



ADVANCING SCIENCE

in the Fast Growing Pharmaceutical and Biotechnology Sector

Q4 and FY2021 Earnings Call | March 8, 2022

DISCLAIMER

Certain statements made in this fiscal year 2021 earnings call presentation, including responses to questions, may contain forward-looking statements within the meaning of the safe harbor provisions of Canadian provincial securities laws. Forward-looking statements involve risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements.

For additional information about factors that may cause actual results to differ materially from expectations, and about material factors or assumptions applied in making forward-looking statements, please consult the MD&A for this quarter, the Risk Factors section of the Annual Information Form and DRI Healthcare Trust's other filings with Canadian securities regulators. DRI Healthcare Trust does not update any forward-looking statements; such statements speak only as of the date made.

This earnings call presentation also makes reference to certain non-IFRS measures and industry metrics such as Adjusted EBITDA, Adjusted EBITDA Margin, Total Cash Receipts, Total Cash Royalty Receipts, and Adjusted Cash Earnings per Unit. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of DRI Healthcare Trust's financial performance from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS.

AGENDA

1. 2021 Accomplishments
2. Growth Environment
3. Business Overview
4. Financial Results
5. Question & Answer

All amounts are expressed in U.S. dollars, unless indicated otherwise.

2021 ACCOMPLISHMENTS

Strong performance

- \$116 million PF Total Cash Receipts¹
- \$101 million Adjusted EBITDA¹
- \$1.85 Adjusted Cash Earnings per Unit¹



Accretive growth

- Two transactions totaling up to \$186 million
- Ahead of target pace of ~\$140 million per year



Poised for growth

- \$154 million credit facility availability²
- \$62 million in cash and equivalents²
- >\$1 billion pipeline



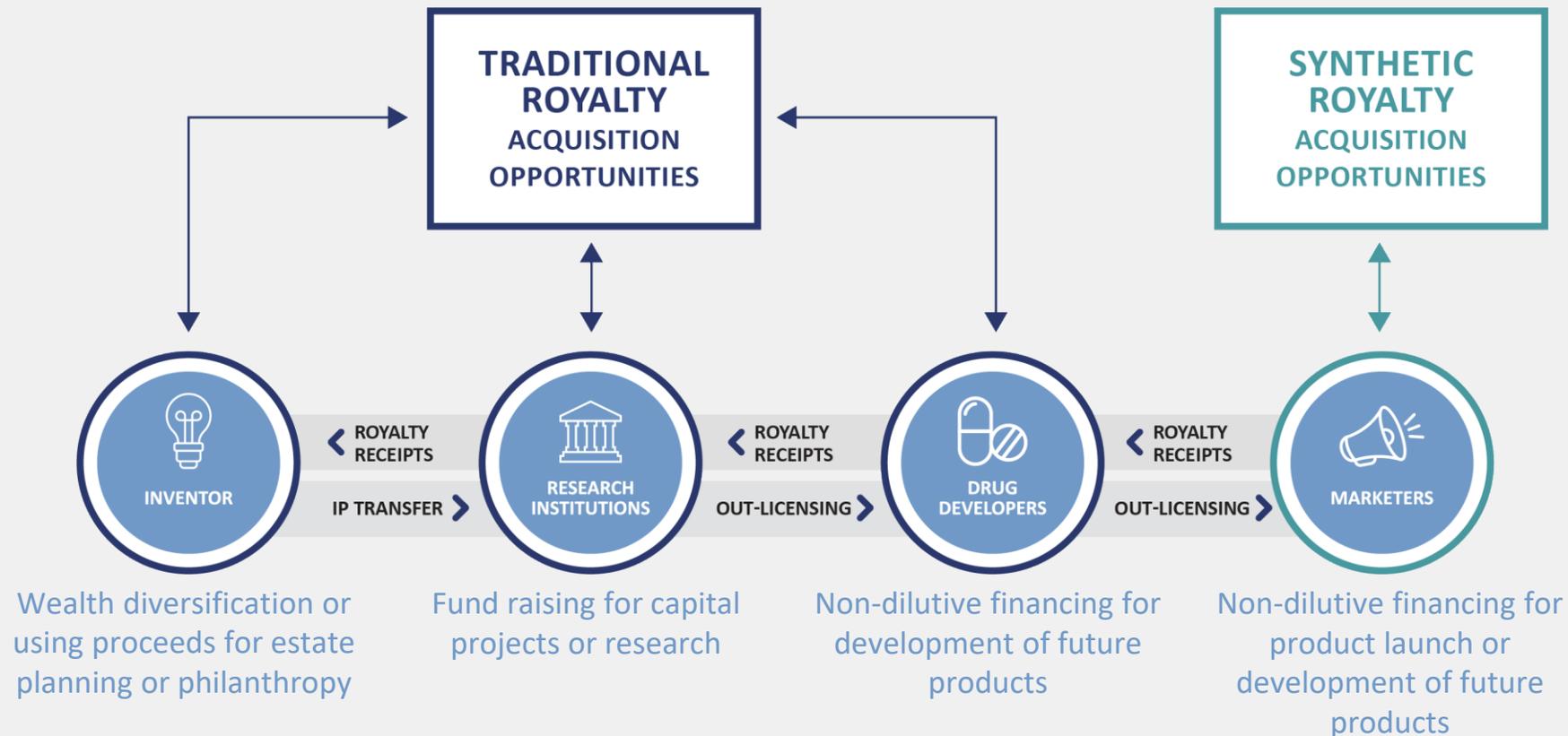
Unitholder returns

- Returned \$21 million in cash to unitholders in distributions³ and unit buybacks



OUR BUSINESS MODEL

DRI Healthcare Trust utilizes our high operating leverage to generate sustainable, growing cash flow through ownership of pharmaceutical royalty assets



LONG HISTORY OF VALUE CREATION

2006 – 2008

19 Royalties

valued at

\$645M



2009 – 2013

27 Royalties

valued at

\$730M¹



2013 – 2018

15 Royalties

valued at

\$586M



2021 - present

4 Royalties &

1 Loan

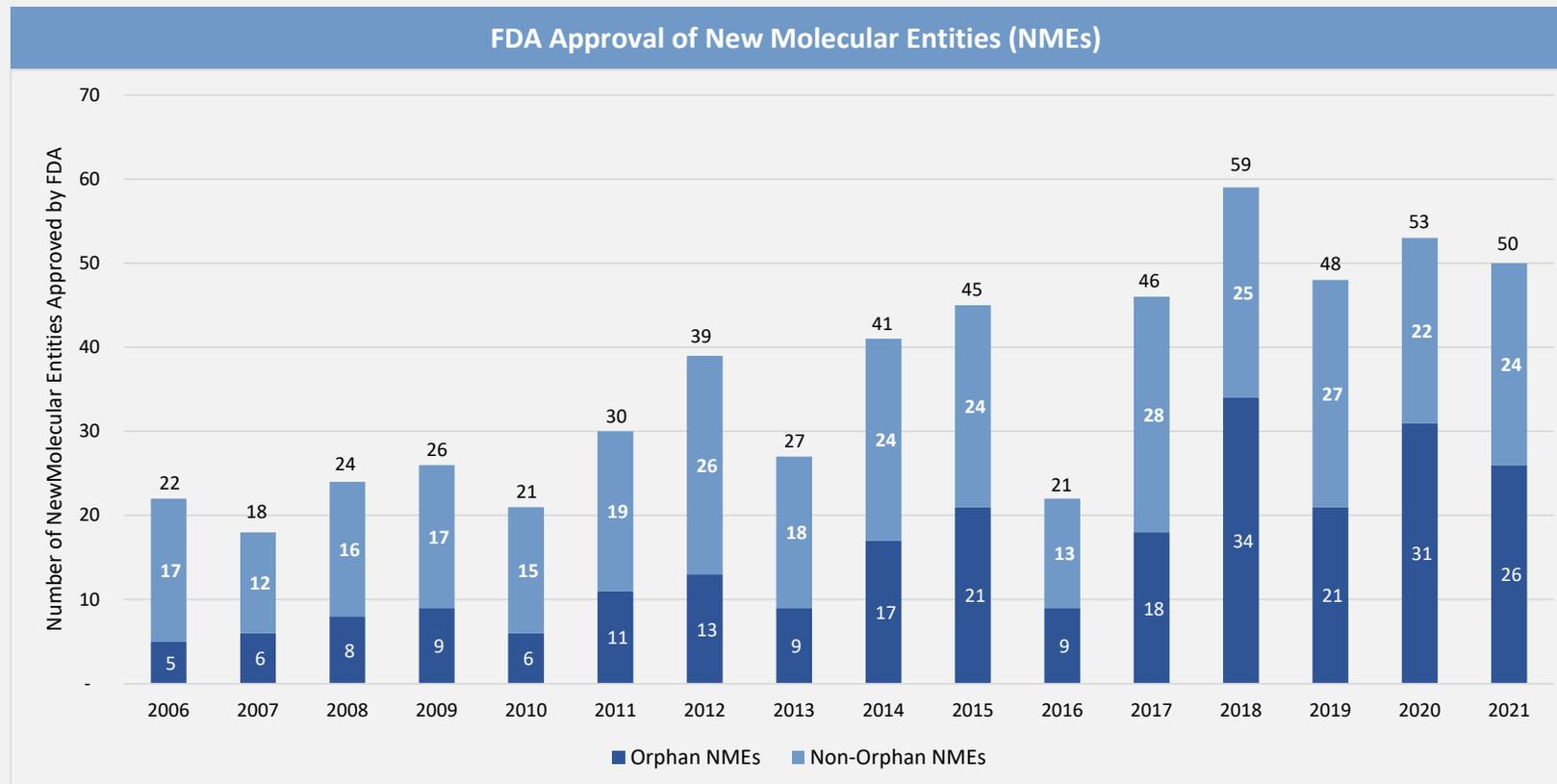
valued at
up to

\$186M²



EXPANDING OPPORTUNITY UNIVERSE

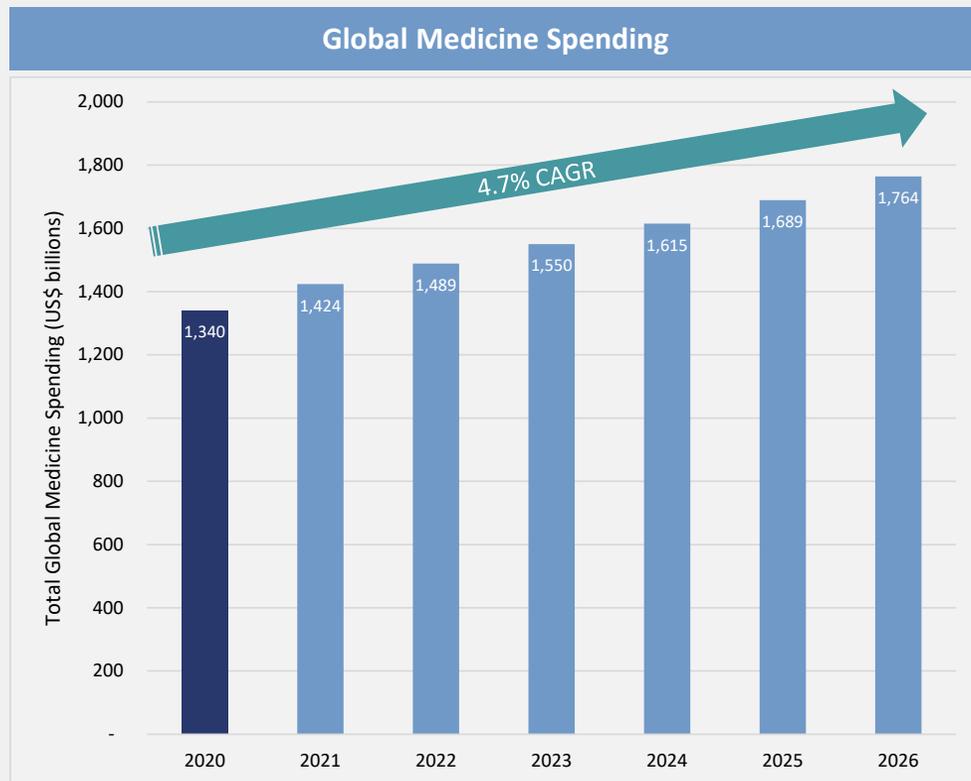
The opportunity for royalty transactions continues to be very strong as FDA approvals have maintained their historic highs



Source: FDA, Drug Therapy Approvals, January 2022

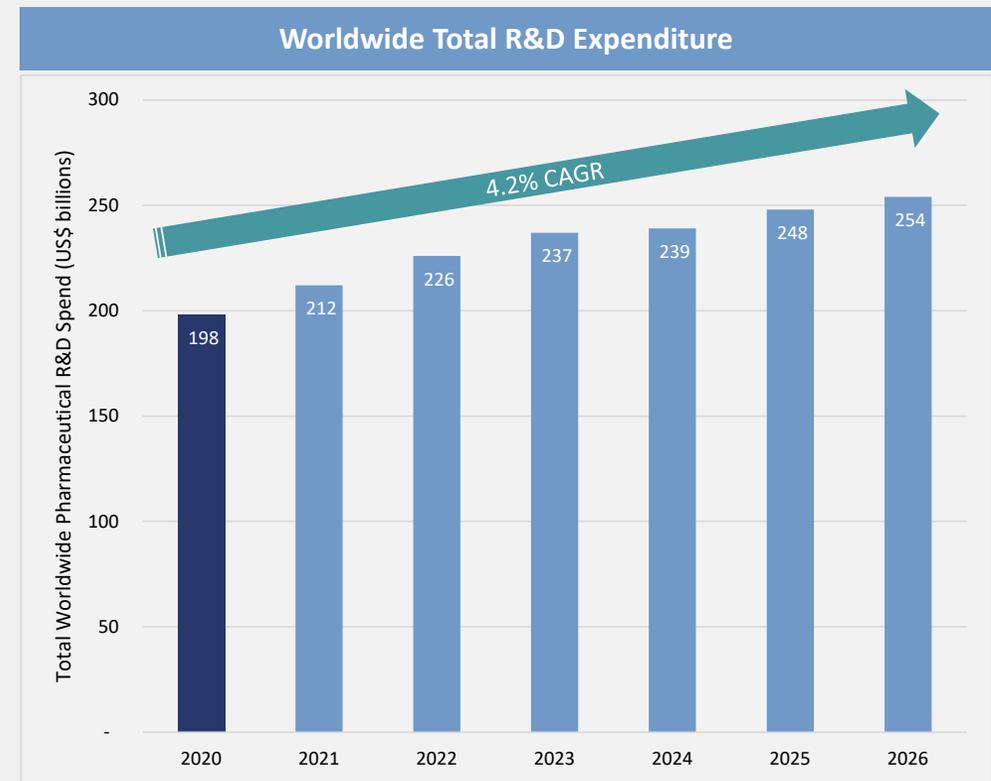
COMPELLING ROYALTY OPPORTUNITY

Global spending on medicine is expected to continue to show strong growth



Source: IQVIA Global Use of Medicines, January 2022

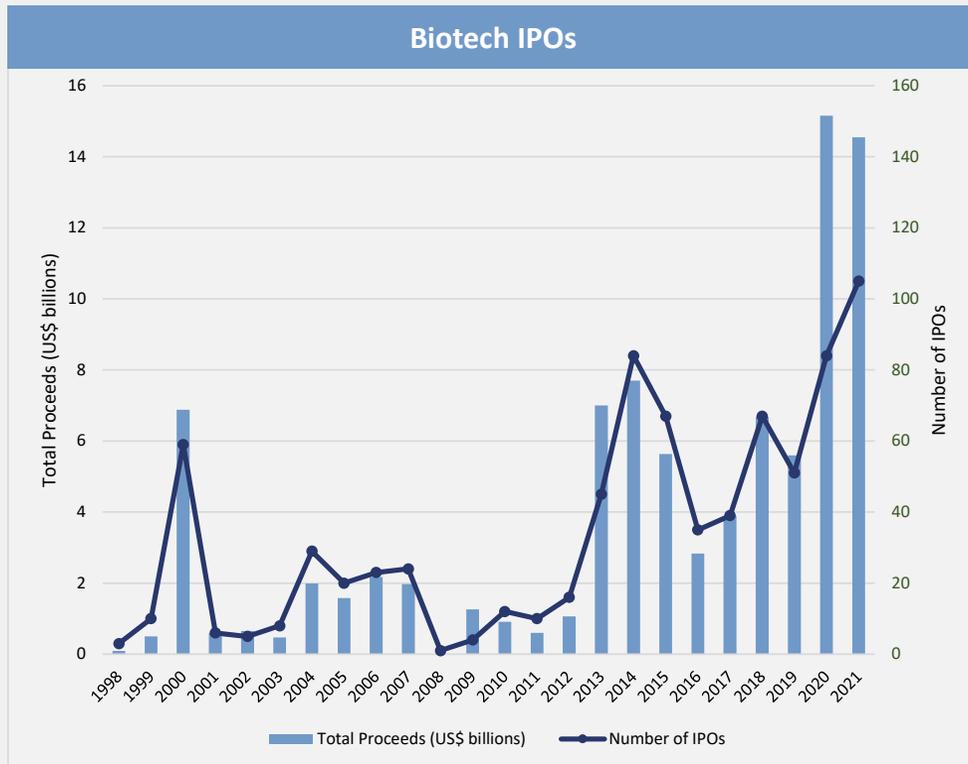
driving R&D expenditure and generating an unprecedented demand for external capital



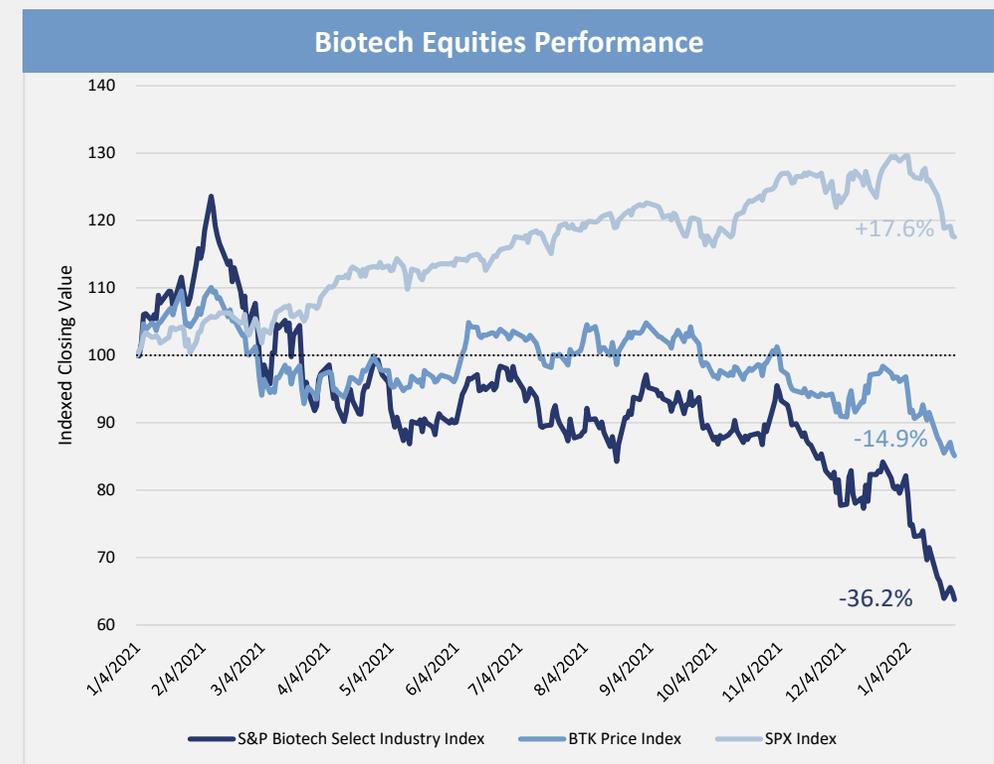
Source: EvaluatePharma – World Preview 2021, Outlook to 2026, July 2021

STATE OF THE BIOTECH MARKET

The rapid expansion of the biotech market with >500 IPOs in the last 10 years



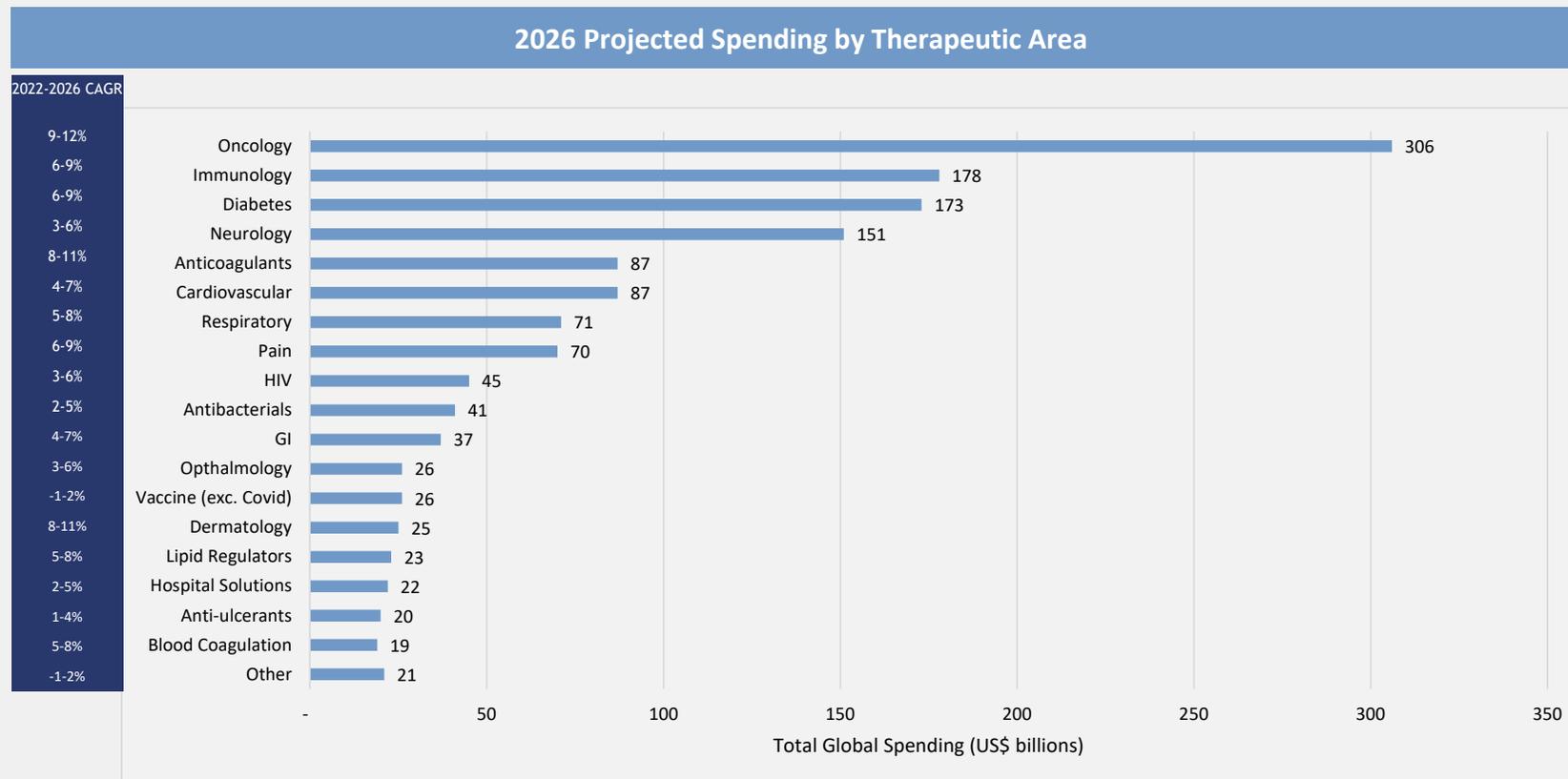
coupled with a struggling equity capital markets for biotech companies



creates an environment where significant capital is required and royalty transactions with DRI are a very attractive financing alternative

GROWTH OF THERAPEUTIC AREAS

Oncology and immunology spending expected to continue to lead growth in global spending, therapeutic areas where we have significant experience and expertise



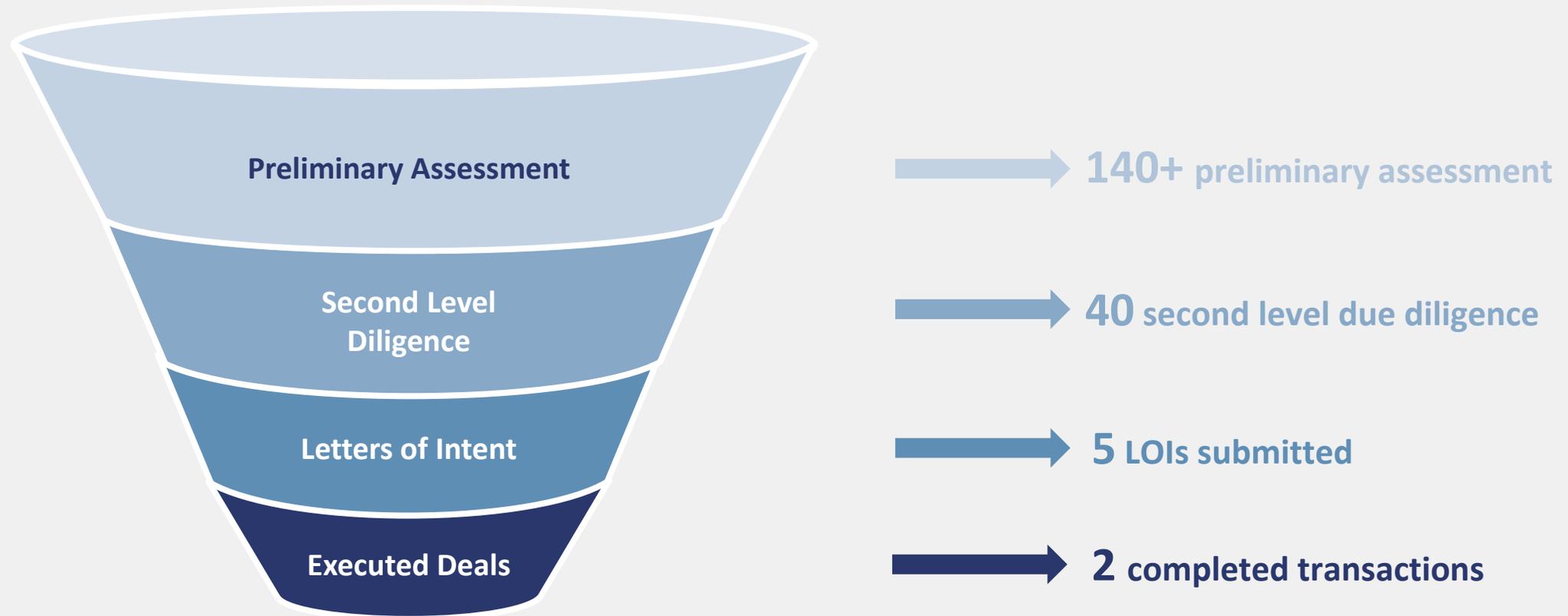
Source: IQVIA Global Use of Medicines, January 2022

DRI's Oncology Experience

DRI's Autoimmune Experience

2021 PIPELINE FUNNEL

We saw significant number of opportunities in 2021 from the time of our IPO, and continue to evaluate a number of attractive potential transactions



DRI PORTFOLIO METRICS

18

Royalty assets¹

14

Products¹

~9 years

Weighted average
remaining duration¹

8

Therapeutic areas

5 Products

\$1B+ Annual Global Sales

2021 TRANSACTIONS



Secured long-term royalty stream on high quality product, with immediate contribution to cash flow

- \$50 million secured loan
- \$60 million tiered royalty upon FDA approval (granted on February 28, 2022)
- Up to \$25 million in milestone payments upon meeting sales thresholds
- High quality oncology product that meets DRI's acquisition criteria



Immediately accretive acquisition of established high quality product

- \$51 million gross purchase price
- Transaction included royalties on two additional products
- Dermatology product with existing commercial track record

CTI BIOPHARMA / PACRITINIB

Our transaction with CTI BioPharma highlights DRI's ability to provide flexibility in structuring to meet our partners' needs balanced with an appropriate risk tolerance

Pre-Approval

US\$50 million secured loan

- Funding for pacritinib launch preparation
- Secured loan provides downside protection if approval not granted

Upon Approval

US\$60 million tiered royalty

- Funding for pacritinib launch
- Sliding royalty rates as annual sales increase
- DRI obtains higher royalty on lower risk tranche of annual sales
- FDA approval granted on February 28, 2022

Milestones By Q3 2023

Up to US\$25 million

- Two potential milestones in event VONJO sales exceed certain thresholds by Q3 2023
- Risk sharing for different launch curves



PORTFOLIO PERFORMANCE

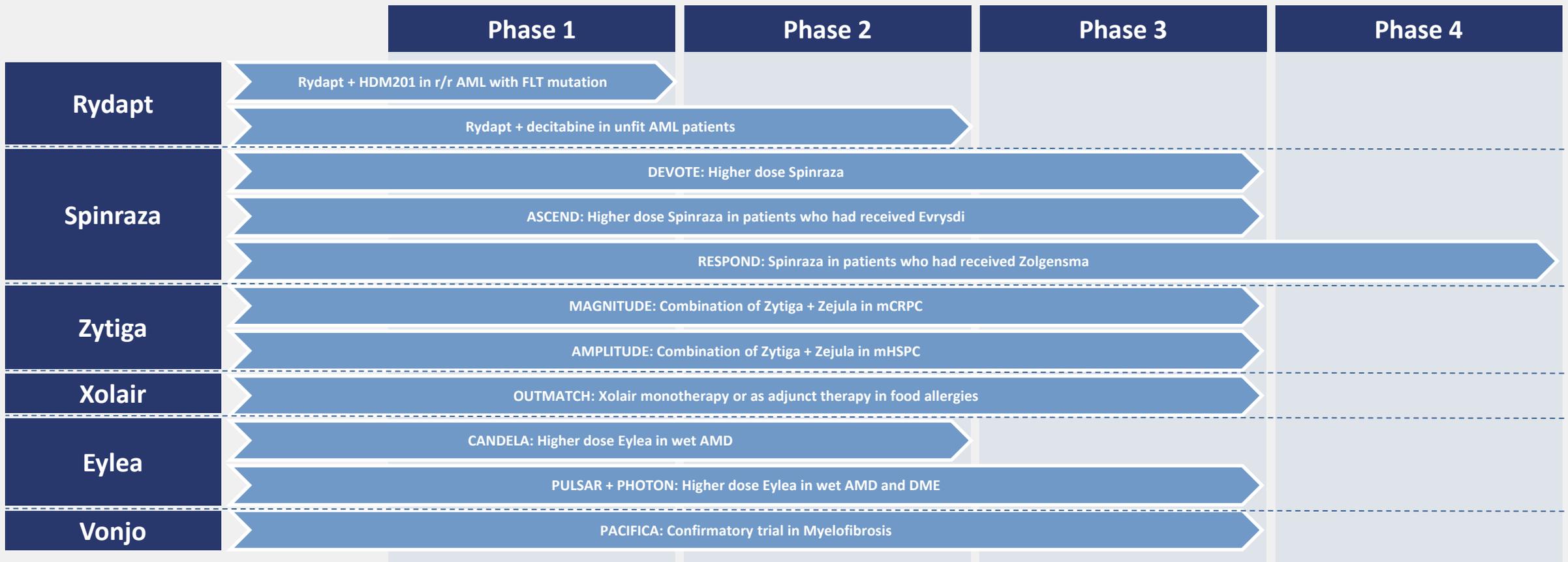
DHT's core assets have continued to show strong performance

(US\$ thousands)			Pro Forma Total Cash Royalty Receipts ¹						Net Book Value
	Primary Marketer(s)	Therapeutic Area	Q4 2021	Q4 2020	% Change	2021	2020	% Change	12/31/21
Core Products									
		Ophthalmology	9,682 ²	7,814 ²	24%	18,406	15,652	18%	28,798
		Vaccine	910	1,458	(38%)	3,179	2,630	21%	4,899
		Endocrinology	634	386	64%	2,208	1,346	64%	27,127
		Dermatology	2,303	-	n/a	6,014	-	n/a	38,569
		Oncology	2,527	2,132	19%	11,297	8,684	30%	13,017
		Rare Diseases	4,382	5,064	(13%)	19,631	21,278	(8%)	96,772
		Respiratory	2,703	2,860	(5%)	8,744	9,561	(9%)	52,651
		Oncology	9,020 ³	8,564 ³	5%	18,518	16,831	10%	22,351
Total Core Products			32,161	28,278	14%	87,997	75,982	16%	284,184
Mature Products									
		Autoimmune	1,786	3,688	(52%)	9,387	15,411	(39%)	5,823
		HIV	-	8,092	(100%)	14,368	31,978	(55%)	-
Other Products									
Various			540	416	(30%)	2,101	3,609	(42%)	3,651
Total			34,487	40,474	(15%)	113,853	126,980	(10%)	293,658

1. Total Cash Royalty Receipts is a non-GAAP measure and is presented on a pro forma basis for the 3-months ended December 31, 2021 and for the years ended December 31, 2020 and 2021.
 2. Includes cash received in the quarter attributable to the prior quarter of \$4,718 and \$3,530 for Q4 2021 and Q4 2020, respectively.
 3. Zytiga royalties received semi-annually in Q2 and Q4 of each year.
 4. The Trust's entitlement to royalties from the Rilpivirine portfolio (Complera, Odefsey, Edurant and Juluca) ended during the quarter ended June 30, 2021, in accordance with the terms of the royalty agreement.

GROWTH OPPORTUNITIES FROM EXISTING ASSETS

There are a number of ongoing clinical trials on our Core Products that could create growth opportunities



2021 FINANCIAL HIGHLIGHTS

\$82 million

Total
Income

\$116 million

Total Cash
Receipts¹

\$101 million

Adjusted EBITDA¹

87%

Adjusted EBITDA
Margin¹

\$1.85

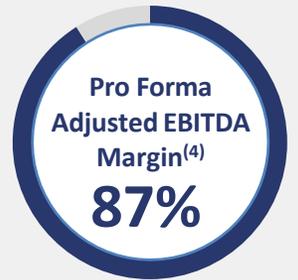
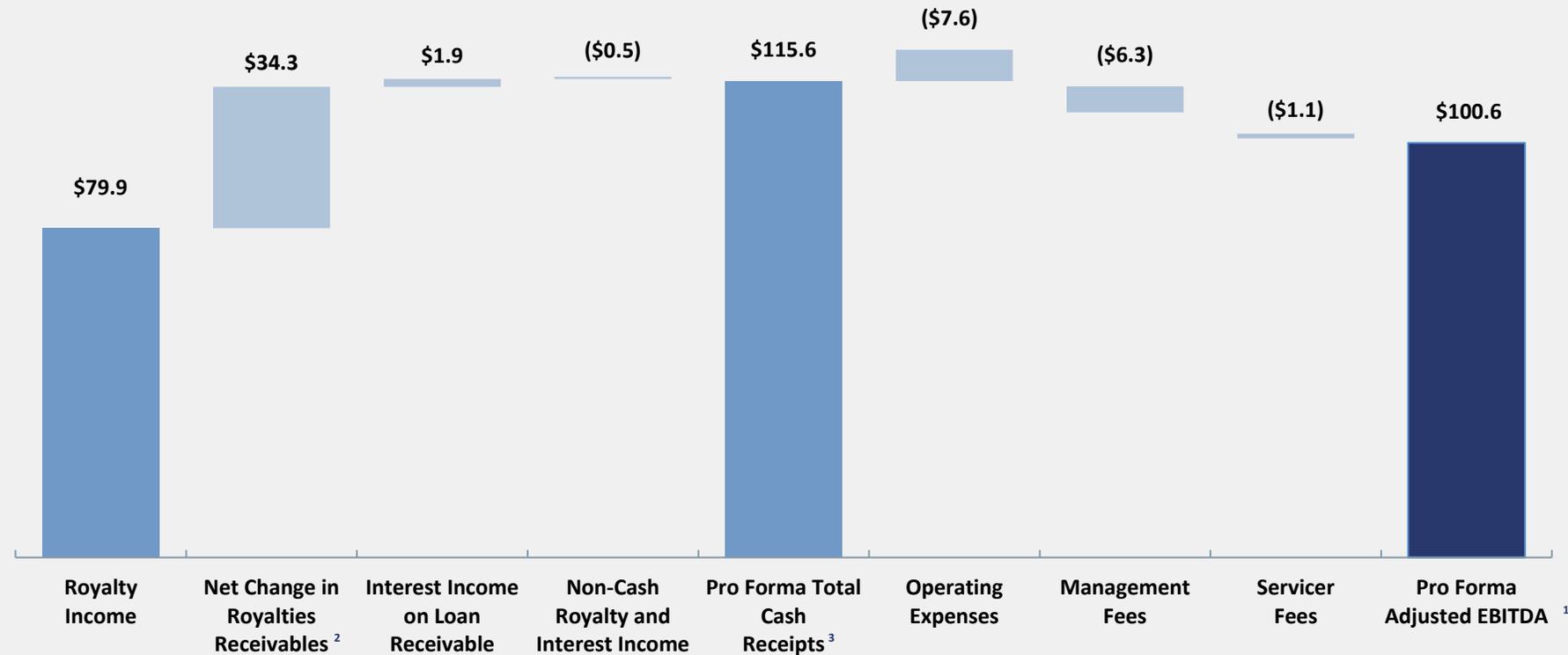
Adjusted Cash
Earnings per Unit¹

\$21 million

Cash Returned to
Unitholders²

STRONG YTD CASH FLOW GENERATION

Pro Forma Adjusted EBITDA for the Year Ended December 31, 2021 (US\$M)⁽¹⁾

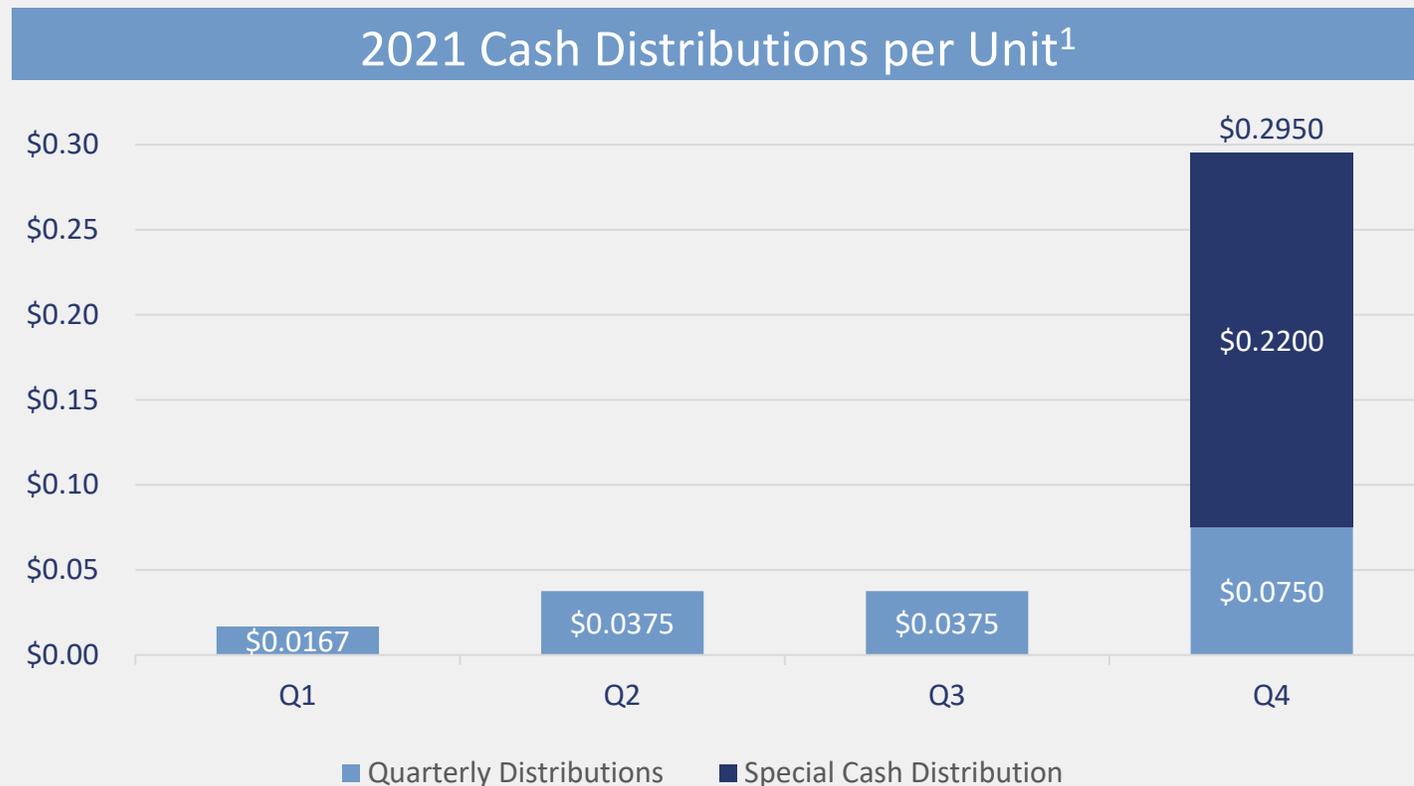


1. Adjusted EBITDA is a non-GAAP measure and is presented on a pro forma basis.
 2. The Net Change in Royalties Receivable represents royalties receivable, beginning of period, less royalties receivable, end of period, plus acquired royalties receivable and acquired cash royalties received included in the purchase price of the assets on February 19, 2021 and on September 30, 2021.
 3. Total Cash Royalty Receipts is a non-GAAP measure that has been presented on a pro forma basis. This includes cash royalties received from February 19, 2021 to December 31, 2021, as well as cash royalties received prior to the initial asset acquisition transaction from January 1, 2021 to February 18, 2021 and cash royalties received from April 1, 2021 to June 30, 2021 as part of the Oracea transaction. These amounts have been recorded as part of the purchase price of the assets.

4. Adjusted EBITDA Margin is a Non-GAAP ratio, presented on a pro forma basis, calculated as Pro Forma Adjusted EBITDA / Pro Forma Total Cash Receipts.
 5. Adjusted Cash Earnings per Unit is a Non-GAAP ratio, calculated as net earnings and other comprehensive earnings plus: (i) amortization of royalty assets, plus (ii) impairment of royalty asset, less (iii) reversal of impairment of royalty assets, plus (iv) unit-based compensation, plus (v) net loss on interest rate derivatives, less (vi) net gain on foreign exchange derivatives, plus (vii) other items, less (viii) non-cash royalty income less (viii) non-cash interest income on loan receivable, divided by fully-diluted weighted average units outstanding of 34,654,282.

CASH DISTRIBUTIONS

Our distribution policy, including the increase to our quarterly distribution in Q4 and the special distribution declared in December, reflects our commitment to returning cash to unitholders



Total distributions paid equal 24% of available cash generated²

STRONG BALANCE SHEET

- As at December 31, 2021:
 - \$62 million of cash and cash equivalents
 - \$30 million of royalties receivable
- On October 22, 2021, a subsidiary of the Trust secured 3-year senior secured revolving facilities with a syndicate of banks:
 - \$175 million investment credit facility + US\$25 million revolving working capital facility
 - \$46 million drawn at December 31, 2021
 - A voluntary repayment of \$31 million was made on January 27, 2022
 - A draw of \$60 million was made on March 7, 2022

2022 PRIORITIES

Grow asset base

Execute on strong pipeline to acquire royalties on high quality assets that meet our investment criteria



Accretive growth

Be in position to sustainably grow top line royalty receipts and cash flow per unit



Unitholder returns

Continue focus on unitholder returns and appropriate distribution policy

