



DRI HEALTHCARE TRUST

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET EARNINGS (LOSS) AND COMPREHENSIVE EARNINGS (LOSS)	4
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	5
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS	6
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	7
NOTE 1 BASIS OF PREPARATION	7
NOTE 2 INVESTIGATION	8
NOTE 3 MATERIAL ACCOUNTING POLICIES	8
NOTE 4 USE OF JUDGMENTS AND ESTIMATES	8
NOTE 5 ASSET TRANSACTIONS	8
NOTE 6 ROYALTY ASSETS	10
NOTE 7 CREDIT FACILITY AND PREFERRED SECURITIES	12
NOTE 8 EQUITY	14
NOTE 9 NET EARNINGS PER UNIT	17
NOTE 10 UNIT-BASED COMPENSATION	17
NOTE 11 DEAL INVESTIGATION AND RESEARCH EXPENSES	18
NOTE 12 OTHER OPERATING EXPENSES	18
NOTE 13 FINANCIAL INSTRUMENTS	19
NOTE 14 FAIR VALUE MEASUREMENTS	20
NOTE 15 CAPITAL MANAGEMENT	20
NOTE 16 COMMITMENTS	21
NOTE 17 RELATED-PARTY TRANSACTIONS	21
NOTE 18 CONTINGENT LIABILITY	22
NOTE 19 SUBSEQUENT EVENTS	23
INVESTOR INFORMATION	24

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of U.S. dollars)		As at March 31, 2025	As at December 31, 2024
Assets			
Cash and cash equivalents		\$ 55,656	\$ 36,502
Royalties receivable		45,006	62,362
Other current assets		870	303
Current assets		101,532	99,167
Intangible royalty assets, net of accumulated amortization	note 6	799,191	823,936
Financial royalty assets	note 14	55,088	57,527
Investment in marketable securities	note 13	5,770	4,235
Other non-current assets		464	2
Non-current assets		860,513	885,700
Total assets		\$ 962,045	\$ 984,867
Liabilities			
Accounts payable and accrued liabilities	note 17	\$ 10,244	\$ 4,821
Distributions payable to Unitholders	note 8	5,631	4,786
Performance fees payable	note 17	2,198	1,665
Current portion of credit facility	note 7	56,888	56,888
Current portion of unit-based compensation liability	note 10	2,408	2,093
Derivative instruments	note 13	505	—
Other current liabilities	note 5	1,720	11,616
Current liabilities		79,594	81,869
Credit facility	note 7	250,041	263,865
Preferred securities	note 7	112,024	110,937
Derivative instruments, non-current	note 13	—	425
Unit-based compensation liability	note 10	264	240
Total liabilities		441,923	457,336
Equity			
Unitholders' capital	note 8	562,637	562,583
Other equity reserves	note 8	(7,910)	(7,910)
Accumulated other comprehensive earnings (loss)	note 13	(505)	(425)
Accumulated retained earnings (deficit)		(34,100)	(26,717)
Total equity		520,122	527,531
Total liabilities and equity		\$ 962,045	\$ 984,867

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

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

<i>(in thousands of U.S. dollars except per Unit data)</i>			Three months ended March 31, 2025	Three months ended March 31, 2024
Income				
Royalty income	note 6	\$	39,634	\$ 41,345
Change in fair value of financial royalty assets	note 14		2,561	—
Unrealized gain on marketable securities	note 13		1,535	—
Other interest income			298	722
Total income			44,028	42,067
Expenses				
Amortization of intangible royalty assets	note 6		24,745	25,046
Impairment of intangible royalty assets	note 6		—	4,380
Management fees	note 17		4,076	4,164
Performance fees	note 17		533	231
Interest expense	note 7		9,607	8,398
Deal investigation and research expenses	note 11		1,057	1,591
Unit-based compensation	note 10		460	2,567
Other operating expenses	note 12		5,302	1,419
Total expenses			45,780	47,796
Other loss	note 2		—	(811)
Net earnings (loss)			(1,752)	(6,540)
Other comprehensive earnings (loss)				
Net unrealized gain (loss) on derivative instruments	note 13		(80)	1,197
Comprehensive earnings (loss)		\$	(1,832)	\$ (5,343)
Net earnings (loss) per Unit				
Basic	note 9	\$	(0.03)	\$ (0.12)
Diluted	note 9	\$	(0.03)	\$ (0.12)

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>(in thousands of U.S. dollars)</i>		Unitholders'	Other Equity	Accumulated Other Comprehensive	Accumulated	
		Capital	Reserves	Earnings (Loss)	Retained Earnings (Deficit)	Total Equity
Balance – December 31, 2023		\$ 561,503	\$ 2,150	\$ (1,089)	\$ (2,865)	\$ 559,699
Cash distributions to Unitholders	note 8	—	—	—	(4,790)	(4,790)
Other comprehensive earnings (loss)	note 13	—	—	1,197	—	1,197
Net earnings (loss)		—	—	—	(6,540)	(6,540)
Balance – March 31, 2024		\$ 561,503	\$ 2,150	\$ 108	\$ (14,195)	\$ 549,566
Balance – December 31, 2024		\$ 562,583	\$ (7,910)	\$ (425)	\$ (26,717)	\$ 527,531
Issuance of Units:						
Settlement of vested Restricted Units	note 10	54	—	—	—	54
Cash distributions to Unitholders	note 8	—	—	—	(5,631)	(5,631)
Other comprehensive earnings (loss)	note 13	—	—	(80)	—	(80)
Net earnings (loss)		—	—	—	(1,752)	(1,752)
Balance – March 31, 2025		\$ 562,637	\$ (7,910)	\$ (505)	\$ (34,100)	\$ 520,122

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)		Three months ended March 31, 2025	Three months ended March 31, 2024
Operating Activities			
Net earnings (loss)		\$ (1,752)	\$ (6,540)
Adjustment for non-cash items:			
Interest expense	note 7	9,607	8,398
Amortization of intangible royalty assets	note 6	24,745	25,046
Impairment of intangible royalty assets	note 6	—	4,451
Change in fair value of financial royalty assets	note 13	(2,561)	—
Unit-based compensation expense	note 10	460	2,567
Unrealized loss (gain) on marketable securities	note 13	(1,535)	—
		28,964	33,922
Changes in non-cash working capital:			
Royalties receivable		17,356	22,172
Other current assets		(567)	(491)
Other non-current assets		(462)	413
Accounts payable and accrued liabilities		2,897	107
Performance fees payable	note 17	533	(1,002)
Other current liabilities		104	354
		19,861	21,553
Cash provided by operating activities		\$ 48,825	\$ 55,475
Financing Activities			
Distributions to Unitholders paid in cash	note 8	(4,786)	(19,230)
Drawings from credit facility	note 7	—	115,000
Repayment of credit facility	note 7	(14,222)	(23,813)
Cash interest paid, net	note 7	(5,607)	(7,850)
Debt issuance costs paid	note 7	(56)	—
Preferred securities and warrants issuance costs paid	notes 7, 8	—	(6)
Cash provided by (used in) financing activities		\$ (24,671)	\$ 64,101
Investing Activities			
Purchase of royalty assets and other net assets, net of cash	note 5	\$ (10,000)	\$ (115,000)
Casgevy license fee	note 5	5,000	—
Cash transaction costs paid	note 5	—	(849)
Cash used in investing activities		\$ (5,000)	\$ (115,849)
Increase (decrease) in cash and cash equivalents		\$ 19,154	\$ 3,727
Cash and cash equivalents, beginning of year		36,502	62,835
Cash and cash equivalents		\$ 55,656	\$ 66,562

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 unaudited interim condensed consolidated financial statements to DRI Healthcare are to DRI Capital Inc.

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

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

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

These unaudited interim condensed consolidated financial statements (the “**consolidated financial statements**”) were authorized for issuance by the board of trustees on May 12, 2025.

NOTE 1 | BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting*, using accounting policies consistent with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”). Accordingly, certain financial information and note disclosures normally included in annual financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB have been omitted or condensed. These consolidated financial statements should be read in conjunction with the Trust’s audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2024 (“**2024 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 2024 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 2024 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.

NOTE 2 | INVESTIGATION

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 the periods from and including fiscal 2021 through June 30, 2024 and totaled \$6,510.

The irregular charges relating to the three months ended March 31, 2024 are \$811 and are included in "other loss" on the interim condensed consolidated statements of net earnings (loss) and comprehensive earnings (loss).

Recovery of other losses

On July 9, 2024 and August 6, 2024, DRI Healthcare, the manager of the Trust, reimbursed the Trust a total amount of \$6,510 for the losses associated with the irregular charges, of which \$6,196 was recorded in other equity and \$314 reduced a related-party receivable from DRI Healthcare.

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 2024 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 2024 consolidated financial statements.

NOTE 5 | ASSET TRANSACTIONS

Transactions Completed in 2025

(a) Orserdu II Milestone Payment

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

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 by amending the existing Omidria royalty agreement entered into in 2022. For a purchase price of \$115,000 the amendment now entitles the Trust 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 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.

(c) Casgevy Transaction

On October 3, 2024, the Trust acquired a share of payment rights on a Cas9 gene-editing technology for Casgevy for a purchase price of \$57,000. Casgevy is approved for the treatment of sickle cell disease and for the treatment of transfusion-dependent beta thalassemia and is marketed by Vertex Pharmaceuticals Inc.

The transaction entitles the Trust to a share of the annual license fees, which range from \$5,000 to \$40,000, and includes certain sales-based annual license fee increases. The Trust is also entitled to receive a mid-double-digit percentage of a \$50,000 contingent payment eligible under the license agreement. The first annual license fee payment was received in January 2025 and the payment streams are expected until 2034.

The Trust's entitlement to a share of the payment rights is classified as a financial asset, as described in note 3(e) to the Trust's 2024 consolidated financial statements. Transaction costs of \$1,940 were incurred and expensed to deal investigation and research costs in relation to the transaction during 2024.

(d) Sebetralstat Transaction

On November 4, 2024, the Trust acquired a royalty interest in the worldwide net sales of all formulations of the not-yet-approved sebetralstat from KalVista Pharmaceuticals, Inc. ("**KalVista**") for an aggregate purchase price of up to \$179,000, composed of a \$100,000 upfront payment, up to \$57,000 in a sales-based milestone payment and a one-time \$22,000 optional payment. The transaction entitles the Trust to a tiered royalty of 5.0% on net sales up to and including \$500,000, 1.1% on net sales above \$500,000 and up to and including \$750,000, and 0.25% on net sales above \$750,000. Royalty payments are expected to be received quarterly commencing in the first quarter after approval by the U.S Food and Drug Administration ("**FDA**"). Transaction costs of \$1,834 were capitalized as part of the royalty transaction.

In addition to the royalty entitlement, the Trust also purchased in a private transaction 500,000 shares of KalVista common stock at a price of \$10 per share for a total cost of \$5,000.

Summary of Transactions Completed in 2024

The following is a summary of the transactions completed for the year ended December 31, 2024:

	Omidria Royalty Amendment	Additional Xenpozyme Transaction	Casgevy Transaction	Sebetralstat Transaction	Total for the year ended December 31, 2024
Assets					
Financial royalty assets	\$ —	\$ —	\$ 57,000	\$ —	\$ 57,000
Royalties receivable	3,560	—	—	—	3,560
Intangible royalty assets	111,440	13,250	—	100,000	224,690
Investment in marketable securities	—	—	—	5,000	5,000
Net acquired assets	\$ 115,000	\$ 13,250	\$ 57,000	\$ 105,000	\$ 290,250

NOTE 6 | ROYALTY ASSETS

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

	Cost	Accumulated Amortization and Impairment	Net Book Value
As at January 1, 2024	\$ 891,803	\$ (186,827)	\$ 704,976
Additions ⁽ⁱ⁾	112,217	—	112,217
Amortization	—	(25,046)	(25,046)
Impairment ⁽ⁱⁱ⁾	—	(4,380)	(4,380)
As at March 31, 2024	1,004,020	(216,253)	787,767
Additions ⁽ⁱⁱⁱ⁾	125,399	—	125,399
Amortization	—	(77,823)	(77,823)
Impairment ⁽ⁱⁱ⁾	—	(11,407)	(11,407)
Dispositions ^(iv)	(1,475)	1,475	—
As at December 31, 2024	1,127,944	(304,008)	823,936
Amortization	—	(24,745)	(24,745)
Dispositions ^(v)	(6,092)	6,092	—
As at March 31, 2025	\$ 1,121,852	\$ (322,661)	\$ 799,191

(i) Includes capitalized transaction costs of \$777 related to the amendment to the Omidria royalty agreement, as described in note 5.

(ii) During the year ended December 31, 2024, the Trust recognized an impairment loss of \$15,787 related to the Oracea royalty asset, as described below.

(iii) Includes capitalized transaction costs of \$315 related to the additional Xenpozyme Transaction and \$1,834 related to the Sebetralstat Transaction, as described in note 5.

(iv) 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 expired during the year ended December 31, 2024.

(v) The Trust wrote off the cost and related accumulated amortization of \$874 and \$874, respectively, related to the Ilaris royalty asset, and \$5,218 and \$5,218, respectively, related to the Simponi royalty asset, which were fully amortized as the royalty arrangements expired during the three months ended March 31, 2025.

As at March 31, 2025, the net book value of our intangible royalty assets was \$799,191 (December 31, 2024 – \$823,936), net of accumulated amortization and impairment of \$322,661 (December 31, 2024 – \$304,008). During the three months ended March 31, 2025, the Trust wrote off the cost and related accumulated amortization of \$6,092 related to fully amortized intangible royalty assets as the royalty arrangement had expired (December 31, 2024 – \$1,475). There was no change to the net book value of the intangible royalty assets as a result of these write-offs.

Oracea Impairment

A subsidiary of Galderma S.A. (“Galderma”), the marketer of Oracea, and TCD Royalty Sub LP, a subsidiary of the Trust, had 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 favor of Lupin. Consequently, Galderma 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 its generic product while the appeal is pending and subsequently filed a motion to expedite the appeal. On September 5, 2024, the Federal Circuit heard oral arguments in the Lupin appeal. On December 6, 2024, the Federal Circuit affirmed for non-infringement of Lupin’s generic product, allowing Lupin and other generics to stay on the market and additional generics to enter the market.

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 recoverable amount as of December 31, 2024 was calculated using a discounted cash flow model based on revised cash flows adjusted for the impact of the launch of generic competition by Lupin and the launch of other generics. Based on the Trust’s analysis, the net book value of Oracea was higher than the recoverable amount and the Trust recorded an impairment of \$15,787 during the year ended December 31, 2024. As a result of recognizing the impairment, the net book value of the Oracea royalty asset as at December 31, 2024 was \$4,498, which represented the recoverable amount.

Orserdu II Milestone

On December 26, 2024, as part of the Orserdu II Transaction the Trust received notice that certain pre-specified events outlined in the purchase agreement had occurred, and the milestone conditions had been met. Consequently, the Trust recognized an increase in the cost base of the Orserdu II royalty asset and a related other current liability of \$10,000 for the year ended December 31, 2024, which was funded on January 24, 2025.

As a result of pre-specified events being met, certain royalty deductions have been exempted, leading to the recognition of an additional \$18,226 in royalty revenue for the year ended December 31, 2024. This includes \$15,745 related to the reclaiming of previous royalties and milestones earned since acquisition. The additional royalty revenue reclaimed is composed of (i) \$5,523 in milestones and \$9,589 in royalties for Orserdu II; and (ii) \$633 in milestones for Orserdu I. The exemption from certain deductions will apply at a similar rate to future royalties and milestones received.

The following table presents details about the products underlying the Trust's royalty assets as at March 31, 2025:

Royalty Asset	Therapeutic Area	Primary Marketer(s)	Acquisition Quarter	Expected Royalty Expiry ^{(i), (ii)}
Casgevy ⁽ⁱⁱⁱ⁾	Hematology	Vertex Pharmaceuticals	Q4 2024	Q1 2034
Empaveli/Syfovre ^(iv)	Hematology/Ophthalmology	Apellis, Sobi	Q3 2022	Q4 2033
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	Q1 2021	Q1 2027
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	Q1 2021	Q1 2027
Natpara	Endocrinology	Takeda	Q1 2021	Q3 2025
Omidria	Ophthalmology	Rayner Surgical	Q3 2022	Q4 2031
Oracea	Dermatology	Galderma	Q3 2021	Q1 2028
Orserdu I	Oncology	Menarini	Q2 2023	Q1 2035
Orserdu II	Oncology	Menarini	Q3 2023	Q1 2035
Rydapt	Oncology	Novartis	Q1 2021	Q3 2028
Sebetralstat	Immunology	KalVista	Q4 2024	Q1 2042
Spinraza	Neurology	Biogen	Q1 2021	Q3 2031
Vonjo I	Hematology	Sobi	Q1 2022	Q2 2034
Vonjo II	Hematology	Sobi	Q3 2023	Q2 2034
Xenpozyme ^(v)	Lysosomal Storage Disorder	Sanofi	Q4 2022	Q4 2036
Xolair	Immunology	Roche, Novartis	Q1 2021	Q2 2032
Zejula	Oncology	GSK	Q3 2022	Q2 2033
Zytiga	Oncology	Johnson & Johnson	Q1 2021	Q2 2028
Other Products ^(vi)	Various	Various	Various	n/a

(i) Represents the quarter during which the final royalty payment is expected and is based on 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) Casgevy is classified as a financial royalty asset on the consolidated statements of financial position due to the nature of the contractual cash flows from the transaction.

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

(v) Xenpozyme includes two royalty streams as a result of the additional Xenpozyme stream acquired in Q2 2024, as described in note 5.

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

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

Intangible Royalty Asset	Royalty Income		Net Book Value	
	Three months ended March 31, 2025	Three months ended March 31, 2024	As at March 31, 2025	As at December 31, 2024
Empaveli/Syfovre ⁽ⁱ⁾	\$ 2,755	\$ 2,238	\$ 21,422	\$ 22,082
Eylea I	1,195	1,295	6,643	7,577
Eylea II	259	280	3,450	3,936
Natpara	395	423	402	800
Omidria	6,682	8,647	184,234	191,128
Oracea	1,277	2,361	4,128	4,498
Orserdu I	5,724	5,096	69,930	71,697
Orserdu II	5,724	3,678	121,068	124,127
Rydapt	1,279	1,610	4,921	5,337
Sebetralstat	—	—	101,834	101,834
Spinraza	3,620	3,446	63,677	66,189
Vonjo I	4,106	4,156	50,224	51,599
Vonjo II	855	866	55,814	57,342
Xenpozyme ⁽ⁱⁱ⁾	1,188	273	38,561	39,425
Xolair	2,856	3,094	35,553	36,850
Zejula	1,115	1,051	26,454	27,269
Zytiga	295	2,401	9,722	10,680
Other Products ⁽ⁱⁱⁱ⁾	309	430	1,154	1,566
Total	\$ 39,634	\$ 41,345	\$ 799,191	\$ 823,936

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

(ii) Xenpozyme includes two royalty streams as a result of the additional Xenpozyme stream acquired in Q2 2024, as described in note 5.

(iii) Other Products includes intangible royalty assets which are not individually material, as well as intangible royalty assets which are fully amortized or, where applicable, the entitlements to which have substantially expired. Stelara, Simponi and Ilaris current period and comparative results have been moved to Other Products starting in Q1 2025.

Royalty Income

Royalty income for the three months ended March 31, 2025 was \$39,634 (2024 – \$41,345). The Trust records royalty income from intangible royalty assets from the date on which the Trust obtains control of those assets.

Net Book Value

During the three months ended March 31, 2025, the Trust recorded amortization expense of \$24,745 (2024 – \$25,046). The Trust records amortization related to intangible royalty assets from the date on which the Trust obtains control of those assets.

Refer to note 14 for details on the Trust's financial royalty assets.

NOTE 7 | CREDIT FACILITY AND PREFERRED SECURITIES

Credit Facility

On October 22, 2021, the Trust entered into a credit agreement (the “**credit agreement**”) for credit facilities composed 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 \$150,000 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 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, composed 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.

On November 1, 2024, the Trust increased the total credit available under its credit facility to \$631,625, composed of (i) a \$525,000 acquisition credit facility; (ii) an \$81,625 term credit facility; and (iii) a \$25,000 working capital credit facility. The Trust also extended the maturity date of the amended credit agreement by one year to November 1, 2027, which may be extended by one-year increments subject to obtaining approval from the lenders. As part of the amendment, the interest rate for drawings on the credit facility was revised to SOFR plus a margin which may vary from 1.75% to 2.50% based on the Trust's leverage ratio. The range of standby fees was also revised to 0.35% to 0.50% based on the Trust's leverage ratio. All other material terms of the amended credit agreement remain unchanged.

Subsequent to March 31, 2025, the Trust received lender consent for internalization of the manager function. The Trust also further revised its amended credit agreement to reallocate \$25,000 of the acquisition credit facility to the working capital credit facility, increasing it to \$50,000. The credit available for investment remains unchanged as the working capital credit facility can be used for investment purposes. Furthermore, the interest rate on the amended credit agreement was revised to SOFR plus (i) a margin which may vary from 1.75% to 2.50% based on the Trust's leverage ratio; and (ii) a margin of 0.10%. All other material terms of the amended credit agreement remain unchanged.

Interest payments are due on a quarterly basis and principal repayments totaling 3.75% of a predetermined reference amount are due on a quarterly basis for the acquisition credit facility and term credit facility. Principal repayments on the working capital credit facility are due on maturity. Principal repayments do not result in a corresponding decrease in the borrowing capacity under the acquisition credit facility and working capital credit facility. As principal repayments result in a corresponding cancellation in the borrowing capacity under the term credit facility, there is no remaining available credit under the term credit facility as at March 31, 2025 (December 31, 2024 – nil).

During the three months ended March 31, 2025, the Trust did not make any drawings on its credit facility and during the year ended December 31, 2024, the Trust drew on its credit facility to fund royalty transactions, as described in note 5. The details of the draws are presented below.

	Draw Date	Facility	Amount
2025			
No activity	n/a	n/a	\$ —
Total			\$ —
2024			
Omidria	January 3, 2024	Acquisition credit facility	\$ 115,000
Casgevy ⁽ⁱ⁾	September 27, 2024	Acquisition credit facility	22,000
Sebetralstat	October 25, 2024	Acquisition credit facility	105,000
Total			\$ 242,000

(i) The Casgevy transaction was partially funded by the Trust's existing cash and cash flows.

During the three months ended March 31, 2025, the Trust made total credit facility repayments of \$14,222 (2024 – \$23,813), which did not include any voluntary repayments (2024 – nil).

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

	As at March 31, 2025			As at December 31, 2024
	Total Available Credit	Remaining Available Credit	Balance Outstanding	Balance Outstanding
Acquisition credit facility	\$ 525,000	\$ 287,506	\$ 237,494	\$ 247,122
Term credit facility	72,438	—	72,438	77,031
Working capital credit facility	25,000	25,000	—	—
	\$ 622,438	\$ 312,506	\$ 309,932	\$ 324,153
Deferred transaction costs, net of amortization	n/a	n/a	(3,003)	(3,400)
Total	\$ 622,438	\$ 312,506	\$ 306,929	\$ 320,753
Current portion of credit facility			\$ 56,888	\$ 56,888
Long-term portion of credit facility			250,041	263,865
Total			\$ 306,929	\$ 320,753

The following table presents the expected principal repayments to be made until the maturity of the credit facility as at March 31, 2025:

	Total
Remainder of: 2025	\$ 42,666
Full year: 2026	56,888
Full year: 2027	210,378
	\$ 309,932

The Trust is subject to certain financial as well as customary non-financial covenants under the amended credit agreement. Certain compliance requirements have also been revised as part of the amended credit agreement. Substantially all of the assets of the Trust are pledged as collateral under the amended credit agreement. As at March 31, 2025, the Trust was in compliance with all covenant requirements under the amended credit agreement.

Interest Rate Swap

On August 31, 2023, the Trust entered into an interest rate swap agreement to fix the interest rate on a notional amount of \$100,000 of the credit facility, as described in note 13. 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. During the three months ended March 31, 2025, the Trust recorded additional interest due to the interest rate swap of \$75 (2024 – \$180 as a reduction in interest expense).

Preferred Securities

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

The Series A Preferred Securities had a maturity date of February 8, 2023 and the Series B Preferred Securities had a maturity date of 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 (the “**2024 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 2024 Preferred Securities are unsecured, subordinated debt securities of the Trust and have a principal amount of \$135,202, maturing on April 23, 2074. The 2024 Preferred Securities initially pay cash interest at a rate of 7.50% per annum on the principal amount, payable semi-annually on April 30 and October 31 of each year. The 2024 Preferred Securities are not redeemable by the Trust prior to April 30, 2029, except in the event of a change in control of the Trust. The Trust determined that the modification of terms under the refinancing transaction is not substantial in nature by comparing the discounted cash flows under the 2024 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 2024 Preferred Securities could be redeemed by the Trust.

The interest rate on the 2024 Preferred Securities will increase to 10% per annum if any of the 2024 Preferred Securities are outstanding on April 30, 2029, and will be subject to an annual increase of 1.5% per annum if any of the 2024 Preferred Securities remain outstanding on each one year anniversary of such date, up to a specified cap.

The carrying amount of the preferred securities is presented below.

		As at March 31, 2025	As at December 31, 2024
Series C	\$	114,466	\$ 113,515
Deferred transaction costs, net of amortization		(2,442)	(2,578)
Total	\$	112,024	\$ 110,937

The summary of interest expense for the periods ended March 31, 2025 and 2024 is presented below.

		Three months ended March 31, 2025	Three months ended March 31, 2024
Interest on credit facility net borrowings	\$	5,248	\$ 4,899
Standby fees		299	273
Amortization of deferred transaction costs		398	309
Interest incurred (earned) on interest rate swap		75	(180)
Total interest expense on credit facility	\$	6,020	\$ 5,301
Interest on preferred securities	\$	2,500	\$ 2,014
Accretion of par value		951	930
Amortization of deferred transaction costs		136	153
Total interest expense on preferred securities	\$	3,587	\$ 3,097
Total interest expense	\$	9,607	\$ 8,398

NOTE 8 | EQUITY

Authorized Equity

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

(i) Units

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

The following table outlines the changes in the number of Units outstanding from December 31, 2023 to March 31, 2025:

	Units	Weighted Average Cost per Unit	Total Cost
Balance – December 31, 2023	56,358,240	n/a	\$ 561,503
No activity			
Balance – March 31, 2024	56,358,240	n/a	\$ 561,503
Issuance of Units:			
Units issued on the settlement of vested Restricted Units	352,531	\$ 10.39	\$ 3,663
Repurchase and cancellation of Units – NCIB	(406,346)	\$ 9.64	\$ (3,917)
Unit distributions to Unitholders	160,997	\$ 8.29	\$ 1,334
Consolidation of Units	(160,997)	n/a	n/a
Balance – December 31, 2024	56,304,425	n/a	\$ 562,583
Issuance of Units:			
Units issued on the settlement of vested Restricted Units	6,495	\$ 8.36	\$ 54
Balance – March 31, 2025	56,310,920	n/a	\$ 562,637

Settlement of vested Restricted Units

The following table outlines the Units issued upon settlement of vested RUs during the three months ended March 31, 2025, the three months ended March 31, 2024 and the period from April 1, 2024 to December 31, 2024:

	Units Issued on Settlement of Restricted Units		
	Three months ended March 31, 2025	Three months ended March 31, 2024	Nine months ended December 31, 2024
Restricted Units Grant Date:			
September 10, 2021	—	—	12,452
November 30, 2021	—	—	29,116
June 10, 2022	—	—	7,309
September 10, 2022	—	—	13,965
November 22, 2022	—	—	17,038
August 17, 2023	—	—	3,613
October 25, 2023	—	—	28,576
December 21, 2023	—	—	2,442
January 10, 2024	—	—	104,495
May 1, 2024	—	—	3,598
May 31, 2024	—	—	123,438
August 13, 2024	6,495	—	6,489
Total	6,495	—	352,531

Normal course issuer bid ("NCIB")

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 automated unit purchase 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.

During the year ended December 31, 2024, the Trust acquired and cancelled 406,346 Units at an average price of \$9.64, totaling \$3,917.

As at March 31, 2025, in aggregate, the Trust has acquired and cancelled 3,163,509 Units at an average price per Unit of \$5.82, totaling \$18,427 under all current and previous normal course issuer bid plans.

As at March 31, 2025, the Trust does not have an active NCIB plan.

Subsequent to March 31, 2025, the Trust was granted approval by the TSX to acquire, from time to time, if considered advisable, up to 3,148,536 Units of the Trust for cancellation between May 20, 2025 and May 19, 2026.

(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 March 31, 2025, no Preferred Units had been issued or were outstanding (2024 – 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 reserves. Transaction costs associated with the issuance incurred in 2023 totaled \$79 and were recorded as a reduction in other equity reserves.

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%, estimated based on market data; 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. Transaction costs associated with the issuance incurred in 2024 totaled \$137 and were recorded as a reduction in other equity reserves.

The fair value of the 2024 Warrants was estimated at \$4,322 on issuance date using the Black-Scholes valuation model. The assumptions used to determine the fair value of the 2024 Warrants include: (i) an exercise price of \$15.00; (ii) an average risk-free interest rate of 4.38%; (iii) a five-year term; (iv) average expected volatility of 30.5%, estimated based on market data; and (v) expected distribution yield of 3.35%.

As at March 31, 2025, the net value of the 2024 Warrants recognized in other equity reserves was \$4,106 (December 31, 2024 – \$4,106).

Distributions

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

The following table presents cash and Unit distributions made by the Trust during the three months ended March 31, 2025 and year ended December 31, 2024:

	Record Date	Payment Date	Distribution per Unit		Total Distribution
2025					
Q1 2025 – Quarterly cash distribution	March 31, 2025	April 17, 2025	\$	0.1000	\$ 5,631
Total			\$	0.1000	\$ 5,631
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	\$ 4,795
Q3 2024 – Quarterly cash distribution	September 30, 2024	October 18, 2024	\$	0.0850	\$ 4,783
Q4 2024 – Quarterly cash distribution	December 31, 2024	January 20, 2025	\$	0.0850	\$ 4,786
Q4 2024 – Unit distribution ⁽ⁱ⁾	December 31, 2024	n/a	\$	0.0237	\$ 1,334
Total			\$	0.3637	\$ 20,488

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

During the three months ended March 31, 2025, the board of trustees of the Trust declared cash distributions totaling \$5,631 (2024 – \$4,790).

Subsequent to March 31, 2025, the board of trustees of the Trust declared a quarterly cash distribution of \$0.10 per Unit to Unitholders of record as at June 30, 2025 and payable on July 18, 2025.

NOTE 9 | NET EARNINGS PER UNIT

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

	Three months ended March 31, 2025	Three months ended March 31, 2024
Basic	56,307,817 Units	56,358,240 Units
Diluted	56,307,817 Units	56,358,240 Units

NOTE 10 | UNIT-BASED COMPENSATION

The Trust provides unit-based compensation under its Incentive Plan, as described in note 3(p) to the Trust's 2024 consolidated financial statements. The total number of Units authorized to be issued under the Omnibus Equity Incentive Plan is the lower of (i) 4,101,741; and (ii) 10% of the total outstanding Units of the Trust.

For the three months ended March 31, 2025, the unit-based compensation expense was \$460 (2024 – \$2,567).

The following table provides the details of RU grants up to March 31, 2025:

	Restricted Units
Balance – January 1, 2024	348,358 Units
Restricted Units granted:	
Granted on January 10, 2024 ⁽ⁱⁱ⁾	370,128 Units
Granted on January 10, 2024 ⁽ⁱⁱⁱ⁾	21,232 Units
Distribution equivalent Units granted ⁽ⁱ⁾	5,373 Units
Balance – March 31, 2024	745,091 Units
Restricted Units granted:	
Granted on May 1, 2024 ^(iv)	19,500 Units
Granted on May 31, 2024 ^(v)	117,245 Units
Granted on May 31, 2024 ^(vi)	233,333 Units
Granted on August 13, 2024 ^(vii)	110,752 Units
Distribution equivalent Units granted ⁽ⁱ⁾	13,681 Units
Vesting of Restricted Units	(713,297) Units
Forfeiture of Restricted Units	(88,934) Units
Balance – December 31, 2024	437,371 Units
Distribution equivalent Units granted ⁽ⁱ⁾	5,291 Units
Vesting of Restricted Units	(14,109) Units
Balance – March 31, 2025	428,553 Units

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

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

(iii) Vested on April 1, 2024.

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

(v) Vesting equally on May 31, 2024, May 31, 2025 and May 31, 2026.

(vi) Vested immediately on May 31, 2024.

(vii) Vesting equally on a quarterly basis beginning November 13, 2024 until August 13, 2026.

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

	As at March 31, 2025	As at December 31, 2024
Current portion of unit-based compensation liability	\$ 2,408	\$ 2,093
Long-term portion of unit-based compensation liability	264	240
Total unit-based compensation liability	\$ 2,672	\$ 2,333

No Options or PUs were granted as at March 31, 2025 and 2024. Certain members of the board of trustees of the Trust elected to be compensated fully or partially in DUs, as described in note 12.

NOTE 11 | DEAL INVESTIGATION AND RESEARCH EXPENSES

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

The Trust recorded total deal investigation and research expenses of \$1,057 for the three months ended March 31, 2025 (2024 – \$1,591).

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

NOTE 12 | OTHER OPERATING EXPENSES

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

	Three months ended March 31, 2025	Three months ended March 31, 2024
Board of trustees fees	\$ 254	\$ 402
Professional fees	4,111	453
Executive compensation	406	—
Other expenses	531	564
Total other operating expenses	\$ 5,302	\$ 1,419

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 2024 consolidated financial statements.

During the three months ended March 31, 2025, the Trust granted 16,328 DUs (2024 – 8,047) in lieu of cash compensation to trustees and 2,443 distribution equivalent Units (2024 – 903) in relation to the quarterly distributions. Board compensation expense for the three months ended March 31, 2025 included \$104 (2024 – \$354) related to the issuance of DUs and the related distribution equivalents. The fair value of the DUs vested but not settled was \$1,584 as at March 31, 2025 (December 31, 2024 – \$1,459) and was included in other current liabilities.

Professional fees

For the three months ended March 31, 2025, the Trust recorded total professional fees of \$4,111 (2024 – \$453) related to professional services including audit, legal, tax, valuation and consulting.

Executive compensation

For the three months ended March 31, 2025, the Trust recorded total compensation of \$406 (2024 – nil) related to compensation and employee related costs of the officers of the Trust.

Other expenses

Other expenses for the three months ended March 31, 2025 were \$531 (2024 – \$564) and included \$263 (2024 – \$250) in donations, primarily related to the pledge agreement with the Mayo Clinic, as described in note 16.

NOTE 13 | FINANCIAL INSTRUMENTS

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

	Fair value through net earnings – recognized	Fair value through net earnings – designated as hedging instruments	Amortized Cost	Total
Financial Assets				
Cash and cash equivalents	\$ 55,656	\$ —	\$ —	\$ 55,656
Royalties receivable	—	—	45,006	45,006
Financial royalty assets	55,088	—	—	55,088
Investment in marketable securities	5,770	—	—	5,770
	\$ 116,514	\$ —	\$ 45,006	\$ 161,520
Financial Liabilities				
Accounts payable and accrued liabilities	\$ —	\$ —	10,244	\$ 10,244
Distributions payable to Unitholders	—	—	5,631	5,631
Derivative instruments	—	505	—	505
Performance fees payable	—	—	2,198	2,198
Current portion of credit facility	—	—	56,888	56,888
Other current liabilities	—	—	136	136
Credit facility	—	—	250,041	250,041
Preferred securities	—	—	112,024	112,024
	\$ —	\$ 505	\$ 437,162	\$ 437,667

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

	Fair value through net earnings – recognized	Fair value through net earnings – designated as hedging instruments	Amortized Cost	Total
Financial Assets				
Cash and cash equivalents	\$ 36,502	\$ —	\$ —	\$ 36,502
Royalties receivable	—	—	62,362	62,362
Financial royalty assets	57,527	—	—	57,527
Investment in marketable securities	4,235	—	—	4,235
	\$ 98,264	\$ —	\$ 62,362	\$ 160,626
Financial Liabilities				
Accounts payable and accrued liabilities	\$ —	\$ —	4,821	\$ 4,821
Distributions payable to Unitholders	—	—	4,786	4,786
Derivative instruments	—	425	—	425
Performance fees payable	—	—	1,665	1,665
Current portion of credit facility	—	—	56,888	56,888
Other current liabilities	—	—	10,136	10,136
Credit facility	—	—	263,865	263,865
Preferred securities	—	—	110,937	110,937
	\$ —	\$ 425	\$ 453,098	\$ 453,523

Investment in marketable securities

As part of the Sebetralstat Transaction, as described in note 5, the Trust purchased 500,000 shares in KalVista common stock through a private investment in the public equity arrangement for \$10 per share for a total cost of \$5,000.

The following table highlights the fair value and changes in fair value of the Trust's marketable securities:

Marketable securities	Number of shares	Fair value as at		Change in fair value for the	
		March 31, 2025	December 31, 2024	Three months ended March 31, 2025	Three months ended March 31, 2024
KalVista	500,000	\$ 5,770	\$ 4,235	\$ 1,535	\$ —

Derivative instruments

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

Derivative Instruments	Maturity Date	Notional Value	Fair value as at March 31, 2025	Fair value as at December 31, 2024
Interest rate swap	March 31, 2026	\$ 100,000	\$ (505)	\$ (425)

The Trust applies hedge accounting, as described in note 3(e) to the Trust's 2024 consolidated financial statements. During the three months ended March 31, 2025, the Trust recognized a net unrealized fair value loss in other comprehensive earnings (loss) of \$80 (2024 – \$1,197) as a result of the interest rate swap derivative instrument. During the three months ended March 31, 2025 the Trust also incurred \$75 in additional interest due to the interest rate swap (2024 – \$180 reduction to interest expense) as a hedge against interest rate fluctuations on the amended credit agreement, as described in note 7.

NOTE 14 | FAIR VALUE MEASUREMENTS

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

There were no transfers among the three levels of the fair value hierarchy during the three months ended March 31, 2025 (2024 – nil).

As at March 31, 2025 and December 31, 2024, the Trust had cash and cash equivalents and investments in marketable securities measured at fair value and classified as Level 1 financial instruments. Investments in marketable securities are measured using quoted prices in active markets for identical assets. The Trust also had derivative instruments measured at fair value classified as Level 2 financial instruments. The derivative instrument is related to the interest rate swap described in note 13, and the fair value is estimated using a valuation model that predicts future cash flows over the contractual terms of the agreement based on observable market data, such as interest rate curves. Financial royalty assets are classified as Level 3 financial instruments. In computing the fair value of financial royalty assets, a discounted cash flow model is used and is based on unobservable market data including estimated cash flows based on the Trust's internal model, and a spread adjustment to the discount rate reflecting deal-specific risks and the Trust's required return.

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

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

Reconciliation of Level 3 Financial Instruments	Financial royalty assets
Balance – January 1, 2024	\$ —
Additions ⁽ⁱ⁾	57,000
Change in fair value due to accretion of cash flows	1,908
Change in fair value due to movement in risk free rate	(1,381)
Balance – December 31, 2024	\$ 57,527
Cash receipts from Level 3 financial instruments	(5,000)
Change in fair value due to accretion of cash flows	1,926
Change in fair value due to movement in risk free rate	635
Balance – March 31, 2025	\$ 55,088

(i) Additions relate to the Casgevy financial royalty asset acquired on October 3, 2024, as described in note 5.

NOTE 15 | CAPITAL MANAGEMENT

As at March 31, 2025, the Trust's capital was \$991,357 (December 31, 2024 – \$1,004,573) and consisted of its Unitholders' capital of \$562,637 (December 31, 2024 – \$562,583), 2024 Preferred Securities, prior to the deduction of deferred transaction costs, net of amortization, of \$114,466 (December 31, 2024 – \$113,515), 2024 Warrants of \$4,322 (December 31, 2024 – \$4,322) and amended credit facilities, prior to the deduction of deferred transaction costs, net of amortization, of \$309,932 (December 31, 2024 – \$324,153).

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 2024 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 7 and note 8.

On November 1, 2024, the Trust increased the total credit available under its credit facility to \$631,625 by increasing the amount available under the acquisition credit facility to \$525,000, as described in note 7.

There have been no changes in the composition of the Trust's capital or its capital management policies during the three months ended March 31, 2025 compared to prior periods. As at March 31, 2025 and December 31, 2024, the Trust was in compliance with all externally imposed capital requirements.

NOTE 16 | COMMITMENTS

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

On November 25, 2022, the Trust bought royalties on the sales of 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. In accordance with the terms of the royalty agreement, the royalty seller may also be entitled to an additional payment of \$4,000 if worldwide net sales exceed certain thresholds within a predefined period of time.

On August 16, 2023, the Trust entered into a pledge agreement with the Mayo Clinic. In accordance with the terms of the agreement, the Trust intends to contribute \$5,000 in total (\$1,000 annually, payable in quarterly installments) to the Mayo Clinic to directly support and further the Center for Regenerative Biotherapeutics. To date, the Trust has paid a total of \$1,750.

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 an additional payment of 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.

On November 4, 2024, the Trust bought a royalty interest in sebetralstat, as described in note 5. In accordance with the terms of the royalty agreement, the royalty seller may be entitled to receive up to \$79,000, composed of up to \$57,000 in sales-based milestones and \$22,000 in a one-time optional payment. The royalty seller is entitled to a potential one-time sales-based milestone payment of \$50,000 if annual worldwide net sales of sebetralstat meet or exceed \$550,000 before January 1, 2031, which increases to \$57,000 if the optional payment is exercised. If sebetralstat is approved prior to October 1, 2025 the optional payment of \$22,000 can be exercised at the discretion of the royalty seller, increasing the royalty rate entitled to the Trust.

NOTE 17 | RELATED-PARTY TRANSACTIONS

Transactions with our manager

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

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

	Three months ended March 31, 2025	Three months ended March 31, 2024
Management fee expense	\$ 4,076	\$ 4,164
Performance fee expense	533	231
Total	\$ 4,609	\$ 4,395
	As at March 31, 2025	As at December 31, 2024
Other current assets	\$ 82	\$ 1
Management fees payable	(69)	(7)
Performance fee payable	(2,198)	(1,665)
Total	\$ (2,185)	\$ (1,671)

Management fees

The Trust recorded management fees of \$4,076 during the three months ended March 31, 2025 (2024 – \$4,164). Management fees payable as at March 31, 2025 of \$69 (December 31, 2024 – \$7) are included in accounts payable and accrued liabilities in the consolidated statements of financial position.

Performance fees

The Trust recorded performance fees of \$533 during the three months ended March 31, 2025 (2024 – \$231) as the conditions for performance fee payments were met primarily due to the cash receipt for Casgev.

During the fourth quarter of 2024, conditions for performance fee payments were met as a result of the additional revenue recognized for Orserdu, as described in note 6 and performance fees of \$1,665 were recognized.

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 March 31, 2025, the Trust has a balance of \$82 receivable from DRI Healthcare (December 31, 2024 – \$1).

Key management compensation

During the three months ended March 31, 2025 and 2024, the Trust issued compensation to members of the board of trustees of the Trust, as described in note 12, and to certain officers of the Trust, as detailed below.

	Three months ended March 31, 2025	Three months ended March 31, 2024
Cash compensation	\$ 406	\$ —
Unit-based compensation	168	276
Total	\$ 574	\$ 276

During the three months ended March 31, 2025, the Trust recorded total cash compensation expense of \$406 (2024 – nil) related to compensation paid to certain officers of the Trust.

During the three months ended March 31, 2025, the Trust issued 6,495 Units on the settlement of vested RUs, net of withholding taxes, to certain officers of the Trust. To date, the Trust has issued a total of 57,946 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, 26,487 were issued in 2024 and 6,495 were issued in 2025. During the three months ended March 31, 2025, the Trust recorded unit-based compensation expense of \$168 (2024 – \$276) related to the RU grants and the accretion of the related distribution equivalent Units.

Reimbursement

On July 9, 2024, based on the initial information at the start of the investigation into irregular expenses, DRI Healthcare, the manager of the Trust, reimbursed the Trust for \$5,501 which was recorded in other equity reserves on the date it was received. On August 6, 2024, the investigation was substantially completed and had identified \$6,510 in total 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, \$696 of which was recorded in other equity reserves on the date received and \$314 of which reduced the related-party receivable from DRI Healthcare, the manager of the Trust. Subsequent to August 6, 2024 the investigation concluded and no additional items were identified as requiring adjustment.

NOTE 18 | CONTINGENT LIABILITY

On or about September 19, 2024, a statement of claim was issued on behalf of Andrea Reid, seeking leave to institute a securities class proceeding before the Ontario Superior Court of Justice against DRI Capital Inc., DRI Healthcare Trust, Behzad Khosrowshahi, former CEO of the manager and the Trust and Chris Anastasopoulos, former CFO of the manager and the Trust, on behalf of a class of investors who acquired Units of the Trust between February 11, 2021 to August 6, 2024 (and held such Units until August 6, 2024). As the outcome of the claim is currently indeterminable, no amounts have been accrued as of March 31, 2025.

Subsequent to March 31, 2025, as part of internalization discussions, as described in note 19, DRI Capital Inc. agreed to assume all responsibility for any costs and obligations that may arise from the above legal actions.

NOTE 19 | SUBSEQUENT EVENTS

NCIB

On May 9, 2025, the Trust was granted approval by the TSX to acquire, from time to time, if considered advisable, up to 3,148,536 Units of the Trust for cancellation between May 20, 2025 and May 19, 2026.

2025 second quarter distribution declared

On May 12, 2025, the board of trustees of the Trust declared a quarterly distribution of \$0.10 per Unit to Unitholders of record as at June 30, 2025 and payable on July 18, 2025.

Amendment to the amended credit agreement

On May 12, 2025, the Trust received lender consent for internalization of the manager function. The Trust also revised its amended credit agreement to reallocate \$25,000 of the acquisition credit facility to the working capital credit facility, increasing it to \$50,000. The credit available for investment remains unchanged as the working capital credit facility can be used for investment purposes. Furthermore, the interest rate on the amended credit agreement was revised to SOFR plus (i) a margin which may vary from 1.75% to 2.50% based on the Trust's leverage ratio; and (ii) a margin of 0.10%. All other material terms of the amended credit agreement remain unchanged, as described in note 7.

Internalization

On May 12, 2025, the Trust and the manager entered into a definitive management agreement termination agreement and a definitive asset purchase agreement, pursuant to which (i) the management agreement with the manager will be terminated and the manager will indemnify the Trust and its affiliates in respect of, among other things; damages relating to the events described in note 2 and the claim described in note 18 and (ii) the Trust will acquire all of the assets of the manager pertaining to the business of the Trust. The Trust will pay a total of \$49,000 in cash to extinguish the management agreement, along with all management and performance fee obligations (with expenses payable in connection with the pre-closing period payable by the Trust), and to acquire all relevant assets from DRI Capital Inc. As a result of the transactions contemplated by the asset purchase agreement, the employees of DRI Capital Inc. will also transition to a Trust subsidiary.

INVESTOR INFORMATION

Traded Units

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

Trading Symbols

Canadian dollars: DHT.UN

U.S. dollars: DHT.U

Registrar and Transfer Agent

Computershare
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

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

Investor Relations

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

Website

www.drihealthcare.com

Auditor

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8 Adelaide Street West, Suite 200
Toronto, Ontario M5H 0A9