DRI HEALTHCARE TRUST

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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Independent Auditor's Report

To the Unitholders and the Board of Trustees of
DRI Healthcare Trust

Opinion

We have audited the consolidated financial statements of DRI Healthcare Trust (the "Trust"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of net earnings and other comprehensive earnings, changes in equity and cash flows for the year ended December 31, 2021 and the period from October 21, 2020 (date of formation) to December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2021 and 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and the period from October 21, 2020 (date of formation) to December 31, 2020 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Royalty Income – Refer to notes 2 (k) and 3 of the financial statements

Key Audit Matter Description

The Trust earns royalty income based on a percentage of sales revenue generated by third parties marketing the pharmaceutical products underlying the royalty agreements. The third parties report and pay actual royalties owed for sales in a given quarter after the conclusion of the quarter based on the terms of the underlying royalty agreements. For some agreements, royalties are reported quarterly and payments are made on a semi-annual or annual basis. At the end of each quarter, the Trust estimates and records in royalties receivable, the royalty income which has been earned for the quarter, but which has not yet been reported by the third parties ("royalty income accrual"). This royalty income accrual is based on the royalty rates in the underlying contracts applied to the estimated sales of the underlying products by each third party.

Estimating the royalty income accrual required management to make significant judgments in respect to the estimated sales of the underlying products by each third party. As a result of the level of estimation uncertainty, auditing the royalty income accrual required a high degree of auditor judgment and an increased extent of audit effort.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the estimated sales of the underlying products by each third party used in the royalty income accrual determination included the following, among others:

- Evaluated management's ability to accurately forecast by comparing actual results to management's historical forecasts.

- Evaluated the reasonableness of the estimated sales forecasts of the underlying products by each third party by comparing to historical results, internal communications to management and the Board of Trustees, industry reports and payments received after December 31,2021, as applicable.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Michael Darroch.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 7, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of U.S. dollars)		**As at December 31, 2021**	As at December 31, 2020
Assets			
Cash and cash equivalents		**$ 61,712**	$ —
Royalties receivable		**30,148**	—
Other current assets		**567**	—
Current assets		**92,427**	—
Royalty assets, net of accumulated amortization	note 7	**293,658**	—
Loan receivable	note 8	**49,606**	—
Other non-current assets		**1,004**	—
Non-current assets		**344,268**	—
Total assets		**$ 436,695**	$ —
Liabilities			
Accounts payable and accrued liabilities		**$ 1,557**	$ —
Distributions payable to unitholders	note 10	**11,528**	—
Current portion of long-term debt	note 9	**5,321**	—
Current portion of unit-based compensation liability	note 12	**233**	
Other current liabilities		**334**	—
Current liabilities		**18,973**	—
Long-term debt	note 9	**38,600**	—
Unit-based compensation liability	note 12	**137**	
Total liabilities		**57,710**	—
Equity			
Unitholders' capital	note 10	**374,034**	—
Retained earnings		**4,951**	—
Total equity		**378,985**	—
Total liabilities and equity		**$ 436,695**	$ —

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF NET EARNINGS AND OTHER COMPREHENSIVE EARNINGS

(in thousands of U.S. dollars except per unit data)		For the year ended December 31, 2021	For the period from October 21, 2020 (date of formation) to December 31, 2020
Income			
Royalty income	note 7	$ 79,860	$ —
Interest income on loan receivable	note 8	1,897	—
Other interest income		8	—
		81,765	—
Expenses			
Amortization of royalty assets	note 7	41,837	—
Management fees	note 20	6,275	—
Interest expense	note 9	2,236	—
Servicer fees	note 20	1,076	—
Deal investigation and research expenses	note 13	2,252	—
Unit-based compensation	note 12	473	—
Other operating expenses	note 14	5,414	—
Other items	note 7	718	—
Net gain on interest rate derivatives	note 6	(2)	—
Net gain on foreign exchange derivatives	note 6	(77)	—
		60,202	—
Net earnings and comprehensive earnings		$ 21,563	$ —
Net earnings and comprehensive earnings per unit			
Basic	note 11	$ 0.62	$ —
Diluted	note 11	$ 0.62	$ —

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of U.S. dollars)		Unitholders' Capital	Retained Earnings	Total Equity
Balance – October 21, 2020 (date of formation)		$ —	$ —	$ —
Issuance of units	note 10	—	—	—
Net earnings		—	—	—
Balance – December 31, 2020		$ —	$ —	$ —
Issuance of units:				
Initial private offering	note 10	**34,730**	**—**	**34,730**
Initial public offering	note 10	**365,270**	**—**	**365,270**
Settlement of restricted units	note 10	**103**	**—**	**103**
Units issuance costs	note 10	**(21,997)**	**—**	**(21,997)**
Repurchase and cancellation of units	note 10	**(5,478)**	**—**	**(5,478)**
Cash distributions to unitholders	note 10	**—**	**(15,206)**	**(15,206)**
Unit distributions to unitholders	note 10	**1,406**	**(1,406)**	**—**
Net earnings		**—**	**21,563**	**21,563**
Balance – December 31, 2021		**$ 374,034**	**$ 4,951**	**$ 378,985**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)		For the year ended December 31, 2021	For the period from October 21, 2020 (date of formation) to December 31, 2020
Operating Activities			
Net earnings		$ 21,563	$ —
Adjustment to net earnings for:			
Interest income on loan receivable	note 8	(1,897)	—
Other interest income		(8)	—
Interest expense	note 9	2,236	—
Amortization of royalty assets	note 7	41,837	—
Unit-based compensation expense	note 12	473	—
Net gain on interest rate derivatives	note 6	(2)	—
Net gain on foreign exchange derivatives	note 6	(77)	—
		64,125	—
Changes in non-cash working capital:			
Royalties receivable		27,971	—
Other current assets		(235)	—
Other non-current assets		(951)	—
Accounts payable and accrued liabilities		620	—
Other current liabilities		334	—
		27,739	—
Cash provided by operating activities		$ 91,864	$ —
Financing Activities			
Issuance of unitholders' capital	note 10	$ 400,000	$ —
Unit issuance costs	note 10	(21,997)	—
Repurchase and cancellation of units	note 10	(5,478)	—
Distributions to unitholders paid in cash	note 10	(3,678)	—
Repayment of secured notes	note 9	(69,924)	—
Drawings from credit facility	note 9	47,300	—
Repayment of credit facility	note 9	(1,774)	—
Cash interest paid	note 9	(1,618)	—
Debt issuance and repayment costs paid	note 9	(2,083)	—
Other financing activities		1,435	—
Cash provided by financing activities		$ 342,183	$ —
Investing Activities			
Purchase of royalty assets and other net assets, net of cash	note 5	$ (324,327)	$ —
Investment in loan receivable, net of commitment fees received	note 8	(49,500)	—
Cash transaction costs paid	note 5	(599)	—
Cash interest received	note 8	1,791	—
Other investing activities		300	—
Cash used in investing activities		$ (372,335)	$ —
Increase in cash and cash equivalents		$ 61,712	$ —
Cash and cash equivalents, beginning of the year		—	—
Cash and cash equivalents		$ 61,712	$ —

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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. The 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 Capital**", our "**manager**") acts as the manager for the Trust pursuant to the terms of a management agreement.

DRI Healthcare Trust's units became listed on the Toronto Stock Exchange in Canadian dollars under the symbol "**DHT.UN**" and in U.S. dollars under the symbol "**DHT.U**" effective February 11, 2021, pursuant to its initial public offering, as described in note 10.

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

All amounts included in the notes to these audited consolidated statements are in thousands of U.S. dollars unless otherwise noted.

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

The audited consolidated financial statements were authorized for issuance by the board of trustees on March 7, 2022.

NOTE 1 | BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and its interpretations adopted by the International Accounting Standards Board ("**IASB**").

(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).

(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 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 significant intercompany balances and transactions have been eliminated.

These consolidated financial statements include the accounts of DRI Healthcare Trust and its subsidiaries, as presented below.

Entity	Date of Control	Jurisdiction of Organization	Economic Interest(i)
DRI Healthcare ICAV	February 19, 2021	Ireland	100%
DRI Healthcare LP(ii)	February 19, 2021	Delaware, United States	100%
DRI Healthcare Acquisitions LP(iii)	February 19, 2021	Delaware, United States	100%
Drug Royalty III LP 1	February 19, 2021	Delaware, United States	100%
DRI Healthcare LP 2(iv)	February 22, 2021	Delaware, United States	100%
Drug Royalty LP 1	February 22, 2021	Delaware, United States	100%
Drug Royalty LP 3	February 22, 2021	Cayman Islands	100%
ROC Royalties S.à r.l.	February 19, 2021	Luxembourg	100%
DRC Management III LLC 1	February 19, 2021	Delaware, United States	100%
DRC Management III LLC 2	February 19, 2021	Delaware, United States	100%
DRC Management LLC 2	February 22, 2021	Delaware, United States	100%
Drug Royalty III GP, LLC	February 19, 2021	Delaware, United States	100%
DRC Springing III LLC	February 19, 2021	Delaware, United States	100%
TCD Royalty Sub, LP(v)	September 30, 2021	Delaware, United States	100%

(i) Economic interest can be held directly or indirectly through wholly-owned subsidiaries.

(ii) The entity was previously known as Drug Royalty III, L.P.

(iii) The entity was previously known as Drug Royalty III LP 2.

(iv) The entity was previously known as Drug Royalty LP 2.

(v) Converted to a limited partnership from a limited liability company immediately subsequent to the acquisition of control by the Trust.

(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 | SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within other liabilities in the consolidated statements of financial position.

(b) Royalties Receivable

Royalties receivable is recognized if an amount of unconditional consideration is due from a counterparty. Royalties receivable is recognized initially at fair value and subsequently measured at amortized cost, less loss allowances. The Trust applies the simplified approach for measuring the loss allowance by applying a lifetime expected loss allowance for all royalties receivable. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance might be required. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit-impaired.

A credit loss is recorded in net comprehensive earnings (loss) with an offsetting amount recorded as an allowance against royalties receivable on the statement of financial position. When a receivable is deemed permanently uncollectible, the receivable is written off against the allowance account.

(c) Royalty Assets

Royalty assets represent the contractual right to receive, directly or indirectly, a royalty payment, license fee or any other form of compensation or benefit arising from or contingent upon the use of any patent, copyright or any other form of intellectual property or other right relating to pharmaceutical drugs, devices or delivery technologies.

In accordance with IFRS, royalty assets are assessed based on the terms of each royalty arrangement to determine whether they meet the definition of financial or intangible assets. The Trust's royalty assets are recognized as intangible assets. Acquired royalty assets are measured initially at the fair value of the consideration paid. Royalty assets are subsequently amortized over the useful life of the asset and are presented net of any impairment.

A royalty asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of a royalty asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in net comprehensive earnings (loss) when the asset is derecognized.

Amortization of royalty assets

Royalty assets with finite lives are amortized over the economic useful life of the asset on a straight-line basis. The expected economic useful life of the asset takes into consideration the contractual terms of the royalty entitlement and reflects the expected pattern of consumption of future economic benefits embodied in the asset. Expected useful life is separately considered for each royalty asset and reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits are considered to modify the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Impairment of royalty assets

The Trust assesses, at the end of each reporting period, whether there are indications that its royalty assets may be impaired. If any such indications exist, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows for the duration of royalty entitlement are discounted to their present value using appropriate discount rates that reflect current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the estimated recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in net comprehensive earnings (loss).

The Trust assesses, at the end of each reporting period, whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such an indication exists, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Impairment reversal is recognized in net comprehensive earnings (loss).

(d) Recognition and Derecognition of Financial Instruments

Purchases and sales of financial assets are recognized on the trade date, being the date on which the Trust commits to purchase or sell the asset.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or the contractual rights to the cash flows are transferred. Financial liabilities are derecognized when the liability is extinguished through the discharge, cancellation or expiration of the contract.

(e) Financial Instruments

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their cash flows. At initial recognition, all financial assets classified as amortized cost, fair value through profit or loss (“**FVTPL**”) and fair value through other comprehensive income (“**FVOCI**”) are measured at fair value. The Trust classifies its financial assets in the following categories:

- Financial assets at amortized cost: A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL – it is held in a business model whose objective is to hold the asset to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets within this category are subsequently measured at amortized cost using the effective interest rate method. A credit loss is recorded in net comprehensive earnings (loss) with an offsetting amount recorded as an allowance against assets recorded at amortized cost on the statement of financial position. When a receivable is deemed permanently uncollectible, the receivable is written off against the allowance account.
- Financial assets at FVTPL: Financial assets not classified as amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Trust may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. These assets are subsequently measured at fair value, with net gains or losses, including any interest or dividend income, recognized through profit or loss.

Financial liabilities are classified as measured at amortized cost or FVTPL. Once the classification of a financial liability has been determined, reclassification is not permitted.

- Financial liabilities at amortized cost: A financial liability is measured at amortized cost using the effective interest rate method if it is not designated as FVTPL. Interest expense and foreign exchange gains and losses are recognized in profit or loss.
- Financial liabilities at FVTPL: A financial liability is classified as FVTPL if it is a derivative or designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value, and net gains and losses, including any interest expense, are recognized in profit or loss. For financial liabilities classified as FVTPL, changes in credit risk will be recognized in other comprehensive income, with the remainder of changes recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Trust:

- has a current, legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(f) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

IFRS 13, *Fair value measurement,* establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Trust. Unobservable inputs are inputs that reflect the Trust’s assumptions as to what market participants would use in pricing the asset or liability, based on the best information available in the circumstances. The hierarchy is broken down into three levels, based on the observability of inputs, as follows:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the Trust has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.
- Level 2: Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

In certain cases, the inputs used to measure fair value may fall into different levels in the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

(g) Provisions

Provisions for legal claims are recognized when the Trust has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is included in net comprehensive earnings (loss) net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(h) Income Taxes

The Trust is treated as a "mutual fund trust", as defined in the Income Tax Act (Canada). The Trust is not subject to income taxes due to the nature of its organization, given that all the Trust's income is distributed to unitholders in cash or by way of additional units each year. Income distributed by the Trust is included in the tax returns of the unitholders.

(i) Unitholders' Capital

The Trust has classified its units as equity pursuant to the provisions of IAS 32, *Financial instruments: Presentation*, on the basis that the units meet all of the criteria in IAS 32 for such classification. As at December 31, 2021, the Trust did not have any issued or outstanding preferred units.

Incremental costs directly attributable to the issuance of new units or preferred units are shown in equity as a reduction from the proceeds of issuance of such units.

(j) Distributions to Unitholders

Distributions to unitholders of DRI Healthcare Trust authorized by the board of trustees on or before the end of the reporting period but not distributed at the end of the reporting period are recognized as a liability in the period in which the distributions are authorized.

(k) Royalty Income

The Trust earns royalty income based on a percentage of sales revenue generated by third parties marketing the pharmaceutical products underlying the royalty agreements. The third parties report and pay actual royalties owed for sales in a given quarter after the conclusion of the quarter based on the terms of the underlying royalty agreements. For some agreements, royalties are reported quarterly and payments are made on a semi-annual or annual basis.

The Trust estimates royalty income earned for which a report has not been received from third parties by applying the royalty rates and other conditions in the underlying contracts to the estimated sales of the underlying products. Estimating the sales of the underlying products requires management to make significant judgments. When a reasonable estimate of royalty income earned cannot be made, the Trust records royalty income once information to make a reasonable estimate becomes available, which is typically upon receipt of royalties reported by such third parties.

The Trust's royalty income is a contractual right to revenue streams which are subject to the related underlying patent or exclusivity protection of the pharmaceutical products upon which the royalty agreement is based.

(l) Interest Income on Loan Receivable

The Trust records interest income related to its loan receivable using the effective interest method.

(m) Management Fees

DRI Capital acts as the manager of the Trust pursuant to a management agreement. Under the management agreement, the Trust is required to pay quarterly management fees to our manager or its affiliates equal to 6.50% of total cash royalty receipts for such quarter and 0.25% of the fair value of security investments and related derivative financial instruments, as of the end of such quarter. Security investments consist of (i) the securities (including controlling and non-controlling interests, equity, debt and hybrid securities) of entities in the pharmaceutical, biopharmaceutical, medical or healthcare industry or operating assets thereof (other than royalties); (ii) any securities, investments or contracts that may provide a hedge for the investments referred to in clause (i); and (iii) other assets and investments determined by the manager to be related to the investments referred to in (i) and (ii).

Our manager is entitled to receive management fees regardless of whether the Trust realizes gains on the eventual sale or realization of royalty assets. Management fees are intended to fund the operating and personnel expenses of our manager.

Management fees are payable quarterly in advance as of the first business day of each fiscal quarter based on the estimated projected cash receipts from royalty assets and estimated projected security investment values as of such date. Management fees are recalculated based on the actual cash receipts from royalty assets and actual security investment values following the date on which the Trust's consolidated financial statements are finalized. The excess or shortfall in management fees paid in advance is received from or repaid to our manager on or prior to the next date the management fees are due.

(n) Performance Fees

DRI Capital is entitled to performance fees determined on a portfolio-by-portfolio basis pursuant to the terms of a management agreement. DRI Capital is not entitled to performance fees on royalty assets acquired as part of the closing transactions, as described in note 5. Performance fees are structured on a portfolio-by-portfolio basis, with portfolios based on a group of investments made during each consecutive two-year period, to mitigate the risk that performance fees are paid on a profitable investment even though, in the aggregate, the investments made over a two-year period are not profitable, and further to reduce the risk that performance fees are payable at a time when our portfolio of investments is not performing well overall.

Performance fees are determined at the end of each fiscal period for each portfolio equal to 20% of the net economic profit for such portfolio for the applicable period. Net economic profit is defined as the aggregate cash receipts for all new portfolio investments in such portfolio less total expenses. Total expenses are defined as interest expense, operating expense and recovery of acquisition cost in respect of such portfolio.

The manager may, subject to obtaining any applicable regulatory approval, elect to receive payment for the performance fees in the form of new units issued by the Trust instead of in cash.

The payment of any performance fees to our manager will be subject to the following three conditions:

(i) Condition One: Cumulative net economic profit, defined as the difference between the aggregate cash receipts for all new portfolio investments in such portfolio from the date of acquisition less total expenses from the date of acquisition, for such portfolio for all periods prior to the relevant quarterly determination date is positive. Cumulative net economic profit is positive if the aggregate cash receipts for all investments in a portfolio for all prior periods are greater than the total expenses allocated to such portfolio for all prior periods.

(ii) Condition Two: The aggregate projected cash receipts, calculated based on analyst consensus, for all investments in such portfolio, for all periods commencing after such quarterly determination date are equal to or greater than 135% of the projected total expenses for all investments in such portfolio through the expected termination dates of all investments in such portfolio.

(iii) Condition Three: The aggregate projected cash receipts, calculated based on analyst consensus, for all investments in all portfolios, for all periods commencing after such quarterly determination date are equal to or greater than 135% of the projected total expenses for all such portfolios through the termination or disposition dates of all investments in all such portfolios.

(o) Unit-based Compensation

Unit-based compensation benefits under the Trust's Omnibus Equity Incentive Plan ("**Incentive Plan**") are provided to employees of the Trust or its designated affiliates, consultants or board members of the Trust. The Incentive Plan consists of Options, Restricted Units ("**RUs**"), Performance Units ("**PUs**") and Deferred Units ("**DUs**"). These unit-based compensation plans are accounted for as cash-settled awards as the Trust is an open-ended trust making its units redeemable, and thus requiring outstanding awards to be recognized as liabilities carried at fair value. The Trust has discretion to settle the units either in cash or by issuing units. These unit-based compensation plans are measured at fair value at the grant date and a unit-based compensation expense is recognized consistent with the vesting features of each plan. The liability is adjusted for changes in fair value with a corresponding adjustment to unit-based compensation expense in the period in which they occur. As awards are settled for Trust units, the liability is reduced and a corresponding increase in equity is recorded.

RUs, PUs and DUs are credited with distribution equivalents in the form of additional RUs, PUs and DUs, respectively, 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. Distributions on RUs, PUs and DUs are treated as an increase in unit-based compensation expense with a corresponding increase in unit-based compensation liability and an increase in the number of awards outstanding, respectively.

The board of trustees may, from time to time, subject to the provisions of the Incentive Plan and such other terms and conditions as the board may prescribe, grant DUs to eligible participants of the Incentive Plan. The board has complete discretion over the terms and conditions of each award. The board may permit trustees, and the trustees may elect at the board's approval, to receive all or a portion of their annual retainer fees in the form of DUs.

(p) Earnings per Unit

Basic earnings per unit is calculated by dividing the profit attributable to equity holders by the weighted average number of units outstanding during the period, excluding treasury units, if any.

Diluted earnings per unit reflects the dilution effect from Options, RUs and DUs using the treasury share method. PUs are included in the calculation of diluted earnings per unit only if the associated performance conditions are satisfied at the end of the reporting period as if it were the end of the performance period.

(q) Foreign Currency Translation

Foreign currency transactions are translated at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at the exchange rate prevailing at the period-end date. Gains and losses resulting from translation are included in the Trust's earnings in the year in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(r) Acquisitions

At the time of acquisition of a royalty asset or a portfolio of royalty assets, the Trust evaluates whether the acquisition is a business combination or asset acquisition. IFRS 3, *Business combinations,* is only applicable if it is considered that a business has been acquired. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

When determining whether the acquisition of a royalty asset or a portfolio of royalty assets is a business combination or an asset acquisition, the Trust exercises judgment as to whether the integrated set of activities and assets consists of inputs, and processes applied to those inputs, that have the ability to contribute to the creation of outputs. The Trust also considers the optional concentration test under IFRS 3 that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

If the acquisition is determined to be a business, it is accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on the date of the exchange. The Trust recognizes non-controlling interest in acquired entities either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net assets. Acquisition-related costs are expensed as incurred. Goodwill is recognized as the excess of consideration transferred and the net identifiable assets acquired in the business combination.

When an acquisition does not represent a business, the Trust classifies the portfolio of royalty assets as an asset acquisition. Identifiable assets acquired and liabilities assumed in an asset acquisition are measured initially at an allocated amount of transaction consideration, including acquisition-related transaction costs, on a relative fair value basis at the date of purchase. Acquisition-related transaction costs are capitalized to the royalty assets.

NOTE 3 | USE OF JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and equity, and the related note disclosures. Actual results could differ from those estimates and such differences could be material to the consolidated financial statements. The estimates and underlying assumptions are reviewed by management on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Financial statement areas which require critical judgments, assumptions and estimates that could have a material impact on the consolidated financial statements are described below.

Royalty income

In determining royalty income earned, judgments are made with respect to the performance of the underlying products and commercial factors based on historical and expected performance, knowledge of each royalty asset and regular correspondence with royalty payers. Estimated royalty income is recognized on the basis of amounts receivable for each royalty asset based on the Trust's contractual entitlement, which incorporates an element of uncertainty.

The estimated income recognized may differ from actual cash received in respect of each accounting period and adjustments may therefore be required throughout the financial period when the actual income received becomes known.

Useful life of royalty assets

Royalty revenue recognized and amortization charges related to royalty assets are based on the estimated economic useful lives of those royalty assets. In estimating a royalty's useful life for terms that are not contractually fixed, the Trust considers a number for factors, including the strength of existing patent protection, expected entry of generic or biosimilar products or other competitive products, geographical exclusivity periods and potential patent term extensions tied to the underlying product.

The estimated useful life of the royalty assets may differ from the actual useful life of the royalty assets, which may have an impact on the carrying value of royalty assets recognized in the consolidated financial position and the amortization expense recognized in net comprehensive earnings (loss).

Impairment of royalty assets

The Trust reviews royalty assets for impairment at each reporting date to determine if there is any indication that an asset may be impaired. If an indication of impairment exists, the recoverable amount of the potentially impaired asset is determined. This requires the Trust to use a valuation technique to determine the extent of the impairment, if any. The Trust applies a discounted cash flow model based on forecasted royalties that gives consideration to a range of factors, including but not limited to, the nature of the investment, market conditions, current and projected royalty cash flows and similar transactions subsequent to the acquisition of the investment. As a result, the forecasted cash flows used in the valuation of the royalty assets could differ from actual results.

Acquisitions

In business combinations and asset acquisitions, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at their respective fair values on the date of acquisition. Financial instruments that are not publicly traded instruments are valued by an independent valuation expert using appropriate valuation techniques, which are generally based on discounting future expected cash flows using appropriate discount rates.

NOTE 4 | RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

Presentation of financial statements

Amendments to IAS 1, *Presentation of financial statements,* effective for periods beginning on or after January 1, 2023, applicable retrospectively in accordance with IAS 8, *Accounting policies and changes in accounting estimates and errors*, clarify that the classification of liabilities as current or non-current should be based on rights that were in existence at the end of the reporting period, and is unaffected by the likelihood of whether the entity will exercise its right to defer the settlement of a liability. The amendments also require companies to disclose their material accounting policy information rather than significant accounting policies. The Trust does not believe that the application of these amendments will have a material impact on the presentation of its financial position or its significant accounting policy disclosures.

Accounting policies, changes in accounting estimates and errors

Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors,* effective for periods beginning on or after January 1, 2023, applicable prospectively for accounting estimates, redefines accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments did not have a material impact on the Trust's financial assets and liabilities.

Interest Rate Benchmark Reform – Phase 2

The *Interest Rate Benchmark Reform – Phase 2* issued in August 2020 amends IFRS 9, *Financial Instruments,* effective for periods beginning on or after January 1, 2021 and applicable retrospectively, requires modification to cash flows arising from financial assets and financial liabilities when an interest rate benchmark used to calculate interest is replaced with an alternative benchmark rate.

Certain of the Trust's financial assets and liabilities are subject to referenced interest rates such as the London Interbank Offered Rate ("**LIBOR**"). In 2017, the regulatory authority that oversees financial services firms in the United Kingdom announced plans to transition away from LIBOR by the end of 2021. In March 2021, the administrator of LIBOR announced the extension of the publication of the more commonly used U.S. dollar LIBOR settings to the end of June 2023.

The transition may result in, among other things, an increase in volatility in the interest rates of the Trust's financial assets and liabilities that currently rely on LIBOR. The Trust's financial asset and liability agreements which reference LIBOR have predefined alternative reference rates in place for transitioning away from LIBOR. The Trust does not believe that these amendments have a material impact on the Trust's financial assets and liabilities.

NOTE 5 | ASSET ACQUISITIONS

(a) DRI Healthcare ICAV Acquisition Transaction

On October 21, 2020, the Trust acquired a 100% interest in DRI Healthcare ICAV, an Irish collective asset management vehicle established under the laws of Ireland and authorized by the Central Bank of Ireland, for two euros (approximately two U.S. dollars). This represented the fair value of its assets and liabilities.

(b) Closing Transactions

On February 19, 2021, in connection with the completion of DRI Healthcare Trust's initial public and private offerings of units, as described in note 10, the Trust, through its wholly-owned subsidiary DRI Healthcare ICAV, acquired 100% economic interests in Drug Royalty III GP, LLC, DRC Management III LLC 1, DRC Management III LLC 2, DRI Healthcare LP and their wholly-owned subsidiaries, as well as 100% beneficial interests in the royalty assets held by Drug Royalty LP 1. On February 22, 2021, the Trust, through its wholly-owned subsidiary, DRI Healthcare ICAV, acquired 100% economic interests in DRC Management LLC 2, DRI Healthcare LP 2 and its wholly-owned subsidiary. Collectively, these transactions are referred to as the "**Closing Transactions**" in these consolidated financial statements. The Closing Transactions were contemplated in the Trust's offering document.

The total purchase price paid in the Closing Transactions was $292,670 and was funded by the issuance of units of DRI Healthcare Trust, as described in note 10. Management determined that the transaction did not meet the definition of a business combination as substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets.

The acquired cash and cash equivalents include cash royalties received of $2,269 during the period from January 1, 2021 to the date of the Closing Transactions. The acquired royalties receivable include royalty income of $13,833 accrued during the period from January 1, 2021 to the date of the Closing Transactions and $1,079 of adjustments to reflect changes in the balance receivable based on actual royalty receipts.

(c) Oracea Transaction

On September 30, 2021, the Trust acquired royalties on Oracea for $50,500. As part of the transaction, the Trust acquired interests in two additional royalty assets which are not expected to make a material contribution to the Trust's royalty income. Management determined that this transaction did not meet the definition of a business combination as substantially all of the fair value of the gross assets acquired is concentrated in the royalty assets acquired, primarily Oracea.

Oracea (doxycycline) is a prescription therapy indicated for the treatment of inflammatory lesions (papules and pustules) of rosacea in adult patients. Marketed by Galderma Laboratories, Inc., a subsidiary of Galderma S.A., sales of Oracea commenced in 2006 upon its approval by the U.S. Food and Drug Administration ("**FDA**"). The royalty entitlement associated with Oracea is on the worldwide sales of Oracea and is expected to expire in the first quarter of 2028. Royalties related to Oracea are collected on a one quarter lag.

In accordance with the terms of the transaction, the Trust was entitled to the royalties from April 1, 2021 and beyond. The cash royalty receipts generated from April 1, 2021 to June 30, 2021 totalled $4,136 and were applied as a reduction in the total cash consideration transferred in the transaction. Transaction costs of $599 were capitalized as part of the royalty assets acquired.

The following assets and liabilities were acquired in the transactions:

	Closing Transactions	Oracea Transaction	Total
Assets			
Cash and cash equivalents	$ 14,707	$ 4,136	$ 18,843
Royalties receivable	55,190	2,930	58,120
Funds held in trust[(i)]	128	—	128
Derivative assets[(i)]	219	—	219
Other current assets	196	—	196
Royalty assets	291,462	43,434	334,896
Restricted cash[(i)]	1,435	—	1,435
	$ 363,337	$ 50,500	$ 413,837
Liabilities			
Accounts payable and accrued liabilities	(743)	—	(743)
Secured notes payable[(i)]	(69,924)	—	(69,924)
	(70,667)	—	(70,667)
Net acquired assets	$ 292,670	$ 50,500	$ 343,170

(i) During 2021, the Trust fully repaid the secured notes, as described in note 9. In connection with its secured notes, the Trust was required to maintain funds held in trust and restricted cash as well as interest rate and foreign exchange derivative contracts, which were released and settled subsequent to the repayment of the secured notes.

NOTE 6 | DERIVATIVE INSTRUMENTS

In connection with its secured notes, the Trust maintained a series of interest rate cap and foreign exchange option contracts to manage its exposure to fluctuations in interest and foreign exchange rates. On October 22, 2021, the secured notes were fully repaid, as described in note 9, and the related interest rate cap and foreign exchange option contracts were settled. The fair value of interest rate cap and foreign exchange option contracts were nil as at December 31, 2021 (2020 – nil).

Changes in the fair value of interest rate cap and foreign exchange option contracts were recognized in comprehensive net earnings (loss). For the year ended December 31, 2021, the Trust recorded a net gain on interest rate cap contracts of $2 (2020 – nil), and a net gain on foreign exchange option contracts of $77 (2020 – nil).

NOTE 7 | 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 acquisition transactions described in note 5.

Cost		
As at January 1, 2021	$	—
Additions(i)		335,495
As at December 31, 2021	$	335,495
Accumulated amortization		
As at January 1, 2021	$	—
Amortization		41,837
As at December 31, 2021	$	41,837
Net book value		
As at January 1, 2021	$	—
As at December 31, 2021	$	293,658

(i) Includes capitalized transaction costs of $599 related to the Oracea Transaction, as described in note 5.

The Trust did not hold any royalty assets for the period from October 21, 2020 (date of formation) to December 31, 2020.

The Trust records royalty income from acquired assets from the date on which it obtains control of those assets. For the assets acquired in the Closing Transactions, as described in note 5, the Trust recorded royalty income from February 19, 2021 to December 31, 2021. For the assets acquired in the Oracea Transaction, as described in note 5, the Trust recorded royalty income from September 30, 2021 to December 31, 2021.

The following table presents further details about the products underlying our royalty streams:

Royalty Asset	Therapeutic Area	Acquisition Quarter	Expected Royalty Expiry(i)	Royalty Income For the year ended December 31, 2021	Net Book Value As at December 31, 2021
Eylea I	Ophthalmology	Q1 2021	Q1 2027	$ 9,308	$ 18,953
Eylea II	Ophthalmology	Q1 2021	Q1 2027	4,831	9,845
FluMist	Vaccine	Q1 2021	Q4 2023	3,158	4,899
Natpara	Endocrinology	Q1 2021	Q4 2024	2,008	27,127
Oracea	Dermatology	Q3 2021	Q1 2028	1,373	38,569
Rydapt	Oncology	Q1 2021	Q1 2025	9,576	13,017
Spinraza	Rare Diseases	Q1 2021	Q3 2031	16,359	96,772
Xolair	Respiratory	Q1 2021	Q2 2032	7,713	52,651
Zytiga	Oncology	Q1 2021	Q2 2028	13,377	22,351
Autoimmune Portfolio(ii),(iii)	Autoimmune Disease	Q1 2021	Q1 2025	8,185	5,823
Rilpivirine Portfolio(iv)	HIV	Q1 2021	Q2 2021	2,899	—
Other Royalties(v)	Various	Various	n/a	1,073	3,651
				$ 79,860	$ 293,658

(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 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 Autoimmune Portfolio consists of agreements to receive royalties on sales of Stelara, Simponi and Ilaris. The three royalty assets include two royalty streams on each product, for a total of six royalty streams held directly and indirectly.

(iii) During the year, the Trust recorded an other current liability of $718 with a corresponding charge to other items to reflect the obligation for excess royalty payments received in connection with the Autoimmune Portfolio prior to the Trust's acquisition of the asset. Royalties receivable of $384 was used to reduce the obligation during the year. Royalty income earned from the Autoimmune Portfolio in future periods will be used to repay the remaining obligation of $334 for the past overpayments.

(iv) The Rilpivirine Portfolio consists of an agreement to receive royalties on sales of Complera, Edurant, Odefsey and Juluca. In accordance with the terms of the royalty agreement of the Rilpivirine Portfolio, the entitlement to royalty receipts from the portfolio ended during the second quarter of 2021.

(v) Other Royalties 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.

NOTE 8 | LOAN RECEIVABLE

On August 25, 2021, the Trust entered into an agreement with CTI BioPharma Corp. ("**CTI**") to provide $50,000 in secured debt, the proceeds of which will be used by CTI to fund the commercialization of pacritinib. Pacritinib is used for the treatment of myelofibrosis patients with severe thrombocytopenia. The Trust concurrently entered into an agreement to purchase a tiered royalty on future sales of pacritinib upon the approval of the product by the FDA, as further described in note 19.

The loan receivable bears interest at LIBOR plus 8.25%, subject to a LIBOR floor of 1.75% and matures on August 25, 2026. The Trust is also entitled to receive an exit fee of 2.00% on the principal balance repaid. Interest payments are due quarterly and the principal amount of the loan is due on maturity.

As at December 31, 2021, the gross principal balance of the loan receivable was $50,000. A commitment fee of $500 was received by the Trust and recorded as a reduction in the gross principal amount receivable. As at December 31, 2021, the principal balance of the loan receivable was reduced by the unamortized balance of the commitment fee of $465 and included an accrued exit fee receivable of $71, for a net loan receivable of $49,606.

For the period from August 25, 2021, the date on which the loan receivable was funded, to December 31, 2021, the Trust recorded interest income of $1,897, comprised of $1,791 related to interest charges, $35 related to the amortization of the commitment fee and $71 related to the accretion of the exit fee.

NOTE 9 | LONG-TERM DEBT

Secured Notes

In February 2021, in connection with the Closing Transactions described in note 5, the Trust assumed gross secured notes payable of $69,924, and was required to hold certain royalty cash receipts in trust and maintain restricted cash accounts as security for the secured notes. The Trust fully repaid the secured notes on October 22, 2021 using proceeds from operations and its newly issued credit facility, as described below. Accordingly, the Trust is no longer required to hold royalty cash receipts in trust or maintain restricted cash accounts. During 2021, the Trust made principal repayments on the secured notes totalling $69,924. During the year ended December 31, 2021, the Trust recorded interest expense of $1,866 related to the secured notes, including debt repayment charges of $671.

Credit Facility

On October 22, 2021, the Trust entered into a credit facility agreement comprised of (i) a $175,000 senior secured revolving acquisition credit facility ("**acquisition credit facility**") with the initial amounts drawn used to repay the balance of the existing secured notes and the remaining capacity to be used for financing future acquisitions and (ii) a $25,000 senior secured revolving working capital credit facility ("**working capital credit facility**") the proceeds from which are to be used for general business purposes or to finance future acquisitions.

The credit facility bears interest at LIBOR plus a margin which may vary from 2.00% to 2.50% based on the Trust's leverage ratio. The unused portion of the revolving credit facility is subject to an interest charge of 0.40% to 0.50% based on the Trust's leverage ratio. Interest payments are due on a quarterly basis, and the borrowings mature on October 22, 2024. The maturity date may be extended by one-year increments subject to obtaining approval from the lenders.

Principal repayments totalling 3.75% of the aggregate amount of borrowings made under the acquisition credit facility are due on a quarterly basis. Principal repayments do not result in a corresponding decrease in the borrowing capacity under the facility. Principal repayments on the working capital credit facility are due on maturity.

As at December 31, 2021, the carrying amount of the Trust's long-term debt was as follows:

	As at December 31, 2021		
	Total Available Credit	Remaining Available Credit	Balance Outstanding
Acquisition credit facility	$ 175,000	$ 129,474	$ 45,526
Working capital credit facility	25,000	25,000	—
Deferred transaction costs, net of amortization	n/a	n/a	(1,605)
Total long-term debt	$ 200,000	$ 154,474	$ 43,921
Current portion of credit facility			$ 5,321
Long-term portion of credit facility			38,600
Total long-term debt			$ 43,921

The following table presents expected principal repayments to be made until the maturity of the credit facility:

	Total
Full year: 2022	$ 5,321
Full year: 2023	7,095
Full year: 2024	33,110
	$ 45,526

During 2021, the Trust made a principal repayment of $1,774 related to the credit facility. Subsequent to year end, on January 27, 2022, the Trust made a voluntary principal repayment of $30,526 and, on March 7, 2022, the Trust drew $60,000 from the acquisition credit facility to fund the purchase of the tiered royalty on pacritinib, as described in note 19.

The Trust recorded interest expense of $370 related to the credit facility, comprised of interest on the net borrowings of $222, standby fees of $119 and amortization of deferred transaction costs of $29.

The Trust is subject to certain financial as well as customary non-financial covenants under the credit facility. Substantially all of the assets of the Trust are pledged as collateral under the credit facility. As at December 31, 2021, the Trust was in compliance with all covenant requirements under the credit facility.

NOTE 10 | 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 October 21, 2020 (the date of formation) to December 31, 2021.

	Units	Weighted Average Cost per Unit	Total Cost
Balance – October 21, 2020 (date of formation)	—	$ —	$ —
Issuance of units – date of formation	1	$ 10.00	—
Balance – December 31, 2020	1		$ —
Issuance of units:			
Initial private offering	3,580,407	$ 9.70	$ 34,730
Initial public offering	36,527,000	$ 10.00	365,270
Vesting of restricted units	15,343	$ 6.70	103
Unit issuance costs	n/a	n/a	(21,997)
Repurchase and cancellation of units:			
NCIB	(1,043,070)	$ 5.25	(5,478)
Other	(1)	$ 10.00	—
Unit distributions to unitholders	271,515	$ 5.18	1,406
Consolidation of units	(271,515)	n/a	n/a
Balance – December 31, 2021	39,079,680		$ 374,034

Initial public and private offerings

On February 19, 2021, DRI Healthcare Trust completed initial public and private offerings of its units, for combined gross proceeds of $400,000. In connection with its public offering, the Trust issued 36,527,000 units at $10.00 per unit, for gross proceeds of $365,270. Concurrent with the completion of the initial public offering, certain related parties and other investors purchased an aggregate of 3,580,407 units at $9.70 per unit, for gross proceeds of $34,730. Transaction costs associated with the offerings totalled $21,997 and were recorded as a reduction in unitholders' equity.

Settlement of restricted units

During 2021, the Trust issued 15,343 units on the vesting of restricted units which were granted on October 1, 2021, as described in note 12.

*Normal course issuer bid (“**NCIB**”)*

On September 30, 2021, the Trust was granted approval by the Toronto Stock Exchange to acquire, from time to time, if considered advisable, up to 1,500,000 units of the Trust for cancellation between October 5, 2021 and October 4, 2022. As at December 31, 2021, the Trust had acquired and cancelled 1,043,070 units at an average unit price of $5.25, totalling $5,478.

On January 1, 2022, in connection with the NCIB, the Trust established an automatic unit repurchase plan (“**AUPP**”), whereby up to 450,000 units of the Trust may be repurchased at the discretion of the broker party to the AUPP during the period from January 1, 2022 to March 9, 2022, provided that the combined repurchases under the plan do not exceed C$3,500 ($2,754). The broker party to the AUPP is required to exercise commercially reasonable efforts and is subject to certain instructions and trading parameters predetermined by the Trust in the AUPP. During the period from January 1, 2022 to February 28, 2022, the Trust acquired 400,000 units at an average price of $5.22, totalling $2,089.

Distribution policy

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 payment of any distributions by the Trust is at the sole discretion of our board of trustees, which may change our distribution policy at any time, and will be paid out of our distributable reserves. Our board of trustees takes into account general economic and business conditions, our strategic plans and prospects, our business and asset acquisition opportunities, our financial condition and operating results, working capital requirements and anticipated cash needs, contractual restrictions and obligations, legal, tax and regulatory restrictions, other constraints on the payment of distributions by us to our unitholders, and such other factors as our board of trustees may deem relevant. The payment of distributions is therefore not guaranteed.

In March 2021, the board of trustees declared a quarterly cash distribution of $0.0167 per unit, totalling $670, to unitholders of record as at March 31, 2021, which was paid on April 20, 2021.

In May 2021, the board of trustees declared a quarterly cash distribution of $0.0375 per unit, totalling $1,504, to unitholders of record as at June 30, 2021, which was paid on July 20, 2021.

In August 2021, the board of trustees declared a quarterly cash distribution of $0.0375 per unit, totalling $1,504, to unitholders of record as at September 30, 2021, which was paid on October 20, 2021.

In November, 2021, the board of trustees declared a quarterly cash distribution of $0.075 per unit, totalling $2,931, to unitholders of record as at December 31, 2021 and payable on January 20, 2022.

In December 2021, the board of trustees declared a special cash distribution of $0.22 per unit, totalling $8,597, to unitholders of record as at December 31, 2021 and payable on January 20, 2022.

In December 2021, the board of trustees further declared a special unit distribution of $0.035979841 per unit, totalling $1,406 to unitholders of record as at December 31, 2021, which was issued on December 31, 2021. 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 2021, the Trust declared distributions totalling $16,612, comprised of cash distributions of $15,206 and a unit distribution of $1,406.

On March 7, 2022, the board of trustees declared a quarterly cash distribution of $0.075 per unit to unitholders of record as at March 31, 2022 and payable on April 20, 2022.

(i) Preferred units

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.

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

As at December 31, 2021, no preferred units had been issued or were outstanding (2020 – nil).

NOTE 11 | NET EARNINGS PER UNIT

Weighted average number of units outstanding for the purpose of calculating earnings per unit were as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Basic	34,646,277 units	1 unit
Diluted	34,654,282 units	1 unit

NOTE 12 | UNIT-BASED COMPENSATION

The Trust provides unit-based compensation under its Incentive Plan, as described in note 2(o). Total number of units authorized to be issued under the Incentive Plan is the lower of (i) 4,101,741; and (ii) 10% of total outstanding units of the Trust.

For the year ended December 31, 2021, the unit-based compensation expense was $473 (2020 – nil) and was comprised of RU grants. As at December 31, 2021, the unit-based compensation liability was $370 (2020 - nil), comprised of a current portion of $233 (2020 - nil) and a long-term portion of $137 (2020 – nil), related to the outstanding awards. During 2021, 15,343 units were issued on the vesting of RUs totalling $103 (2020 – nil).

The following table provides the details of RU grants during the year ended December 31, 2021:

	December 31, 2021		
	Granted Units	Distribution Equivalent Units[i]	Total Units
Granted on September 10, 2021[ii]	117,500 units	7,217 units	124,717 units
Granted on October 1, 2021[iii]	15,343 units	—	15,343 units
Granted on October 8, 2021[iv]	50,000 units	2,842 units	52,842 units
Granted on October 8, 2021[v]	100,000 units	5,684 units	105,684 units
Granted on November 30, 2021[ii]	150,000 units	8,526 units	158,526 units
Restricted Units Granted	432,843 units	24,269 units	457,112 units
Restricted Units Vested			(15,343) units
Restricted Units Issued and Outstanding			441,769 units
Restricted Units Vested and Exercisable			—

(i) All RUs, PUs and DUs are credited with distribution equivalents in the form of additional RUs, PUs and DUs, respectively, 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 over three years on each anniversary date.

(iii) Vested immediately.

(iv) Vesting equally on April 1, 2022, April 1, 2023, and April 1, 2024.

(v) Vesting equally on February 19, 2022, February 19, 2023, and February 19, 2024.

No Options, PUs or DUs were granted as at December 31, 2021. Subsequent to December 31, 2021, certain members of the board of trustees elected to be compensated fully or partially in DUs.

NOTE 13 | 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 professional fees, research data, and data subscription expenses. The Trust recorded deal investigation and research expenses of $2,252 for the year ended December 31, 2021 (2020 – nil).

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

NOTE 14 | OTHER OPERATING EXPENSES

The Trust's operating and other expenses were as follows for the year ended December 31, 2021. The Trust had no operations during the period from October 21, 2020 (date of formation) to December 31, 2020.

	For the year ended December 31, 2021
Professional fees	$ 2,409
Board fees	496
Other expenses	2,509
Total other operating expenses	$ 5,414

NOTE 15 | FINANCIAL INSTRUMENTS

The financial assets and liabilities held by the Trust, as at December 31, 2021, were as follows. As at December 31, 2020, the Trust had nominal assets.

	FVTPL – Recognized	Amortized Cost	Total
Financial Assets			
Cash and cash equivalents	$ 61,712	$ —	$ 61,712
Royalties receivable	—	30,148	30,148
Other current assets	—	227	227
Loan receivable	—	49,606	49,606
	$ 61,712	$ 79,981	$ 141,693
Financial Liabilities			
Accounts payable and accrued liabilities	$ —	$ 1,557	$ 1,557
Distributions payable to unitholders	—	11,528	11,528
Current portion of long-term debt	—	5,321	5,321
Other current liabilities	—	334	334
Long-term debt	—	40,205	40,205
	$ —	$ 58,945	$ 58,945

NOTE 16 | 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 year ended December 31, 2021 (2020 – nil).

As at December 31, 2021, the Trust only has cash and cash equivalents measured at fair value, which are classified as Level 1 financial instruments. As at December 31, 2020, the Trust had nominal assets.

The carrying values of royalties receivable, loan receivable, other current assets, accounts payable and accrued liabilities, distributions payable to unitholders, long-term debt, and other current liabilities approximate the fair values of these financial instruments.

The Trust did not have any financial liabilities measured at fair value.

NOTE 17 | RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Trust by failing to discharge an obligation.

The Trust has determined that it is exposed to credit risk primarily related to the counterparties of its royalty assets as well as its loan receivable, as described in note 7 and note 8, respectively.

The counterparties to the Trust's royalty agreements are comprised primarily of marketers of the underlying products in the pharmaceutical and life science industries. As at December 31, 2021, royalties receivable from the five largest royalties receivable counterparties represented 81% of total royalties receivable. The Trust monitors its exposure to counterparties of its royalty assets on a regular basis.

The counterparty to the Trust's loan receivable is CTI, a publicly traded biopharmaceutical company focused on the acquisition, development and commercialization of novel targeted therapies for blood-related cancers that offer a unique benefit to patients and their healthcare provider. According to the terms of the credit facility, CTI is required to maintain minimum liquidity of at least $10,000 during the duration of the loan and is subject to certain non-financial covenants customary in lending arrangements. As at December 31, 2021, the gross principal balance of the loan receivable was $50,000.

Cash and cash equivalents and royalty assets are subject to credit risk. Cash and cash equivalents are held with reputable financial institutions which have high credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Trust manages its cash and capital to ensure that it can meet its obligations in the normal course of operations. The Trust generally settles its accounts payable obligations within 90 days. The Trust also maintains enough liquidity to ensure it can meet the mandatory payment requirements of its credit facility.

(c) Foreign exchange risk

Foreign exchange is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Trust's functional currency is the U.S. dollar; however, the Trust is exposed to changes in foreign exchange on certain underlying revenue streams supporting the royalty income. An appreciation or depreciation of 5% in the currencies to which the Trust has exposure against the U.S. dollar would not have a material impact on the Trust's net earnings (loss) as at December 31, 2021.

(d) Interest rate risk

Interest rate risk is the risk that the Trust will encounter financial loss arising from changes in interest rates.

The Trust is exposed to changes in interest rates on its loan receivable, as described in note 8. The Trust's loan receivable is subject to a LIBOR floor, which mitigates the Trust's exposure to fluctuating interest rates.

The Trust is exposed to changes in interest rates on its credit facility, as described in note 9. As the interest rate on the credit facility is partially dependent on the Trust's leverage ratio, the Trust aims to maintain a stable leverage ratio to mitigate fluctuations in the interest rate charged.

The Trust continuously monitors its exposure to fluctuating interest rates. An increase or decrease of 0.5% in interest rates would not have a material impact on the Trust's net earnings (loss) as at December 31, 2021.

(e) Additional risks

The Trust is monitoring the impact of the current global COVID-19 pandemic as it could potentially affect our financial position, financial performance and cash flows. While the financial impact of the pandemic cannot be reasonably estimated at this time, the Trust does not anticipate that these events will have a material adverse impact on our long-term operations.

NOTE 18 | CAPITAL MANAGEMENT

As at December 31, 2021, the Trust's capital was $419,560, and consisted of its unitholders' capital and long-term debt.

The Trust's objectives in managing capital are to:

- Build long-term value for its unitholders;
- Maintain optimal liquidity for pursuing acquisitions, meeting its obligations and making distributions to unitholders;
- Achieve reasonable return on capital and control the risk and exposure associated with capital investments; and
- Maintain an optimal capital structure and reduce the cost of capital.

As discussed in note 9, the Trust entered into a new credit facility agreement and repaid the existing secured notes on October 22, 2021. Other than this, there have been no changes in the composition of the Trust's capital or its capital management policies compared to prior periods. As at December 31, 2021, the Trust was in compliance with all externally imposed capital requirements.

NOTE 19 | COMMITMENTS

Pacritinib transaction

On August 25, 2021, concurrent with the agreement to provide a $50,000 secured loan to CTI, as described in note 8, the Trust entered into an agreement with CTI for a tiered royalty on sales of pacritinib, upon approval of the product by the FDA, for $60,000. CTI may also be entitled to additional consideration of up to $25,000 in the event that pacritinib sales exceed certain thresholds within a predefined period of time.

On February 28, 2022, the FDA approved VONJO (pacritinib) for the treatment of adult myelofibrosis patients with platelets below 50 x 10^9/L. Myelofibrosis is a bone marrow cancer that results in formation of fibrous scar tissue and can lead to thrombocytopenia and anemia, weakness, fatigue and enlarged spleen and liver. This approval triggered the purchase of the tiered royalty on VONJO for $60,000. The funding was completed on March 7, 2022.

In accordance with the terms of the royalty agreement, the Trust will be entitled to receive royalties equal to 9.60% on the first $125,000 of annual net sales in the United States, 4.50% on annual net sales in the United States between $125,000 and $175,000, 0.50% on annual net sales in the United States between $175,000 and $400,000, and will have no entitlement to royalties on annual net sales in the United States exceeding $400,000. Royalties will be collected with a one quarter lag.

AUPP program

On January 1, 2022, as described in note 10, the Trust established an AUPP program in connection with its NCIB, allowing for the repurchase of up to 450,000 units of the Trust from January 1, 2022 to March 9, 2022, and provided that the combined repurchases do not exceed C$3,500 ($2,754). The broker party to the AUPP is required to exercise commercially reasonable efforts and is subject to certain instructions and trading parameters predetermined by the Trust in the AUPP.

NOTE 20 | RELATED-PARTY TRANSACTIONS

Transactions with our manager

DRI Capital is under common control with the Trust.

DRI Capital serves as manager of the Trust. Management fees and performance fees are payable by the Trust pursuant to the investment management agreement. The manager's entitlement to management fees and performance fees is described in note 2(m) and (n), respectively. The manager also provided administrative services to the Trust for servicing the secured notes, pursuant to a debt servicing agreement. The secured notes were fully repaid during 2021 and the debt servicing agreement was terminated.

For the year ended December 31, 2021, the Trust recorded the following transactions and balances with its manager.

	For the year ended December 31, 2021	As at December 31, 2021
Management fee expense	$ 6,275	—
Servicer fees	$ 1,076	—
Accounts payable and accrued liabilities	—	$ 2

The Trust did not record any performance fees for the year ended December 31, 2021.The Trust also did not enter into any related-party transactions for the period from October 21, 2020 (date of formation) to December 31, 2020.

Key management compensation

During the year ended December 31, 2021, the Trust issued compensation to certain officers of the Trust in the form of 20,000 RUs which vest equally over three years and 2,584 units which were issued on the vesting of RUs during the year. During the year ended December 31, 2021, the Trust recorded unit-based compensation expense of $37 related to the issuance of RUs and the accretion of the related distribution equivalent units (2020 – nil).

NOTE 21 | SEGMENT INFORMATION

The chief operating decision-maker, determined to be the Chief Executive Officer of the Trust, reviews financial information presented on a consolidated basis to allocate resources, evaluate financial performance and make overall operating decisions. As such, the Trust has concluded that it operates as one segment, primarily focused on acquiring royalty assets.

The Trust's segment earnings are comprised of royalty income. The Trust attributes its royalty income to individual countries by reference to the countries where the products underlying its royalty agreements are sold. The Trust is not entitled to such country-by-country information for each of its royalty streams; as such, the Trust attributes its income to geographies for which it has reliable information, namely the United States, which represents its largest geographic market, the European Union, Japan, and the rest of the world.

The Trust's non-current assets are comprised of its royalty assets. Similar to royalty income, the Trust attributes its royalty assets by reference to the countries where the products underlying its royalty agreements are expected to be sold. This allocation is done at the time of the acquisition of the royalty agreement and is not subsequently revised to take into consideration changes in consumption over the life of the asset.

The presentation of geographic information for royalty assets is not feasible, as the net book value of the Trust's royalty assets is not directly correlated to the royalty entitlements from various geographies.

The following table provides the estimated geographical information on the Trust's royalty income for the year ended December 31, 2021. The Trust did not earn any royalty income during the period from October 21, 2020 (date of formation) to December 31, 2020. In certain circumstances, the Trust does not have access to the underlying geographical information of its royalty income. In such cases, the Trust has allocated its royalty income to geographies using internally forecasted sales of the underlying products by geography.

		Royalty Income For the year ended December 31, 2021
United States	$	32,622
European Union		16,134
Japan		4,254
Rest of the world		26,850
	$	79,860

For the year ended December 31, 2021, the Trust earned royalty income of 81% from five counterparties. These counterparties are comprised primarily of marketers of the underlying products in the pharmaceutical and life science industries. The following table lists revenues by each counterparty, which individually represented more than 10% of the Trust's royalty income.

	Royalty Income For the year ended December 31, 2021	
Counterparty 1	$ 16,359	20%
Counterparty 2	14,118	18%
Counterparty 3	13,377	17%
Counterparty 4	10,467	13%
Counterparty 5	10,214	13%
Other	15,325	19%
Total	$ 79,860	100%

NOTE 22 | SUBSEQUENT EVENTS

Long-term debt

On January 27, 2022, the Trust made a voluntary principal repayment of $30,526 of its credit facility, as described in note 9. On March 7, 2022, the Trust drew $60,000 from the acquisition credit facility to fund the purchase of the tiered royalty on pacritinib, as described in note 19.

AUPP program

In connection with its NCIB program, the Trust established an AUPP on January 1, 2022 allowing for repurchase of up to 450,000 units, as described in note 10. The broker party to the AUPP is required to exercise commercially reasonable efforts and is subject to certain instructions and trading parameters predetermined by the Trust in the AUPP. During the period from January 1, 2022 to February 28, 2022, the Trust repurchased 400,000 units, totalling $2,089.

Pacritinib transaction

On February 28, 2022, the FDA approved VONJO (pacritinib) for the treatment of adult myelofibrosis patients with platelets below 50 x 10^9/L. Myelofibrosis is a bone marrow cancer that results in formation of fibrous scar tissue and can lead to thrombocytopenia and anemia, weakness, fatigue and enlarged spleen and liver. This approval triggered the purchase of the tiered royalty on VONJO for $60,000, as described in note 19. The funding was completed on March 7, 2022.

2022 first quarter distribution declared

On March 7, 2022, the board of trustees declared a quarterly distribution of $0.075 per unit to unitholders of record as at March 31, 2022 and payable on April 20, 2022.

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.

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