



Tier One Capital Limited Partnership

Unaudited Financial Statements

Three Months Ended March 31, 2024

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Tier One Capital Limited Partnership hereby gives notice that the Limited Partnership's independent auditor has not performed a review of these Interim Financial Statements in accordance with standards established by Chartered Professional Accountants of Canada.

Tier One Capital Limited Partnership
STATEMENTS OF FINANCIAL POSITION

As at March 31, 2024 and December 31, 2023

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
ASSETS		
Cash	\$ 687,456	\$ 468,122
Accrued interest and other receivables	20,580	47,672
Receivable on the sale of investments	-	28,354
Investments	21,159,486	21,596,113
Total Assets	21,867,522	22,140,261
LIABILITIES		
Accounts payable and accrued liabilities (note 6)	99,298	111,501
General partner priority profit allocation payable (note 6)	165,392	171,623
Total Liabilities	264,690	283,124
EQUITY		
Limited partnership units	42,051,261	42,049,848
General partner interest (note 6)	288,679	237,856
Deficit	(20,737,108)	(20,430,567)
Total Equity	21,602,832	21,857,137
Total Liabilities & Equity	\$ 21,867,522	\$ 22,140,261

Approved by the Board of Directors of T1 General Partner Corp.



Robert Roy
Director



John Richardson
Director

The accompanying notes are an integral part of the financial statements.

Tier One Capital Limited Partnership

STATEMENTS OF COMPREHENSIVE INCOME

For the three-month periods ended March 31, 2024 and March 31, 2023

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
INCOME		
Net gain on investments at fair value through profit and loss	\$ 613,730	\$ 316,446
	613,730	316,446
EXPENSES		
Management fees (note 6)	61,905	66,588
Audit fees expense	23,841	21,426
Transfer agent, registrar and administrative (note 6)	17,467	17,493
Directors' fees and expenses	5,663	9,241
Professional and legal fees	1,610	5,320
Custodian fees (note 6)	3,082	2,161
Unitholder reporting costs	2,203	1,751
Transaction costs	1,880	83
	117,651	124,063
Net income before general partner priority profit allocation	\$ 496,079	\$ 192,383
General partner priority profit allocation (note 6)	165,392	175,524
Net and comprehensive income	\$ 330,687	\$ 16,859
Net income (loss) per unit	\$ 0.07	\$ 0.00
Net income (loss) per unit attributable to limited partners per limited partnership unit	\$ 0.06	\$ 0.00
Net income (loss) per unit attributable to the general partner per limited partnership unit	\$ 0.01	\$ 0.00

The accompanying notes are an integral part of the financial statements.

Tier One Capital Limited Partnership
STATEMENTS OF CHANGES IN EQUITY

For the three-month periods ended March 31, 2024 and March 31, 2023

2024	Limited partners		General partner		Total
	Limited partners units	(deficit)/retained earnings	interest		
Total equity - balance beginning of period	\$ 42,049,848	\$ (20,430,567)	\$ 237,856	\$	\$ 21,857,137
Net and comprehensive income for the period	-	330,687	-		330,687
Issuance of limited partnership units	12,053	-	-		12,053
Redemption of limited partnership units	(10,640)	-	-		(10,640)
Performance allocation (note 6)	-	(50,823)	50,823		-
Performance allocation distribution (note 6)	-	-	-		-
Distributions to limited partners	-	(586,405)	-		(586,405)
Total equity - balance end of period	\$ 42,051,261	\$ (20,737,108)	\$ 288,679	\$	\$ 21,602,832

2023	Limited partners		General partner		Total
	Limited partners units	(deficit)/retained earnings	interest		
Total equity - balance beginning of period	\$ 41,708,308	\$ (18,404,752)	\$ 235,956	\$	\$ 23,539,512
Net and comprehensive income for the period	-	16,859	-		16,859
Issuance of limited partnership units	139,171	-	-		139,171
Redemption of limited partnership units	(19,639)	-	-		(19,639)
Performance allocation (note 6)	-	(2,924)	2,924		-
Performance allocation distribution (note 6)	-	-	-		-
Distributions to limited partners	-	(571,587)	-		(571,587)
Total equity - balance end of period	\$ 41,827,840	\$ (18,962,404)	\$ 238,880	\$	\$ 23,104,316

Tier One Capital Limited Partnership

STATEMENTS OF CASH FLOWS

For the three-month periods ended March 31, 2024 and March 31, 2023

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Cash flows from (used in) operating activities		
Net and comprehensive income	\$ 330,687	\$ 16,859
Adjustments for:		
Net change in unrealized (appreciation) depreciation on investments	(326,680)	(183,105)
Net realized gain on sale of investments	(196,613)	(24,529)
Net change in non-cash balances related to operations	37,012	(24,372)
Proceeds from maturities of short-term investments	301,065	-
Proceeds from disposal of venture investments	122,535	763,317
Proceeds from disposal of public company investments	536,320	7,085
	<u>804,326</u>	<u>555,255</u>
Cash flows used in financing activities		
Amounts paid for limited partnership units redeemed	(10,640)	(19,639)
Distributions to limited partners, net of reinvestments **	(574,352)	(432,416)
	<u>(584,992)</u>	<u>(452,055)</u>
Increase in cash during the period	219,334	103,200
Cash - Beginning of period	468,122	1,080,018
Cash - End of period	<u>\$ 687,456</u>	<u>\$ 1,183,218</u>
Supplemental Information *		
Interest Received	\$ 70,376	\$ 70,178
Dividend Received	35,367	30,626

* classified as cash flows from operations

** excludes non-cash reinvestment of \$12,053 (2023: 139,171)

The accompanying notes are an integral part of the financial statements.

Tier One Capital Limited Partnership

SCHEDULE OF INVESTMENT PORTFOLIO

As at March 31, 2024

Par value/ number of shares	Issuer	Maturity date/ expiration date	Cost \$	Fair value \$
PUBLIC COMPANY INVESTMENTS (1.93%)*				
31,000	Cymat Technologies Ltd., Common Shares		55,800	5,270
135,244	Dominion Lending Centres Inc., Common Shares		257,662	405,732
16,953	Findev Inc., Common Shares		69,731	6,696
47,321	Peraso Inc., Common Shares		-	-
Total public company investments			383,193	417,698
SHORT TERM INVESTMENTS (16.75%)*				
1,884	High Interest Savings Account Fund		94,336	94,237
26,000	Purpose US Cash Fund		3,364,158	3,523,478
Total short term investments			3,458,494	3,617,715
Media Technology (2.99% of total venture investments)				
Dejero Labs Inc.				
52,748	Common shares		50,397	
Electronic Systems Software Solutions Inc.				
46,342	Common shares		46	
146,154	Common shares purchase warrant	July 15, 2029	-	
13,662	Common shares purchase warrant	June 30, 2032	-	
Hipplay Inc.				
1,048	Common shares		-	
Total Media Technology			50,443	511,488
Health Care and Health Care Information Technology (0.00% of total venture investments)				
ArcticAx Inc.				
179,663	Common shares		180	
48,848	Common shares, Class B		60,572	
139,334	Common shares purchase warrant	September 23, 2030	-	
Total Health Care Information Technology			60,752	-
Security Software and Services (40.50% of total venture investments)				
1713264 Ontario Inc.				
75,313	Common shares, Class A		-	
3,599,560	Common shares, Class B		-	
8,570,489	Secured debenture, 15.50%	October 28, 2026	4,000,000	
PitchPoint Solutions Inc.				
10,584,191	Common shares		2,003,701	
8,360,000	Common shares purchase warrant	April 21, 2028	-	
3,790,975	Convertible debenture, 15.00%	March 31, 2025	-	
5,016,000	Preferred shares		250,800	
279,035	Secured debenture, 15.00%	March 31, 2025	279,035	
Total Security Software and Services			6,533,536	6,935,042

Tier One Capital Limited Partnership
SCHEDULE OF INVESTMENT PORTFOLIO
As at March 31, 2024

Par value/ number of shares	Issuer	Maturity date/ expiration date	Cost \$	Fair value \$
Other Technology and Financial (2.29% of total venture investments)				
DCR Strategies Inc.				
4,000,000	Debenture	October 31, 2022	-	
1,261,363	Common shares		-	
Think Protection Inc.				
3,354,732	Common shares purchase warrant	October 19, 2028	-	
Mortgage Corporation				
52,799	Common shares purchase warrant	April 12, 2031	-	
202,577	Promissory Note	July 31, 2024	202,577	
Klyck Inc. (formerly Whut Inc.)				
31,350	Common shares, Class E		-	
MMB Research Inc.				
874,422	Preferred shares, Class A		-	
393,645	Preferred shares, Class B		157,458	
19,762	Preferred shares purchase warrant	September 22, 2024	-	
Panorama Software Inc.				
322	Common shares		-	
Performance Plants Inc.				
190,166	Common shares		-	
Upsight Inc.				
6,312,748	Preferred Shares		-	
Other Technology and Financial			360,035	392,268
Energy (26.82% of total venture investments)				
Iogen Corporation				
3,673,711	Class A Common Shares		3,436,378	
Total Energy			3,436,378	4,592,139
Limited Partnerships (27.40% of total venture investments)				
Multiplier Capital II LP				
2,600,000	Limited partnership interest		2,046,940	
PA Direct Credit Opportunities Fund II (Offshore) LP				
4,287,852	Limited partnership interest		2,129,638	
WF Fund IV LP				
10,500	Limited partnership interest		1,519	
Total Limited Partnership Interest			4,178,097	4,693,136
Total venture investments (79.27%)*			14,619,241	17,124,073
Transaction costs			(1,838)	
Total investments (97.95%)*			18,459,090	21,159,486
Other net assets (2.05%)*				443,346
Total equity (100.00%)*				21,602,832

* Percentages shown relate to investments at fair value to total equity.

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

1. STATUS AND OPERATIONS

Tier One Capital Limited Partnership (the “Limited Partnership”) is a limited partnership formed under the laws of the Province of Ontario. The Limited Partnership became a limited partnership effective on February 21, 2014, the date of filing of its declaration of Limited Partnership. The general partner of the Limited Partnership is T1 General Partner LP (the “General Partner”), a limited partnership formed under the laws of the Province of Ontario. The general partner of the General Partner is T1 General Partner Corp., a corporation incorporated under the laws of Ontario. T1 General Partner Corp. is owned by John Richardson, the Chief Executive Officer of T1 General Partner Corp. The interests of the limited partners of the Limited Partnership are represented by limited partnership units (the “Units”).

The Limited Partnership’s investment objective is to provide a return on investment for Limited Partners and provide regular cash distributions. The General Partner intends to make regular distributions, which would be assessed on a quarterly basis, to the Limited Partners, having regard to the income received or anticipated to be received from the portfolio investments held by the Limited Partnership as well as the fees, expenses and other obligations of the Limited Partnership.

The Units are listed and traded on the Canadian Securities Exchange under the symbol “TLP.UN.”

The principal address of the Limited Partnership, the General Partner and the general partner of the General Partner is 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1.

These financial statements were authorized for issue by the General Partner on May 24, 2024.

2. BASIS OF PRESENTATION

These financial statements of the Limited Partnership have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board including International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss. The accounting policies followed in these financial statements are consistent with those applied in the Limited Partnership’s audited financial statements for the year ended December 31, 2023.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Classification

Financial assets at Fair Value Through Profit or Loss

The Limited Partnership classifies its investments, including derivatives, based on both the Limited Partnership’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognized at fair value through profit or loss (FVTPL). An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

Financial assets at Fair Value Through Profit or Loss (Continued)

The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Limited Partnership is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Limited Partnership has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income (FVOCI). The contractual cash flows of the Limited Partnership’s debt securities are solely principal

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The contractual cash flows of the Limited Partnership investments in underlying funds are not solely payments of principal and interest, and these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Limited Partnership's business model's objective. Consequently, all investments, including derivatives and short-term investments with a maturity of up to one year from the date of acquisition, are measured at FVTPL. The Limited Partnership requires the investment manager and the Board of Directors of the General Partner to evaluate the information about the financial assets on a fair value basis together with other related financial information.

Other financial assets and liabilities

All other financial assets and liabilities are recognized initially at fair value and subsequently measured at amortized cost, which approximates their fair value. There were no changes in the measurement attributes for these financial instruments.

Recognition, derecognition and measurement

The Limited Partnership recognizes financial instruments at fair value upon initial recognition plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. After initial recognition, financial assets are measured at fair value with unrealized gains or losses presented in the Statements of Comprehensive Income (Loss) within net gain (loss) on investments at fair value through profit or loss in the period in which they arise.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Limited Partnership has transferred substantially all risks and rewards of ownership.

Short-term liquid debt investments are valued at amortized cost which approximates fair value.

Publicly listed securities are valued using the last traded market price where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread the manager determines the point within the bid-ask spread that is most representative of the fair value based on the specific facts and circumstances.

Investments in securities not having quoted market values are recorded at estimated fair value determined on a going concern basis, or if appropriate, assuming an orderly disposition over a reasonable period of time. Fair value is 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. Fair value is determined using an appropriate valuation methodology after considering the history and nature of the business, operating results and financial conditions, the general economic and market conditions, capital market and transaction market conditions, independent valuations of businesses, contractual rights relating to the investment, public market comparable transactions and other pertinent considerations.

Investments in limited partnership interests which represent fund of fund investments are valued using the net asset values of the underlying funds provided by the portfolio managers of the limited partnerships on a quarterly basis and adjusted for capital calls, distributions and valuation changes during the intervening periods. If necessary, the General Partner makes adjustments to these net asset values to obtain the best estimate of the fair value.

Derivatives, including warrants are measured at fair value through profit or loss. For warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique such as the Black-Scholes model is used; if no such market inputs are available, other appropriate methodologies are used.

Cash and receivables are classified at amortized cost, which approximates fair value due to their short-term nature.

Accounts payable and accrued liabilities are classified at amortized cost, which approximates fair value due to their short-term nature.

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

Limited Partnership Units and General Partner Interest

Units of the Limited Partnership and the General Partner interest are non-redeemable, do not carry any fixed dividends and have been classified as equity.

Income recognition, transaction costs and expenses

Gains and losses on investments include realized gains (losses), changes in unrealized appreciation (depreciation), interest income, dividends, other income and foreign exchange gains (losses) and are recorded as Net gain (loss) on investments at fair value through profit or loss in the Statements of Comprehensive Income (Loss). Interest income is recorded on an accrual basis based on the coupon rate of interest.

Transaction fees on investments, if incurred, are expensed in the Statements of Comprehensive Income (Loss). Transaction fees are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers.

Interest in unconsolidated subsidiaries, associates and structured entities

Subsidiaries are all entities over which the Limited Partnership has control. The Limited Partnership controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Limited Partnership has determined that it is an investment entity and as such, it accounts for subsidiaries at fair value through profit or loss with the exception of any subsidiaries which provide services related to the Limited Partnership's investment activities, which are consolidated. Associates are investments over which the Limited Partner has significant influence, which have been measured and classified as investments at fair value through profit or loss.

Information about the Limited Partnership's interest in unconsolidated subsidiaries and associates are presented in the table below. The Limited Partnership is considered to have control of 1713264 Ontario Inc. (formerly Geminare Inc.) is considered to be an associate.

March 31, 2024

Investment	Principal Place of Business	Country of Incorporation	Nature of Limited Partnership's Interests	Number of Units	Ownership %	Voting %
1713264 Ontario Inc.	Ontario	Canada	Common Shares, Class A Common Shares, Class B	75,313 3,599,560	0.50 21.50	0.50 21.50

December 31, 2023

Investment	Principal Place of Business	Country of Incorporation	Nature of Limited Partnership's Interests	Number of Units	Ownership %	Voting %
1713264 Ontario Inc.	Ontario	Canada	Common Shares, Class A Common Shares, Class B	75,313 3,599,560	0.50 21.50	0.50 21.50

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. The Limited Partnership has determined that the underlying funds, presented below, in which the Limited Partnership invests are unconsolidated structured entities. In making this determination, the Limited Partnership evaluated the fact that decision making about underlying funds' activity is generally not governed by voting or similar rights held by the Limited Partnership and other investors in any underlying funds.

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

March 31, 2024

Structured Entities	Fair Value of Limited Partnership's Investment in Underlying Fund	Total Equity of the Limited Partnership%	Ownership of Underlying Fund %
Multiplier Capital II LP	\$2,654,735	12.29%	3.09%
PA Direct Credit Opportunities Fund II (Offshore) L.P.	\$1,889,129	8.74%	1.32%
WF Fund IV LP	\$149,272	0.69%	7.67%
Total	\$4,693,136	21.72%	

December 31, 2023

Structured Entities	Fair Value of Limited Partnership's Investment in Underlying Fund	Total Equity of the Limited Partnership%	Ownership of Underlying Fund %
Multiplier Capital II LP	\$2,588,989	11.85%	3.09%
PA Direct Credit Opportunities Fund II (Offshore) L.P.	\$1,842,343	8.43%	1.32%
WF Fund IV LP	\$149,272	0.70%	7.67%
Total	\$4,580,604	20.98%	

Each of the unconsolidated entities presented as at March 31, 2024 and December 31, 2023 has outstanding debt instruments which could impact the entities ability to pay dividends on the equity interest to the Limited Partnership. These debt instruments may be held by the Limited Partnership or other parties.

Net income (loss) per Unit

The Net income (loss) per unit attributable to limited partners per limited partnership unit is determined by subtracting the portion of net income (loss) allocated to the General Partner for the performance allocation from the net and comprehensive income (loss) for the period divided by the weighted average number of limited partnership units outstanding during the period. As there are no General Partner units, the Net income (loss) income per unit attributable to the General Partner per limited partnership unit is determined by dividing the Performance allocation by the weighted average number of limited partnership units outstanding during the period to give a measurement of the General Partner's return for the period.

Income taxes

These financial statements represent the assets and liabilities of the Limited Partnership and do not include the other assets, liabilities, income and expenses of the partners. Income taxes are the responsibility of the partners and not the Limited Partnership. Accordingly, no provisions for income taxes have been recorded in the financial statements.

Functional Currency and Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at period-end exchange rates. Purchase and sales of investments, investment income and expenses are calculated at the exchange rates prevailing on the dates of the transactions. The Canadian dollar is the Limited Partnership's functional and presentation currency as it is the primary economic environment in which the Limited Partnership operates.

Foreign exchange gains or losses relating to investments are presented within net gain on investments at fair value through profit and loss in the Statements of Comprehensive Income (Loss).

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

Contingencies

The Limited Partnership may be subject to litigation and administrative proceedings arising in the ordinary course of its business. The Limited Partnership has determined that there are no such matters as at March 31, 2024 (December 31, 2023: Nil) that are probable of resulting in a material loss for which a loss contingency is recognized.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management's estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Significant estimates include the fair value of venture investments and limited partnership investments. The valuation of venture investments and limited partnership investments impacts the management fees, the distributions to the General Partner under the General Partner Priority Profit Allocation and the Performance Allocation to the General Partner within equity (note 6). While management believes that the estimates used in preparing its financial statements are reasonable and prudent, actual results could differ from these estimates and these differences could be significant.

The process of valuing venture investments and limited partnership investments is inevitably based on inherent uncertainties and the resulting values will differ, perhaps materially, from the amounts ultimately realized. Also, because these venture investments and limited partnership investments have been valued on a going concern basis, the values may differ materially from those realized on forced sale or liquidation. Refer to note 7 for more information on the inputs and assumptions used in this valuation.

The Limited Partnership may recognize a Performance Allocation amount which includes an unrealized component that may become distributable at a future date on the realized income and gains and unrealized appreciation in the investment portfolio, based on the assumption that all the investments are liquidated at the estimated fair value as at the date of the financial statements.

Investment entity status

The Limited Partnership has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- (a) The Limited Partnership has obtained funds for the purpose of providing investors with professional investment management services;
- (b) The Limited Partnership's business purpose, which was communicated directly to investors, is investing for capital appreciation and investment income;
- (c) The investments are measured and evaluated on a fair value basis.

As a result, the Limited Partnership measures its investments in other entities at fair value.

General Partner allocations

The Limited Partnership presents the General Partner Priority Profit Allocation as described in note 6 of the financial statements, in the Statements of Comprehensive Income (Loss). The Limited Partnership has determined that the Performance Allocation, described in note 6, represents an equity allocation to the General Partner rather than compensation for services provided and is presented in the Statements of Changes in Equity.

Business model assessment under IFRS 9 and application of the fair value option

The objective of the Limited Partnership is to achieve long-term capital appreciation and its investment portfolio is managed on a fair value basis. The Limited Partnership has assessed the business model, the manner in which the investment portfolio is

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Limited Partnership's investment portfolio.

5. NET ASSETS ATTRIBUTABLE TO PARTNERS

Authorized and issued Units of the Limited Partnership:

Issued	Number of Units For three-month period ended March 31, 2024	Number of Units For year ended December 31, 2023
Limited Partner Units		
Balance forward from prior period	4,691,243	4,574,397
Issued on the Distribution Reinvestment Plan	4,881	134,446
Normal Course Issuer Bid	(4,200)	(17,600)
Balance at end of period	4,691,924	4,691,243

The weighted average number of Units outstanding during the three-month period ended March 31, 2024 was 4,691,703 (Year ended December 31, 2023: 4,648,288).

John Richardson, the Chief Executive Officer of the general partner of the General Partner of the Limited Partnership, owns or controls directly 771,265 Units or 16.44% of the total Units issued and outstanding as at March 31, 2023 (December 31, 2023: 771,265 Units, 16.44%).

General Partner Performance Allocation

Included in the General Partner interest amount are the Performance Allocation amounts which are attributed to the General Partner based on the terms of the Limited Partnership Agreement but have not been authorized for distribution to the General Partner.

Distribution Reinvestment Plan

The Limited Partnership has implemented a distribution reinvestment plan (DRIP). Unitholders that participate in the plan can choose to have their cash distributions reinvested in new Units of the Limited Partnership. The price for the new Units is determined by the General Partner and is equal to 96% of the volume weighted average trading price of Units on the Canadian Securities Exchange for the twenty trading days immediately preceding the relevant distribution date. Fractional Units are not distributed.

Normal Course Issuer Bid

The Limited Partnership has implemented a Normal Course Issuer Bid (NCIB). The Limited Partnership's Board of Directors and Management believe that, from time to time, the market price of the Units does not reflect their underlying value and purchases of Units for cancellation under the NCIB may provide an opportunity to enhance unitholder value. Purchases under the NCIB may be made through open market transactions on the Canadian Securities Exchange (CSE) based on the prevailing market price. Any Units purchased under the NCIB will be cancelled.

Capital Risk Management

Units issued and outstanding are considered to be the capital of the Limited Partnership. The Units are not redeemable. The Units are entitled to distributions, if any, at the discretion of the General Partner. The Limited Partnership's objective is to invest the Limited Partnership's capital in order to provide a return to the partners in accordance with the objective and strategy of the Limited Partnership. The Limited Partnership is not subject to any externally imposed capital requirements.

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

6. OPERATING ARRANGEMENTS AND RELATED PARTIES

Management Fees

The General Partner, which provides key personnel to the Limited Partnership, is entitled to receive an annual management fee (the “LP Management Fee”) equal to 0.995%, plus applicable taxes, of the total assets of the Limited Partnership. The LP Management Fee will be calculated and paid monthly in arrears based on the total assets of the Limited Partnership as at the end of the applicable month.

General Partner Priority Profit Allocation

The General Partner may share in the profits of the Limited Partnership by receiving, among other things, a priority share of the net income of the Limited Partnership (the “Priority Profit Allocation”). Distributions may be made to the General Partner (the “Priority Profit Distribution”) in respect of its established or potential future Priority Profit Allocation, calculated as of the last day of each calendar quarter, equal to one quarter of 2.68%, plus applicable taxes, of the total assets of the Limited Partnership as at the last day of each calendar quarter. The allocation is included in the Statements of Comprehensive Income (Loss).

Performance Allocation

The General Partner may be entitled to an additional share of the net income of the Limited Partnership if certain conditions are satisfied (the “Performance Allocation”).

The Performance Allocation shall be an amount equal to the aggregate of: (a) 100% of the realized gains and income earned on investments in portfolio companies in excess of a 12% annual average rate of return on such investments up to and including a 15% annual average rate of return on such investments; and (b) 20% of the realized gains and income earned on such investments in excess of the 15% annual average rate of return earned on such investments.

In order for the Performance Allocation to be allocable to the General Partner, the following conditions must be satisfied: (a) the total net realized and unrealized gains and income from the Limited Partnership from its portfolio of investments since January 1, 1997 must have generated a return greater than the annualized average rate of return on five year Guaranteed Investment Certificates offered by a Schedule 1 Canadian chartered bank plus 2%; (b) the compounded annual rate of return (including realized and unrealized gains and income) from the particular eligible investment since its acquisition must equal or exceed 12% per annum; and (c) the Limited Partnership must have recouped an amount equal to all capital or principal invested in the particular investment.

Allocation of Income to the General Partner

To the extent that the net income of the Limited Partnership is insufficient in any year or period to fully allocate an amount equal to the General Partner Priority Profit Allocation and the Performance Allocation for the year or period to the General Partner, the differential will be carried forward and factored into the allocation of the net income of the Limited Partnership in subsequent years or periods, including in the year or period in which the termination of the General Partner occurs. The Performance Allocation must be approved by the independent directors of the Board of Directors of the general partner of the General Partner. Under the Limited Partnership Agreement there is no mandatory distribution of these amounts, but rather there is discretion as to whether these amounts can be paid out of the Limited Partnership, depending on whether it is in the best interest of the Limited Partnership.

Custodian Fees

The Limited Partnership and the General Partner have retained CIBC Mellon Trust Company to provide custody services to the Limited Partnership. The fees paid to CIBC Mellon Trust Company are included in Custodian fees.

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Transfer agent, registrar and administrative fees

The Limited Partnership pays all direct costs and expenses incurred in the operation of the Limited Partnership, including: transfer agent and registrar fees, insurance, legal, audit, director fees, valuation, administration fees and marketing expenses. The Limited Partnership and the General Partner have retained TSX Trust Company to provide transfer agent and registrar services.

Related Parties

During the three-month period ended March 31, 2024, the Limited Partnership incurred management fees of \$61,905 (March 31, 2023: \$66,588). Included in accounts payable and accrued liabilities as at March 31, 2024 are accrued management fees owing to the General Partner of \$20,919 (December 31, 2023: \$21,471).

The Limited Partnership incurred a Priority Profit Allocation to the General Partner during the three-month period ended March 31, 2024 of \$165,392 (March 31, 2023: \$175,524), which is included in the Statements of Comprehensive Income (Loss). As at March 31, 2024, the Limited Partnership had an unpaid amount of Priority Profit Allocation to the General Partner of \$165,392.00 (December 31, 2023: \$171,623).

The Limited Partnership allocated a Performance Allocation amount to the General Partner during the three-month period ended March 31, 2024 of \$50,823 (March 31, 2023: \$2,924). As at March 31, 2024, the Limited Partnership had an allocated but not approved for distribution Performance Allocation amount of \$288,679 (December 31, 2023: \$237,856) included in General Partner interest in the Statements of Financial Position. During the three-month period ended March 31, 2024, the Limited Partnership paid to the General Partner \$Nil of the Performance Allocation amount (March 31, 2023: \$Nil).

An officer of the General Partner of the Limited Partnership, is an investor in PitchPoint Solutions Inc. (PitchPoint), an investee company held in the Limited Partnership's portfolio. The officer is also a party to a guarantee agreement between Pitchpoint and other investors and creditor in PitchPoint (the Guarantee Agreement). Another limited partnership to which the officer is also an officer of the general partner, and which also has an investment interest in PitchPoint, participated in a rights offering for PitchPoint. In consideration for its participation in the rights offering, the Limited Partnership received a portion of the Guarantee Agreement fee pursuant to the Guarantee Agreement.

7. FINANCIAL INSTRUMENT RISKS

The Limited Partnership's investment objectives are to provide a return on investment for Limited Partners and provide regular cash distributions. The Limited Partnership's financial instruments consist primarily of marketable securities, venture investments, limited partnership interests and royalty agreements.

Venture investments in private companies consist of debt instruments, convertible debt, gross overriding royalty agreements, preferred shares, common shares or equity equivalents. The investments in private companies are typically illiquid. The Limited Partnership seeks to reduce the risks typically associated with such investments by diversifying the investment portfolio, by investing in eligible companies that are in differing stages of development in a variety of high growth potential industries, by using a disciplined investment decision process and by working with investee companies through, among other things, providing business advice and other services, aiding in the recruitment process, and helping in the process of raising additional capital.

The Limited Partnership's investments in limited partnerships consist of interests in underlying limited partnerships which may in turn invest in limited partnerships or private company investments. Each of the limited partnership investments was made in a currency other than the Canadian dollar. The Limited Partnership seeks to reduce the risks of the limited partnership investments by sourcing limited partnerships which offer investment managers with a successful track record of portfolio management, regular distributions of capital and income, diversified underlying portfolio investments, structures which focus on downside protection, high expected returns and ability to generate attractive investment opportunities.

The Limited Partnership's activities expose it to a variety of financial risks: market risk (comprising currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The General Partner seeks to minimize potential adverse effects of these risks on the Limited Partnership's performance by employing professional experience, daily monitoring of the Limited

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

Partnership's positions and market events, by diversifying the investment portfolio within the constraints of the investment objectives and by structuring investments to provide the Limited Partnership with the maximum protection in the event of problems with the issuer of the security. The Limited Partnership's venture investment portfolio is primarily comprised of small and medium-sized private Canadian companies, many of which are at an early stage of development. Investments of this type, by their nature, involve a longer investment time horizon than that which is typical for other types of investments. There is no assurance that the portfolio companies will be successful in developing and bringing their products to market in commercially viable quantities at reasonable costs and consequently, there is no assurance that the Limited Partnership's holdings in these portfolio companies will achieve desired returns.

Sensitivity analyses are provided for information purposes only. In practice, the actual results may differ from the sensitivity analysis and the differences may be material.

Currency Risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the Limited Partnership's functional and presentation currency. The Limited Partnership is exposed to the risk that the fair value of securities denominated in other currencies will fluctuate due to changes in the exchange rates.

The Limited Partnership has financial instruments denominated in a currency other than the Canadian dollar. Foreign currency risk arises as the value of future transactions, recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. Foreign exchange exposure relating to non-monetary assets and liabilities is considered to be a component of other price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Limited Partnership does not enter into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements.

While the Limited Partnership has direct exposure to foreign exchange rate changes on the price of non-Canadian dollar denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Limited Partnership invests, even if those companies' securities are denominated in Canadian dollars. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Limited Partnership's net assets.

The table below summarizes the Limited Partnership's financial instruments denominated in a currency other than the Canadian dollar.

March 31, 2024

Asset	Value of US\$ denominated Instrument in CDNS	Reasonable possible shift	Movement in value in CDNS
Cash	\$890	+/- 5%	\$45/(\$45)
Short-term Investments	\$3,523,478	+/- 5%	\$176,174/(\$176,174)
Investments in Limited Partnership Interests	\$4,543,864	+/- 5%	\$227,193/(\$227,193)

December 31, 2023

Asset	Value of US\$ denominated Instrument in CDNS	Reasonable possible shift	Movement in value in CDNS
Cash	\$190,522	+/- 5%	\$9,526/(\$9,526)
Short-term Investments	\$3,435,872	+/- 5%	\$171,794/(\$171,794)
Investments in Limited Partnership Interests	\$4,431,332	+/- 5%	\$221,567/(221,567)

As at March 31, 2024 and December 31, 2023, the Limited Partnership had two investments denominated in US dollars.

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as promissory notes and debentures. The Limited Partnership is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Limited Partnership's exposure to interest rate risks. It includes the Limited Partnership's financial assets and liabilities, categorized by the earlier of contractual re-pricing or maturity dates.

March 31, 2024

	Less than 1 year	1 -5 years	Non-interest bearing	Total
Investments	\$3,820,292	\$4,725,320	\$12,613,874	\$21,159,486
Cash			\$687,456	\$687,456
Other financial assets			\$20,580	\$20,580
Financial liabilities	\$3,820,292	\$4,725,320	\$13,321,910	21,867,522

December 31, 2023

	Less than 1 year	1 -5 years	Non-interest bearing	Total
Investments	\$4,032,728	\$4,731,420	\$12,831,965	\$21,596,113
Cash			\$468,122	\$468,122
Other financial assets			\$76,026	\$76,026
Financial liabilities			\$283,124	\$283,124

Refer to tables below which present significant unobservable inputs used in the fair value measurements of investments classified as Level 3 for the impact of interest rate increases or decreases on the change in valuation of these investments.

As at March 31, 2024, the interest bearing securities with a maturity of less than one year are comprised of exchange traded funds invested in high interest savings accounts dominated in Canadian and US dollars in the amount of \$3,617,715 and a promissory note in a venture company in the amount of \$202,577 (December 31, 2023: high interest savings accounts dominated in Canadian and US dollars of \$3,830,151, venture company promissory note \$202,577).

The Limited Partnership may have indirect exposure to interest rate risk as a result of its investment in the underlying limited partnership interests.

Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The General Partner moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value. The Limited Partnership's equity instruments are susceptible to other price risk arising from uncertainties about future prices of the instruments.

As at March 31, 2024, if equity prices on the TSX Venture Exchange had increased or decreased by 5%, all other variables held constant, the net assets of the Limited Partnership attributed to public portfolio companies would have increased or decreased, respectively, by approximately \$20,884 or approximately 0.10% of total equity (December 31, 2023: \$45,073 or 0.21%).

The Limited Partnership's venture investments (unlisted) are susceptible to other price risk arising from uncertainties about future values of the investment securities. The General Partner provides the Limited Partnership with investment advice and its portfolio companies with business advice to limit and manage market risk.

As at March 31, 2024 if the value of the Limited Partnership's equity venture investments had increased or decreased by 5%, all other variables held constant, the total equity of the Limited Partnership attributed to venture investments would have increased or decreased respectively by approximately \$375,152 or approximately 1.74% of total equity (December 31, 2023: \$367,495 or 1.68%).

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

As at March 31, 2024, if the value of the Limited Partnership's investment in limited partnership interests had increased or decreased by 5%, all other variables held constant, the total equity of the Limited Partnership attributed to limited partnership investments would have increased or decreased respectively by approximately \$234,657 or approximately 1.09% of total equity (December 31, 2023: \$229,030 or 1.05%).

The Limited Partnership's equity venture investments on fair value basis were concentrated in the following sectors:

Industry	March 31, 2024		December 31, 2023	
	% of total equity venture investments	# of companies	% of total equity venture investments	# of companies
Other Technology and Financial	1.56%	8	1.63%	9
Media Technology	4.19%	3	1.36%	3
Security Software and Services	18.12%	2	19.60%	2
Energy	37.65%	1	39.01%	1

Credit Risk and Concentration Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Limited Partnership. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The carrying amount of the debt investments as presented below and the accrued interest and other receivables represents the maximum credit risk exposure as at March 31, 2024 and December 31, 2023.

Cash consists of highly liquid temporary deposits with a Canadian bank and therefore there is low credit risk.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trades will fail if the other party fails to meet its obligations. All transactions in private issuers are settled/paid for upon delivery using a third-party agent such as a law firm acting as an intermediary. The risk of default is considered minimal as delivery of the securities sold is only made once the agent or legal counsel acting as the intermediary has received payment.

The Limited Partnership's financial assets exposed to credit risk were concentrated in the following asset categories:

March 31, 2024

Asset	Security	Counterparty	Amount
Cash		CIBC Mellon	\$687,456
High Interest Savings Account	Exchange Traded Fund	Deposits with Canadian chartered banks	\$94,237
US Cash Fund	Purpose US Cash Fund	Deposits with Canadian chartered banks	\$3,523,478
Debt Securities	Secured by General Security Agreement	1713264 Ontario Inc., Mortgage Corporation, PitchPoint Solutions Inc.	\$4,927,897
Total cash and debt securities			\$9,233,068

December 31, 2023

Asset	Security	Counterparty	Amount
Cash		CIBC Mellon	\$468,122
High Interest Savings Account	Exchange Traded Fund	Deposits with Canadian chartered banks	\$394,279
US Cash Fund	Purpose US Cash Fund	Deposits with Canadian chartered banks	\$3,435,872
Debt Securities	Secured by General Security Agreement	1713264 Ontario Inc., Mortgage Corporation, PitchPoint Solutions Inc.	\$4,933,997
Total cash and debt securities			\$9,232,270

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

The Limited Partnership holds cash with a Canadian chartered bank. The custodian of the Limited Partnership's cash, CIBC Mellon Trust, has a rating of A+ by Standard & Poor's.

Credit risk arising on short-term debt instruments is partially mitigated by investing primarily in rated instruments of R1 for commercial paper instruments. The R1 ratings is a credit rating scale developed by Dominion Bond Rating Services (DBRS) which provides an opinion on the risk that an issuer will not meet its short-term financial obligations in a timely manner. Ratings are based on quantitative and qualitative considerations relevant to the issuer and the relative ranking of claims. The R1 rating signifies that, according to DBRS, the issuer has substantial capacity for the payment of short-term financial obligations as they come due.

Investments in the debt securities in the venture portfolio are non-investment grade and therefore subject to higher credit risk. These instruments are not rated by any of the market bond rating services and are subject to valuation risk. The credit risk is mitigated by obtaining a general security agreement on the assets of the issuing portfolio company. Credit risk on debt securities in the venture portfolio is assessed by reviewing the financial position and cash flows of the venture portfolio company. The Limited Partnership mitigates the credit risk on debt securities in the venture portfolio by seeking companies with sufficient assets available as collateral and current and expected cash flows to support the payment of interest and repayment of the debt security. The Limited Partnership mitigates the credit risk of royalty agreements by seeking royalty agreements that have sufficient underlying resources properties available as collateral and to support royalty payments.

The Limited Partnership may have indirect exposure to credit and concentration risk resulting from its investment in the underlying limited partnership interests.

Other than outlined above, there were no significant concentrations of credit risk to counterparties as at March 31, 2024 or December 31, 2023.

The Limited Partnership measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Limited Partnership considers both historical analysis and forward-looking information in determining any expected credit loss. At March 31, 2024 and December 31, 2023, all other receivables, cash and short-term deposits are held with counterparties with a credit rating of AA/Aa or higher. The Limited Partnership considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses for financial assets carried at amortized cost.

The Limited Partnership's venture investments exposed to credit risk had the following sector concentrations as at March 31, 2024 and December 31, 2023:

Industry	March 31, 2024		December 31, 2023	
	% of total venture investments	# of companies	% of total venture investments	# of companies
Security Software and Services	27.59%	2	28.06%	2
Other Technology and Financial	1.18%	1	1.20%	1
Total Venture Debt Investments	28.77%	3	29.26%	3

Liquidity Risk

Liquidity risk is the risk that the Limited Partnership may not be able to settle or meet its obligations on time or at a reasonable price. The Limited Partnership maintains adequate cash balances to meet short-term requirements. In addition, the Limited Partnership is not exposed to daily cash redemptions of the Units. All the financial liabilities of the Limited Partnership as at March 31, 2024 and December 31, 2023 fall due within twelve months.

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

Fair value measurement

The Limited Partnership classifies its investments within a fair value hierarchy, based on the inputs used in their fair value measurement. The hierarchy of inputs is summarized as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable for the asset or liability.

In determining the value of assets for which there is no published market, the General Partner will be guided, where appropriate, by the following criteria:

- Investments are valued at fair value (the highest price available in an open and unrestricted market between fully informed and prudent parties, acting at arm's length, under no compulsion to transact, expressed in terms of cash).
- The fair value of investments is determined on the basis of expected realizable value of the investments on a going concern basis or if they were disposed of in an orderly disposition over a reasonable period of time, as appropriate.
- Where the investment is progressing satisfactorily in relation to the Limited Partnership's expectations, a reasonable multiple of sustainable earnings, cash flow, revenue or discounted cash flow (as considered appropriate) with a cross-reference to, and an assessment of, tangible asset value may be used. Such valuation multiples are developed through reference to comparable public entities discounted to reflect the inherent differences between private and public holdings such as size, performance and lack of marketability. Consideration will be given to the planned timing of an initial public offering of the investee company.
- New investments are valued at fair value giving consideration to whether there is a substantial arm's length transaction which establishes a different value or there is a significant change from the General Partner's expectations.
- If there is a significant arm's length enforceable offer or transaction with respect to an investment, values used in such offer or transaction may be used in the valuation of the investment. In such circumstances, consideration will be given to whether new or existing investors participated in the offer or transaction and the current level of market interest in the investment. Similarly, if there is a valuation prepared by a qualified independent party, such valuation will be considered to provide a valid indication of the estimated fair market value of an investment.
- Debt instruments, other than short-term liquid debt instruments will be valued at fair value (with accrued interest and discounts earned included in interest receivable) and giving consideration to whether the instrument is in arrears or whether a write-down or other provision is considered prudent due to the unlikelihood of full realization on the investment. Where there is a decline in the carrying value of a debt instrument, the instrument and related accrued interest will be written down.
- Short-term liquid debt instruments (having a term to maturity of 365 days or less) are valued at amortized cost which approximates fair value with accrued interest earned included in interest receivable.
- Investments in limited partnership interests which represent fund of fund investments are valued using the available net asset values of the underlying funds provided by the portfolio managers of the limited partnerships on a quarterly basis adjusted for valuation changes made during the intervening periods, capital calls and distributions. The Limited Partnership reviews the details of the reported information obtained from the limited partnerships and considers the liquidity of the limited partnership interest and its underlying investments, the value date of the net asset value provided, any restrictions on redemption or transfers of the limited partnership interest and the basis of accounting applied by the limited partnership.

The following tables indicate the fair value hierarchy of the inputs used in valuing the Limited Partnership's investments.

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

March 31, 2024	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed Income Securities	\$3,617,715	-	\$4,927,897	\$8,545,612
Equities and limited partnership interests	\$417,698	-	\$12,196,176	\$12,612,874
Total	\$4,035,413	-	\$17,124,073	\$21,159,486

December 31, 2023	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed Income Securities	\$3,830,151	-	\$4,933,997	\$8,764,148
Equities and limited partnership interests	\$901,468	-	\$11,930,497	\$12,831,965
Total	\$4,731,619	-	\$16,864,494	\$21,596,113

The carrying value of all other financial instruments of the Limited Partnership, which include cash, receivable on the sale of investments, accrued interest and other receivables, accounts payable and accrued liabilities and General Partner Priority Profit Allocation payable approximates their fair value. During the three-month period ended March 31, 2024 and the year ended December 31, 2023 there were no investments transferred between Level 1, Level 2, or Level 3. The Limited Partnership's policy is to recognize transfers into and out of the fair value hierarchy as of the date of the event or change in circumstances giving rise to the transfer.

Level 3	March 31, 2024	December 31, 2023
Balance - beginning of year	\$16,864,494	\$16,586,887
Purchases	-	668,800
Sales, maturities and repayments	(\$122,535)	(\$1,616,220)
Realized Gains (Losses)	\$7,042	(\$1,054,266)
Change in Unrealized Gains	\$375,072	\$2,279,293
Balance – end of year	\$17,124,073	\$16,864,494
Change in Unrealized Gains (Losses) during the period attributed to investments held at end of the year	\$214,025	\$257,924

The equity investments are valued with reference to the last round of equity financing, comparable public companies, transactions involving similar companies and reference to third party valuations among other things. If the equity investment includes a put right the investment may be valued by applying a discount for the expected time to exercise the Limited Partnership's put right to realize on this investment.

The Limited Partnership considers the following factors to identify comparable companies: the same or similar industries, business models, size in terms of revenues and market capitalization, geographic location, market focus and financial structure. The General Partner will also consult with management of the investee companies to help identify comparable companies which are often direct competitors to the investee company.

Comparable multiples such as enterprise value to revenue multiple is applied to the trailing twelve months actual revenues of the investee company to determine the enterprise value of the investee company. An additional discount may be applied to the enterprise value to take into consideration that the investee company is a private company and therefore its securities are illiquid. Once the enterprise value of the investee company is determined the net debt is removed (total debt less cash) and the remaining equity value is allocated to the capital of the investee company in order of ranking (e.g., preferred shares, common shares).

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

The debt securities are valued at fair value. Adjustments to fair value are made in cases where the operating results and financial condition of the investee company suggest that the Limited Partnership may not be able to realize the full amount of the investment. The Limited Partnership reviews the investee company's compliance with financial covenants, ability to make interest and principal payments, changes in the market interest rates for similar investments, operating performance relative to budget, the need for further financing and the availability of collateral to secure the debt among other factors in determining the fair value of the investment.

The investment in limited partnership interests are classified as Level 3 investments due to restrictions associated with the limited partnership interest investments and a lack of secondary market trading in such funds.

The following tables present significant unobservable inputs used in the fair value measurements of investments classified as Level 3:

March 31, 2024

Debt Securities Valuation Metrics	Fair Value	Valuation Technique	Unobservable Inputs	Input Range	Weighted Average Input	Reasonable Possible Shift	Change in Valuation +/-(-)
Performing debt	\$4,649,052	Estimated realizable value	Discount	10%	-	10%	\$464,905/(\$464,905)
Equity and Limited Partnership Securities							
Valuation Metrics	Fair Value	Valuation Technique	Unobservable Inputs	Input Range	Weighted Average Input	Reasonable Possible Shift	Change in Valuation +/-(-)
Limited Partnership Interests	\$4,693,136	Reported Net Asset Value	Net Asset Value of Limited Partnership	-	-	5%	\$234,657/(\$234,657)
			Liquidity Discount	5% - 10%	5%	7.50%	(\$351,985)
Common Shares	\$112,076	Comparable Company Valuation	Revenue Multiple	2-4	3.04	0.25	\$8,863/(\$8,826)
Common Shares	\$181,376	Comparable Company Valuation	Revenue Multiple	4-6	5.42	0.50	\$19,846/(19,846)
Common Shares	\$4,592,139	Independent Valuation	Percentage Discount	-	-	20%	\$918,428/(\$918,428)
Common Shares, Common Share Purchase Warrants, Convertible Debenture	\$2,488,567	Comparable Transaction	Liquidity Discount	20-80%	50%	30%	\$778,623/(649,697)
Common Share Purchase Warrants	\$218,036	Black Scholes	Volatility	50%	50%	10%	\$54,429/(\$57,329)

In addition to the above, Level 3 investments in the amount of \$189,691 were valued at transaction values.

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

December 31, 2023

Debt Securities Valuation Metrics	Fair Value	Valuation Technique	Unobservable Inputs	Input Range	Weighted Average Input	Reasonable Possible Shift	Change in Valuation +/-
Performing debt	\$4,628,726	Estimated realizable value	Discount	10%	-	10%	\$462,873/(\$462,873)
Equity and Limited Partnership Securities Valuation Metrics	Fair Value	Valuation Technique	Unobservable Inputs	Input Range	Weighted Average Input	Reasonable Possible Shift	Change in Valuation +/-
Limited Partnership Interests	\$4,580,604	Reported Net Asset Value	Net Asset Value of Limited Partnership	-	-	5%	\$229,030/(\$229,030)
			Liquidity Discount	5% - 10%	5%	7.50%	(\$365,568)
Common Shares	\$87,310	Comparable Company Valuation	Revenue Multiple	2-4	3.11	0.25	\$8,189/(\$8,188)
Common Shares	\$54,741	Comparable Company Valuation	Revenue Multiple	4-6	5.42	0.50	\$15,756/(15,756)
Common Shares	\$61,757	Discounted Cash Flow	Discount Rate	20-40%	30%	10%	\$446/(\$410)
Common Shares	\$4,592,139	Independent Valuation	Percentage Discount	-	-	20%	\$918,428/(\$918,428)
Common Shares, Common Share Purchase Warrants, Convertible Debenture	\$2,643,576	Comparable Transaction	Liquidity Discount	20-80%	50%	30%	\$778,623/(649,697)
Common Share Purchase Warrants	\$20,729	Black Scholes	Volatility	50%	50%	10%	\$15,847/(\$12,218)

In addition to the above, Level 3 investments in the amount of \$194,912 were valued at transaction values.

In practice, the actual results may differ from the sensitivity analysis above and the differences could be material.

8. COMMITMENTS TO INVEST IN LIMITED PARTNERSHIPS

The Limited Partnership has made investments in limited partnership entities. Additional capital that the Limited Partnership has committed to provide as at March 31, 2024 and December 31, 2023 is presented in the tables below.

March 31, 2024

Limited Partnership Investment	Total Committed Capital	Total Invested	Remaining Capital Commitment	Remaining Capital Commitment (in CDNS)
Multiplier Capital II, LP	US\$4,000,000	US\$2,600,000	US\$1,400,000	\$1,896,118
PA Direct Credit Opportunities Fund II (Offshore) LP	US\$4,000,000	US\$3,733,269	US\$261,731	\$354,481

December 31, 2023

Limited Partnership Investment	Total Committed Capital	Total Invested	Remaining Capital Commitment	Remaining Capital Commitment (in CDNS)
Multiplier Capital II, LP	US\$4,000,000	US\$2,600,000	US\$1,400,000	\$1,849,120
PA Direct Credit Opportunities Fund II (Offshore) LP	US\$4,000,000	US\$3,724,186	US\$275,814	\$364,295

TIER ONE CAPITAL LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS (Unaudited)

As at March 31, 2024

9. CAPITAL MANAGEMENT

For operating purposes, total equity attributable to limited partnership units is considered to be the capital of the Limited Partnership. Total equity attributable to limited partnership units is the total equity of the Limited Partnership before General Partner interest. As at March 31, 2024 the Limited Partnership's capital was \$21,314,153 (December 31, 2023: \$21,619,281). The Limited Partnership's objective in managing its capital is to provide limited partnership unitholders with regular cash distributions and the opportunity to participate in gains in the value of the investment portfolio. The Limited Partnership manages its capital taking into consideration the risk characteristics of its holdings. In order to manage its capital structure, the Limited Partnership may adjust the amounts of distributions paid on limited partnership units.

10. SUBSEQUENT EVENT

The Limited Partnership made a distribution of \$0.125 per Unit on April 30, 2024 to Unitholders of record on April 19, 2024. Following the April 30, 2024 distribution, the Limited Partnership issued 2,074 Units to participants in the Distribution Reinvestment Plan.