OPERATING EXPENSES

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

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Board of trustees fees	$ **394**	$ 341	$ **847**	$ 469
Professional fees(i)	**274**	475	**676**	1,013
Amortization of other current assets	**—**	97	**—**	240
Other expenses	**565**	286	**1,129**	557
Total other operating expenses	$ **1,233**	$ **1,199**	$ **2,652**	$ **2,279**

(i) Certain items have been restated, as described in note 2.

Board of trustees fees

Certain members of the board of trustees of the Trust have elected to be compensated fully or partially in DUs under the Trust's Omnibus Equity Incentive Plan. The DUs granted pursuant to the election vest immediately and are settled in accordance with the established terms of the award agreement, but not earlier than the resignation or termination of the respective trustee from the board of trustees of the Trust. All DUs are credited with distribution equivalents in the form of additional DUs on each distribution payment date in respect of which normal distributions are paid on the Trust's Units. Such distribution equivalents are subject to the same vesting conditions as the instruments to which they relate. DUs are initially recognized at fair value and are subsequently remeasured at fair value on each reporting date, as described in note 3(p) to the Trust's 2023 annual amended and restated consolidated financial statements.

During the three and six months ended June 30, 2024, the Trust granted 8,231 and 16,278 DUs, respectively (2023 – 12,483 and 29,973, respectively) in lieu of cash compensation to trustees and 996 and 1,899 distribution equivalent Units, respectively (2023 – 6,713 and 7,660, respectively) in relation to the quarterly distributions. Board compensation expense for the three and six months ended June 30, 2024 included $198 and $553, respectively (2023 – $295 and $377, respectively) related to the issuance of DUs and the related distribution equivalents. The fair value of the DUs vested but not settled was $1,658 (December 31, 2023 – $1,105) and was included in other current liabilities.

During the three months ended June 30, 2024, the board's quarterly compensation increased by $13 per trustee to be awarded in the form of DUs.

Professional fees

For the three and six months ended June 30, 2024, the Trust recorded total professional fees of $274 and $676, as restated, as described in note 2, respectively (2023 – $475, as restated, as described in note 2 and $1,013, as restated, as described in note 2, respectively) related to professional services including audit, legal, tax, valuation and consulting.

Other expenses

Other expenses for the three and six months ended June 30, 2024 were $565 and $1,129, respectively (2023 – $286 and $557, respectively) and included $270 and $520, respectively (2023 – nil and nil, respectively) in donations, related to the pledge agreement with Mayo Clinic, as described in note 17.

NOTE 14 | FINANCIAL INSTRUMENTS

The financial assets and liabilities held by the Trust as at June 30, 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	**$ 53,854**	**$ —**	**$ —**	**$ 53,854**
Royalties receivable	**—**	**—**	**43,542**	**43,542**
Derivative instruments	**—**	**336**	**—**	**336**
	$ 53,854	**$ 336**	**$ 43,542**	**$ 97,732**
Financial Liabilities				
Accounts payable and accrued liabilities	**$ —**	**$ —**	**$ 4,720**	**$ 4,720**
Distributions payable to Unitholders	**—**	**—**	**4,793**	**4,793**
Current portion of credit facility	**—**	**—**	**56,250**	**56,250**
Other current liabilities	**—**	**—**	**1,866**	**1,866**
Credit facility	**—**	**—**	**166,911**	**166,911**
Preferred Securities	**—**	**—**	**108,805**	**108,805**
	$ —	**$ —**	**$ 343,345**	**$ 343,345**

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(i)	—	—	136	136
Credit facility	—	—	96,728	96,728
Preferred securities	—	—	93,250	93,250
	$ —	**$ 1,089**	**$ 269,055**	**$ 270,144**

(i) The December 31, 2023 balance was adjusted to reflect a non-financial liability component of other current liabilities related to deferred units of $1,105.

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 8. 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 June 30, 2024	Fair Value as at December 31, 2023
Interest rate swap	March 31, 2026	$ 100,000	**$ 336**	$ (1,089)

The Trust applies hedge accounting, as described in note 3(e) to the Trust's 2023 annual amended and restated consolidated financial statements. During the three and six months ended June 30, 2024, the Trust recognized a net unrealized fair value gain in other comprehensive earnings (loss) of $228 and $1,425, respectively (2023 – nil and nil, respectively) as a result of the interest rate swap derivative instrument. During the three and six months ended June 30, 2024, the Trust also recognized $174 and $353, respectively (2023 – nil and nil, respectively) 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 8.

NOTE 15 | FAIR VALUE MEASUREMENTS

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

There were no transfers among the three levels of the fair value hierarchy during the six months ended June 30, 2024 (2023 – nil).

As at June 30, 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 14, and the fair value is estimated using a valuation model that predicts future cash flows over the contractual terms of the agreement based on observable market data, such as interest rate curves.

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

NOTE 16 | CAPITAL MANAGEMENT

As at June 30, 2024, the Trust's capital was $885,090 (December 31, 2023 – $807,931) and consisted of its Unitholders' capital of $543,673 (December 31, 2023 – $561,503), 2024 Preferred Securities, prior to deduction of deferred transaction costs net of amortization, of $111,657 (December 31, 2023 – $95,887), 2024 Warrants of $4,322 (December 31, 2023 – $2,229) and amended credit facilities, prior to deduction of deferred transaction costs net of amortization, of $225,438 (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.

On April 23, 2024, the Trust completed a refinancing of the 2023 Preferred Securities and the 2023 Warrants. As a result of the refinancing, holders of the 2023 Preferred Securities and 2023 Warrants received gross proceeds of $20,441 through the sale of $135,202 principal amount of new Series C Preferred Securities and the 2024 Warrants. The 2023 Preferred Securities have been cancelled and the 2023 Warrants have been redeemed upon completion of the refinancing as described in note 8 and note 9.

There have been no other changes in the composition of the Trust's capital or its capital management policies during the six months ended June 30, 2024 compared to prior periods. As at June 30, 2024 and December 31, 2023, the Trust was in compliance with all externally imposed capital requirements.

NOTE 17 | 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 Xenpozyme. 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 Xenpozyme sales exceed certain thresholds within a predefined period of time.

On April 3, 2023, the Trust bought an additional royalty stream on Empaveli/Syfovre, as described in note 5. 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 5. 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 $1,000.

On February 1, 2024, the Trust expanded its interest in royalties on the sales of Omidria, as described in note 5. 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.

On June 28, 2024, the Trust bought an additional royalty stream on Xenpozyme, as described in note 5. In accordance with the terms of the royalty agreement, the royalty seller may be entitled to additional consideration of up to $32,500 in potential performance-based milestone payments.

NOTE 18 | 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 June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Management fee expense	$ 2,825	$ 15,560	$ 6,989	$ 17,236
Performance fee expense	—	18,616	231	18,616
Total	**$ 2,825**	**$ 34,176**	**$ 7,220**	**$ 35,852**

	As at June 30, 2024	As at December 31, 2023
Other current assets	$ 313	$ —
Accounts payable and accrued liabilities	(187)	—
Management fees payable	—	(82)
Performance fee payable	—	(5,918)
Total	**$ 126**	**$ (6,000)**

Management fees

The Trust recorded management fees of $2,825 and $6,989 during the three and six months ended June 30, 2024, respectively (2023 – $15,560 and $17,236, respectively). There were no management fees payable as at June 30, 2024 (December 31, 2023 – $82).

Performance fees

The Trust recorded performance fees of nil and $231 during the three and six months ended June 30, 2024, respectively (2023 – $18,616 and $18,616, respectively). 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 5, and performance fees of $5,918 were recognized. During the six months ended June 30, 2024, performance fees of $6,149 were paid (2023 – nil).

As a result of the consulting and other expenses that had been incorrectly charged to the Trust as directed by the former Chief Executive Officer, as described in note 2, the performance fees incurred during the three and six months ended June 30, 2023 would have been $83 higher than the reported amount of $18,616. However, subsequently, DRI Healthcare, the manager of the Trust, irrevocably waived its right to the additional $83 in performance fees related to the three and six months ended June 30, 2023, and $122 for the three months ended December 31, 2023. As such, the Trust did not restate its performance fee expense for the three and six months ended June 30, 2023 and performance fee liability for the year ended December 31, 2023. DRI Healthcare, the manager of the Trust, did not waive its entitlement to any future performance fees from the Trust.

Key management compensation

During the three and six months ended June 30, 2024 and 2023, the Trust issued compensation to members of the board of trustees of the Trust, as described in note 13.

During the six months ended June 30, 2024, the Trust granted 90,627 RUs to certain officers of the Trust, 63,811 of which vest equally on June 15, 2024 and June 15, 2025 and 26,816 of which vest equally on May 31, 2024, May 31, 2025 and May 31, 2026. During the six months ended June 30, 2024, the Trust issued 19,086 Units on the settlement of vested RUs, net of withholding taxes. To date, the Trust has issued 44,050 Units on the settlement of vested RUs, of which 2,584 were issued in 2021, 3,376 were issued in 2022, 19,004 were issued in 2023 and 19,086 were issued in 2024. During the three and six months ended June 30, 2024, the Trust recorded unit-based compensation expense of $341 and $617, respectively (2023 – $33 and $39, respectively) related to the RU grants and the accretion of the related distribution equivalent Units.

Other current assets

From time to time, the Trust pays for expenses on behalf of DRI Healthcare in which DRI Healthcare has an obligation to repay the Trust, recorded as other current assets. As at June 30, 2024, the Trust has a balance of $313 receivable from DRI Healthcare related to irregular expenses charged to the Trust for services provided to DRI Healthcare, the manager of the Trust. Given the nature of these expenses they are presented as an other current asset, these expenses arose under circumstances similar to the expenses classified as other loss, as described in note 2. Subsequent to June 30, 2024, the Trust received the full balance from DRI Healthcare as part of the reimbursement, as described below.

Accounts payable and accrued liabilities

From time to time, DRI Healthcare pays for expenses on behalf of the Trust in which the Trust has an obligation to repay DRI Healthcare. As at June 30, 2024, the Trust has a balance of $187 payable to DRI Healthcare which relates to expenses paid by DRI Healthcare on behalf of the Trust.

Reimbursement

Subsequent to June 30, 2024, on July 9, 2024, based on the preliminary information available at that date from the investigation into expense irregularities, as described in note 2, DRI Healthcare, the manager of the Trust, reimbursed the Trust for $5,501 (C$7,500) which was recorded to contributed surplus on the date it was received. As of August 6, 2024, the investigation has identified $6,510 in consulting and other expenses that had been incorrectly charged to the Trust as directed by the former Chief Executive Officer. On August 6, 2024, the Trust received an additional $1,009 from DRI Healthcare related to the additional expenses identified from the investigation, which was recorded in contributed surplus on the date received, as described in note 2.

NOTE 19 | SUBSEQUENT EVENTS

Settlement of vested Restricted Units

On July 2, 2024, the Trust issued 28,576 Units upon the settlement of vested RUs which were granted on October 25, 2023 and the related distribution equivalents, as described in note 11.

Recovery of other losses

On July 9, 2024, based on the preliminary information at the date, DRI Healthcare, the manager of the Trust, reimbursed the Trust for $5,501 (C$7,500) which was recorded to contributed surplus on the date it was received. As of August 6, 2024, the investigation has identified $6,510 in consulting and other expenses that had been incorrectly charged to the Trust as directed by the former Chief Executive Officer. On August 6, 2024, the Trust received an additional $1,009 from DRI Healthcare related to the additional expenses identified from the investigation, which was recorded in contributed surplus on the date received, as described in note 2.

NCIB repurchases

From the period of June 30, 2024 to August 6, 2024, the Trust acquired 198,746 Units under its NCIB at an average price of $8.72, totaling $1,733 (C$2,370) under the AUPP, as described in note 9.

2024 third quarter distribution declared

On August 6, 2024, the board of trustees of the Trust declared a quarterly distribution of $0.0850 per Unit to Unitholders of record as at September 30, 2024 and payable on October 18, 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
8 Adelaide Street West, Suite 200
Toronto, Ontario M5H 0A9