

DRI HEALTHCARE

ADVANCING SCIENCE

in the Fast-Growing Pharmaceutical and Biotechnology Sector

May 2023

Disclaimer

This presentation has been prepared by DRI Healthcare Trust (the “Trust”). The Trust is an unincorporated open-ended fund trust governed by the laws of the Province of Ontario, Canada and is externally managed by DRI Capital Inc. (“DRI Capital” or the “Manager” and together with the Trust, “DRI Healthcare”). The Trust completed an initial public offering (the “IPO”) on February 11, 2021 in which it acquired an initial portfolio of royalty assets from DRI Capital. The predecessor of the Manager was founded in 1989. Any references to employees or historical figures prior to the IPO refer to those of the Manager.

Certain statements made in this 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.

Statements regarding the Trust's 2025 outlook are based on its most up-to-date view of its prospects as of the date of this presentation. This long-term outlook includes potential royalty transactions currently in the Trust's pipeline and future royalty transactions that it may bring into its pipeline in accordance with its strict investment criteria. This long-term outlook assumes no material adverse events following the date of this presentation.

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, 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 undertake to update any forward-looking statements; such statements speak only as of the date made.

This presentation also makes reference to certain non-GAAP financial measures including Total Cash Receipts, Total Cash Royalty Receipts and Adjusted EBITDA, and certain non-GAAP ratios including Adjusted EBITDA Margin and Adjusted Cash Earnings per Unit. These measures and ratios are not standardized measures under IFRS and are therefore unlikely to be comparable to similar financial measures disclosed by other issuers. Rather, these measures and ratios 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.

All dollar figures in this presentation are stated in US dollars.

Low risk exposure to rapid biopharma growth

34-year¹

History

\$2.5B+

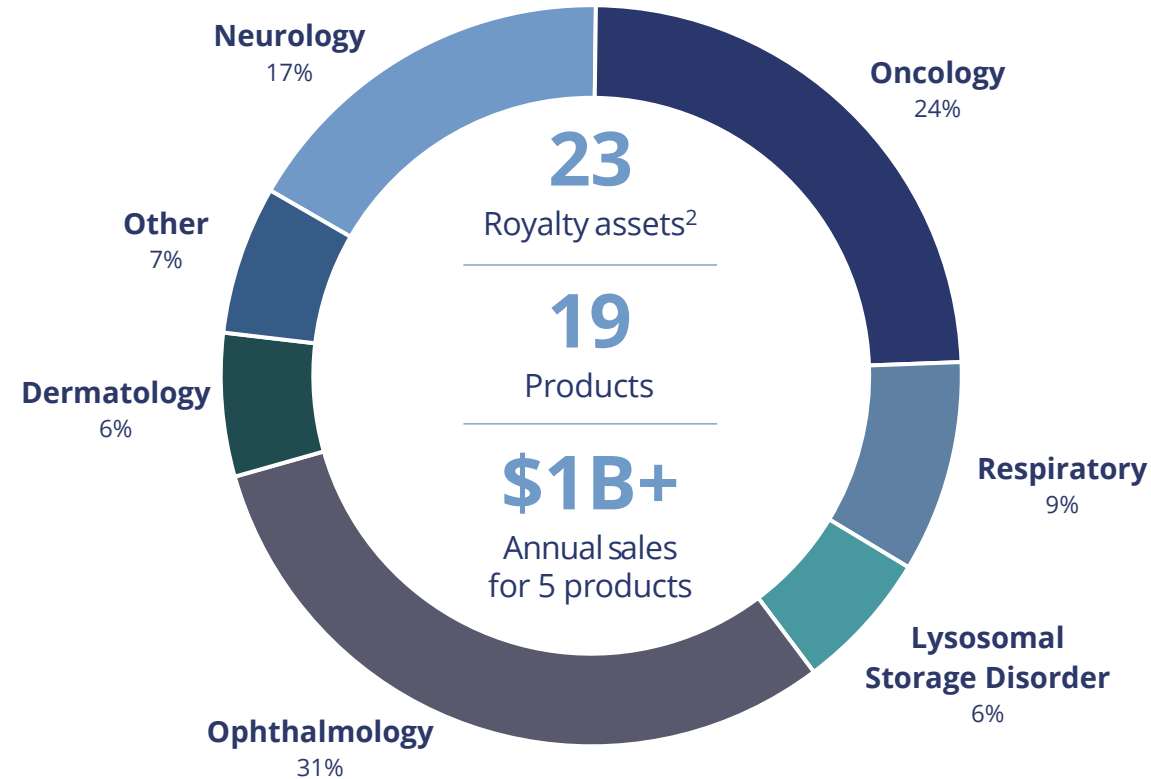
Capital deployed

71

Royalty acquisitions

6,500+

Royalty opportunities in
proprietary database



For the year ended December 31, 2022

\$93M

Total Income

\$82M

Adjusted EBITDA³

86%

Adjusted EBITDA Margin³

\$485M⁴

Capital deployed
since IPO

Diverse portfolio with large pharmaceutical company characteristics

Our competitive advantages

1 Seasoned team

of specialized investment professionals with life science backgrounds and advanced business and scientific degrees

2 Disciplined capital allocation

based on robust investment criteria that has resulted in 18% net IRRs over 16 years¹

3 Proactive sourcing





proprietary database tracking royalties on more than 2,000 drugs worldwide combined with deep industry relationships developed over our 30-year history

4 Strong execution

fundamental ground-up diligence on opportunities to execute high-quality transactions

1. IRR figure is net of fees and is based on results of funds managed by DRI Healthcare Trust's manager

Track record of delivering growth and value

Drug Royalty I 2006 – 2008 ¹	Drug Royalty II 2009 – 2013 ¹	Drug Royalty III 2013 – 2018 ¹	DHT 2021 - present
19 New Royalties valued at \$645M	27 New Royalties valued at \$730M²	15 New Royalties valued at \$586M	10 New Royalties & 1 Loan valued at up to \$561M³
IRR ⁴ 19%	IRR ⁴ 18%	IRR ⁴ 20%	IRR ⁴ Targeting Similar Performance
			

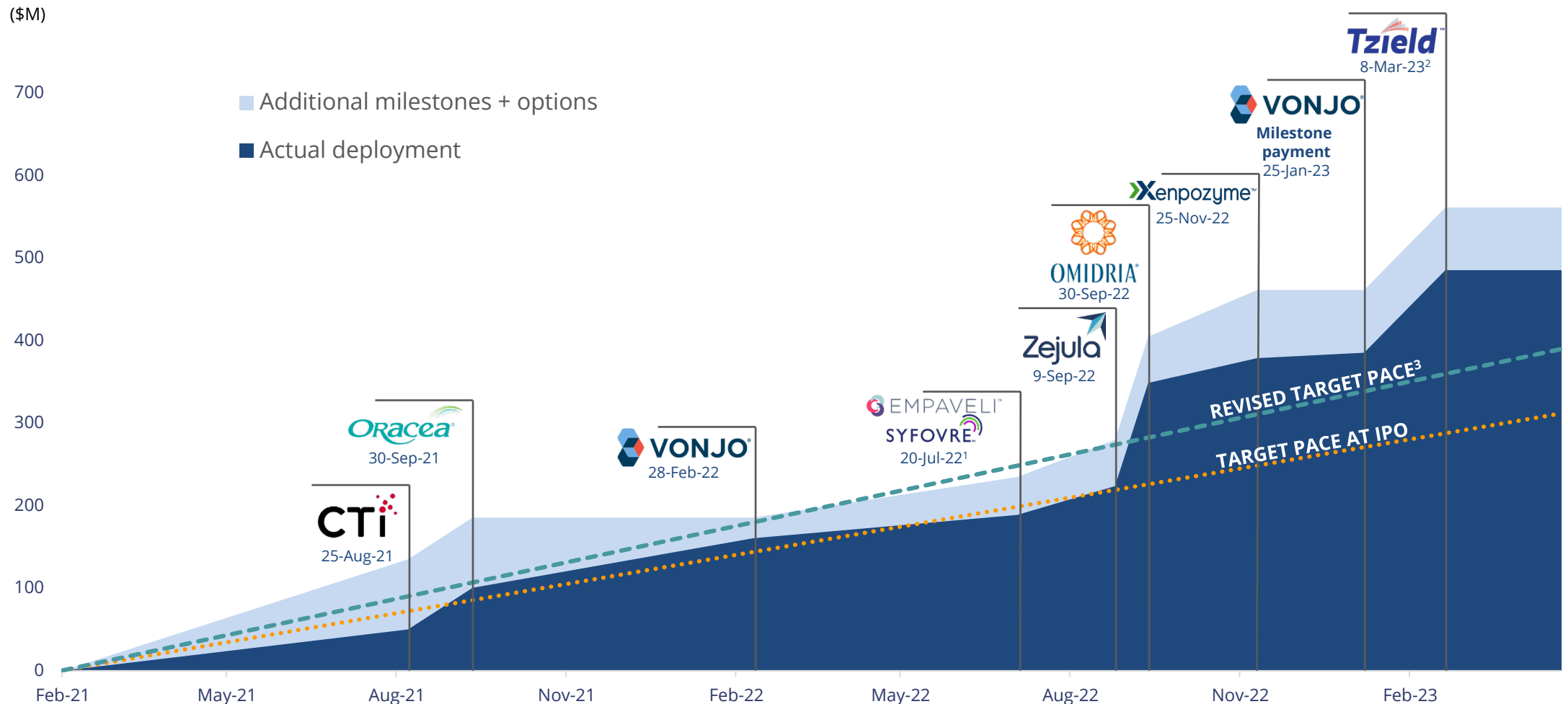
Consistent track record of efficient capital deployment at high returns

Delivering on our long-term strategy

	At IPO	Today	2025 target ¹
Capital deployment	\$650 – 750 million over 5 years	\$485 million deployed to date + \$76 million in milestones and options	Revised deployment target of \$850 – 900 million
Sustainable cash generation	Declining cash curve due to expected asset expiries	Flat to slightly growing cash receipts through 2025 without any new deals	7% - 9% annual royalty receipt growth
Portfolio duration	8 years	9 years	>10 years
Capital resources	IPO proceeds and debt capacity	Attractive credit facilities with compounding effect of cash flows	Expanded credit facilities with compounding effect of cash flows

Focus on building long-term and sustainable strategic growth

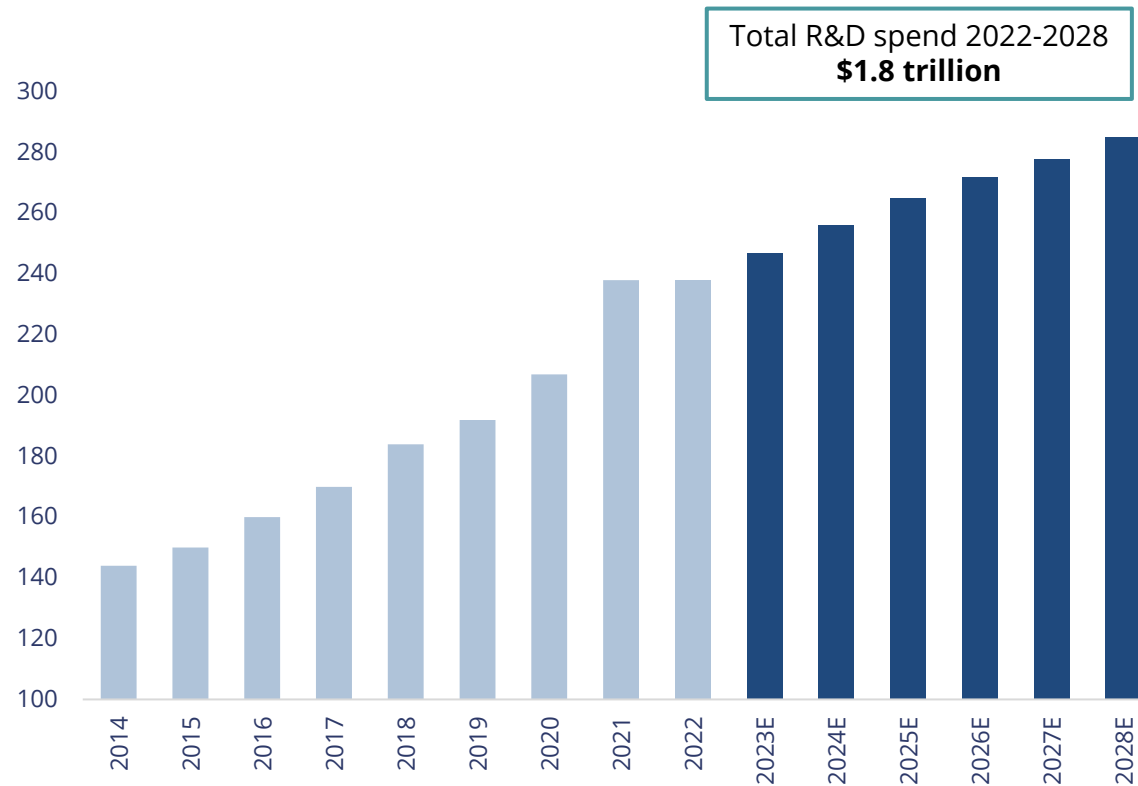
Current deployment exceeds targets



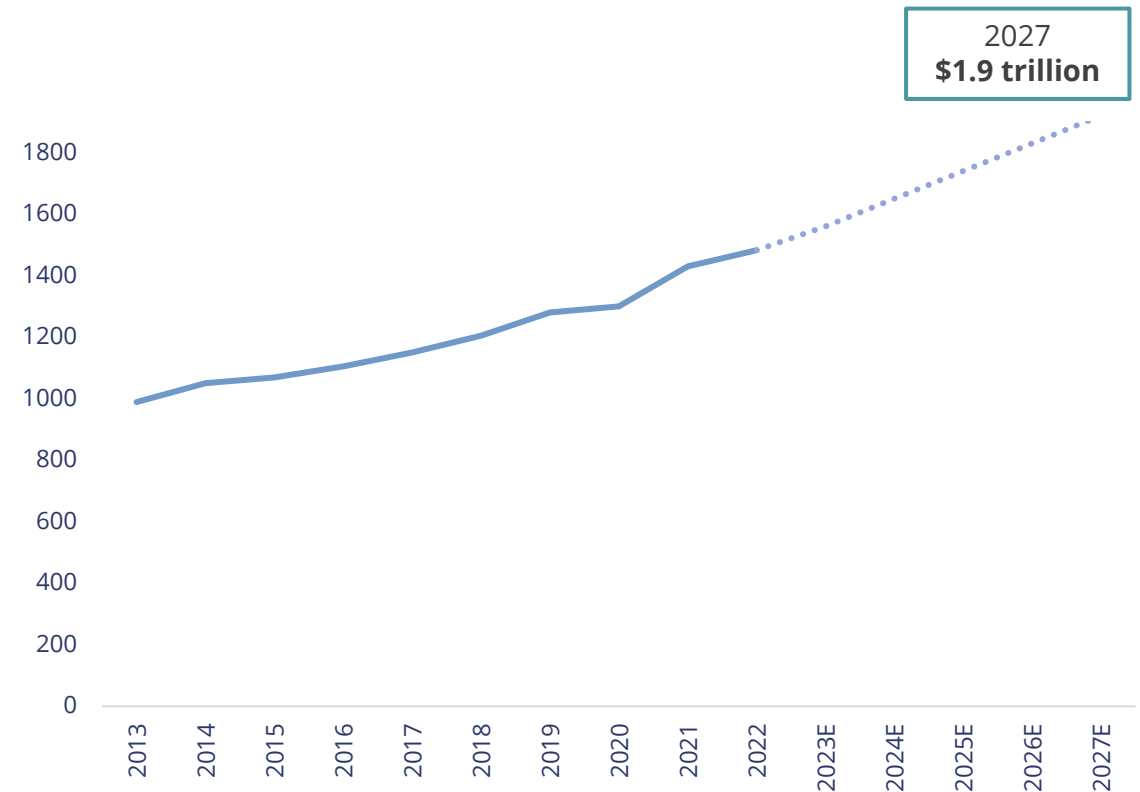
Deployment pace and need for capital by counterparties → 5 year deployment target increased to \$850 – 900 million³

Industry R&D spending is propelling innovation

Worldwide Total Pharmaceutical R&D Spend (\$B)¹



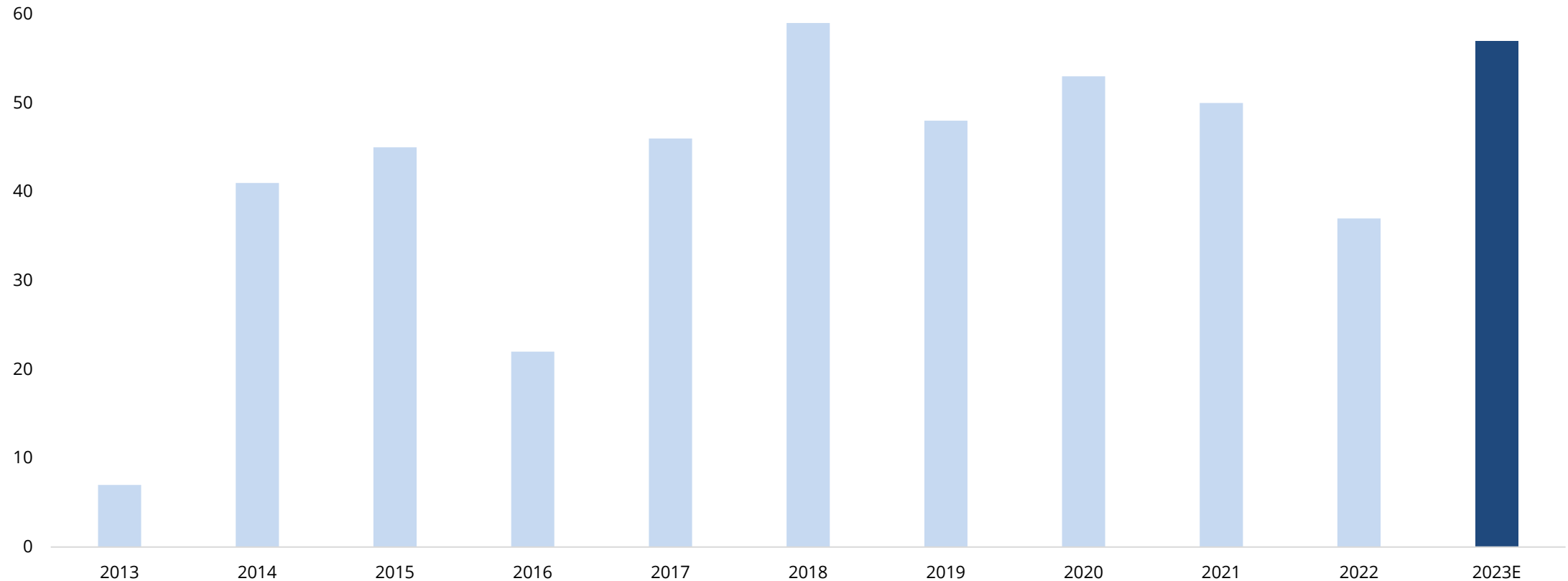
Worldwide Medicine Spending (\$B)²



Growing R&D increases our future opportunity set, while current cash needs bolster our pipeline

R&D spending has resulted in many innovative products

Novel Drug Approvals by the FDA¹

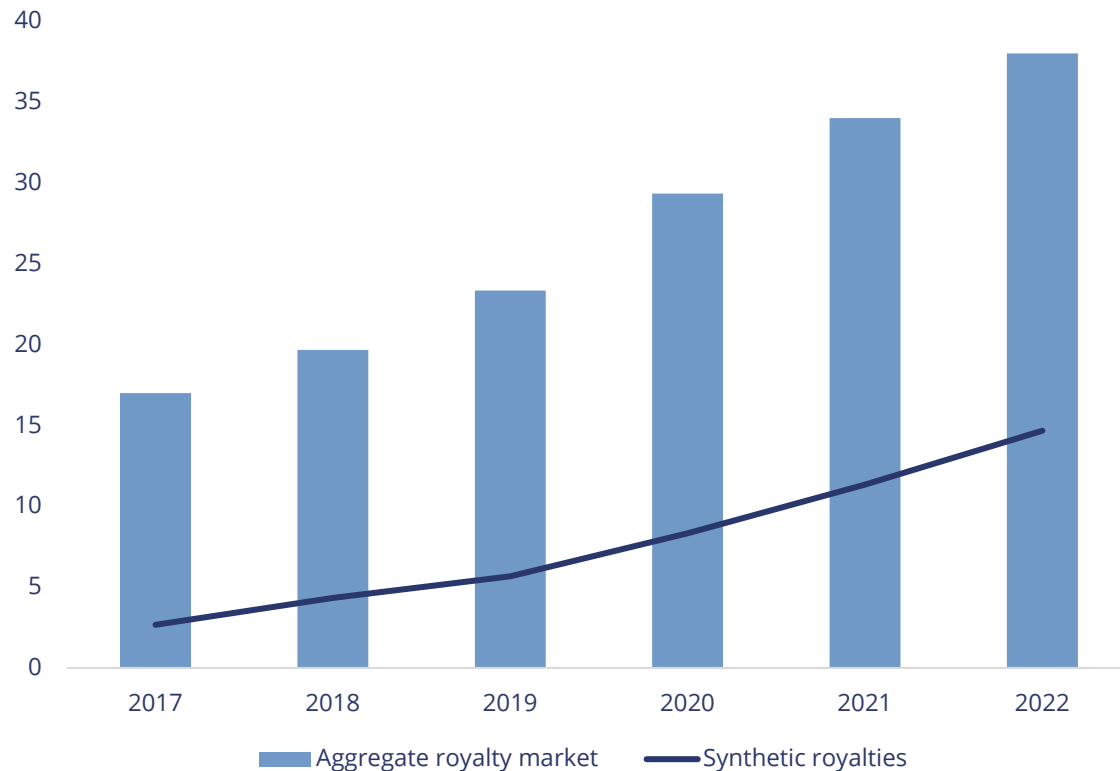


FDA approval of novel drugs opens the door to abundant royalty acquisition opportunities

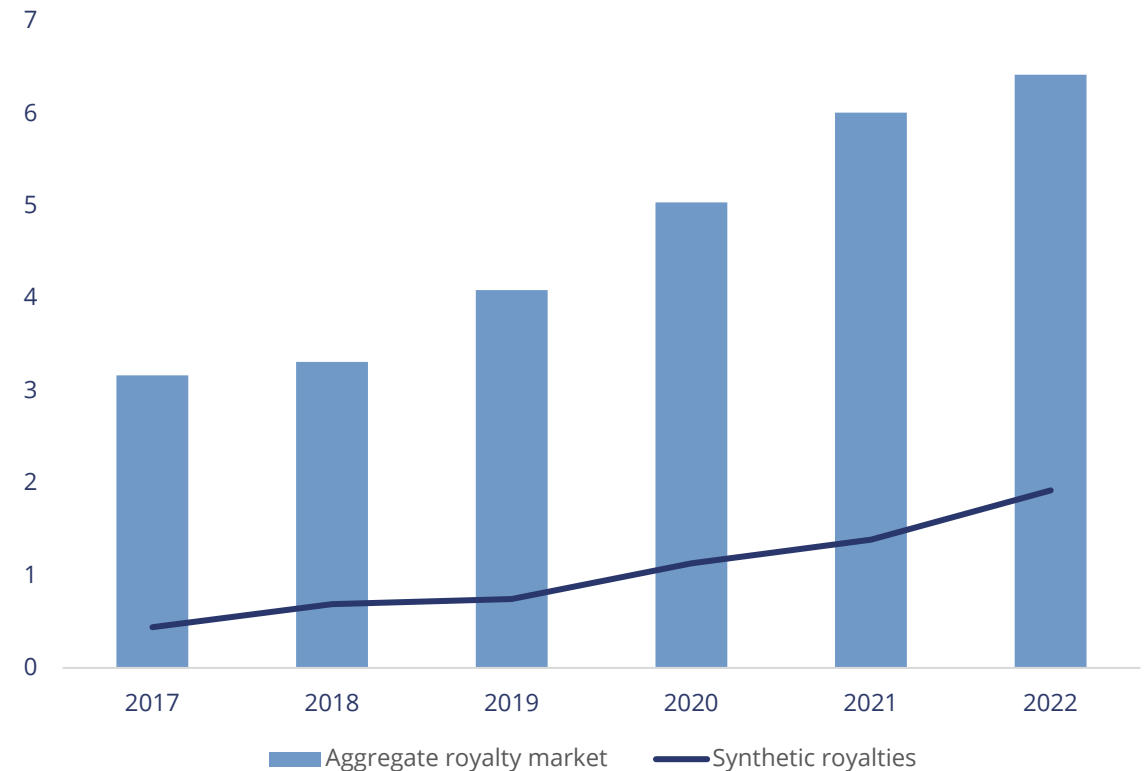
1. Source: Historic: FDA.gov, 2023 Forecast: Evaluate Vantage 2023 Preview, December 2022

Royalty transaction activity is expanding with strong industry tailwinds

Trailing three-year average number of transactions¹



Trailing three-year average value of transactions (\$B)¹

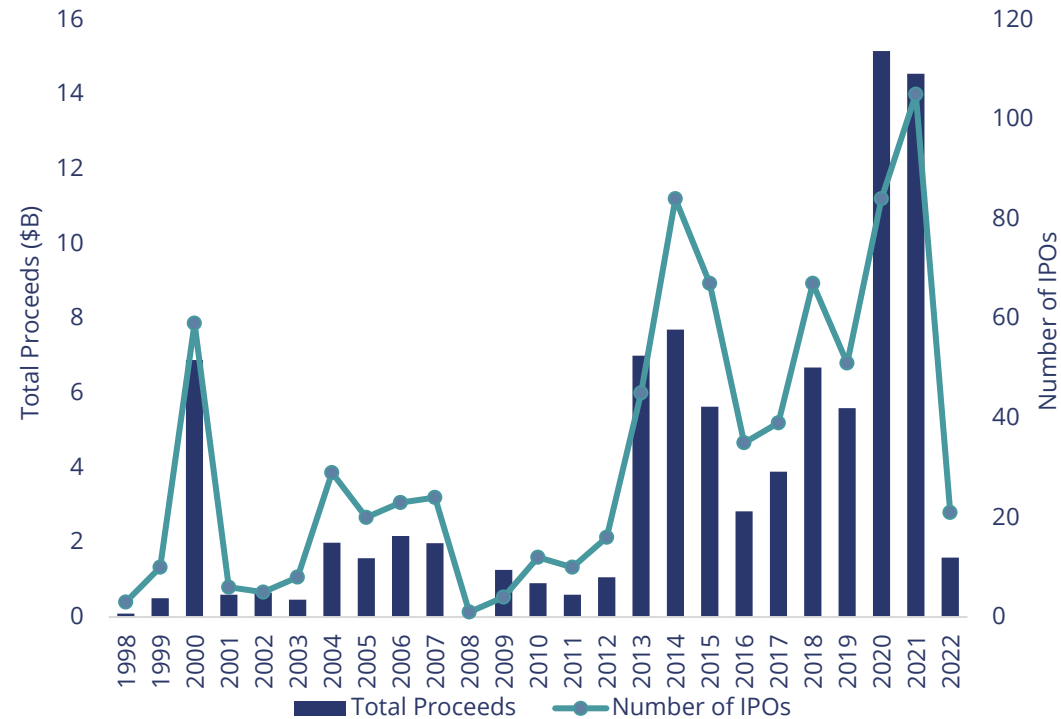


Royalty financing's unique appeal has propelled it to mainstream adoption

1. Source: Internal database. Includes royalty related monetization transactions across the ecosystem (inventor, academic/non-profit, biotech and pharma)

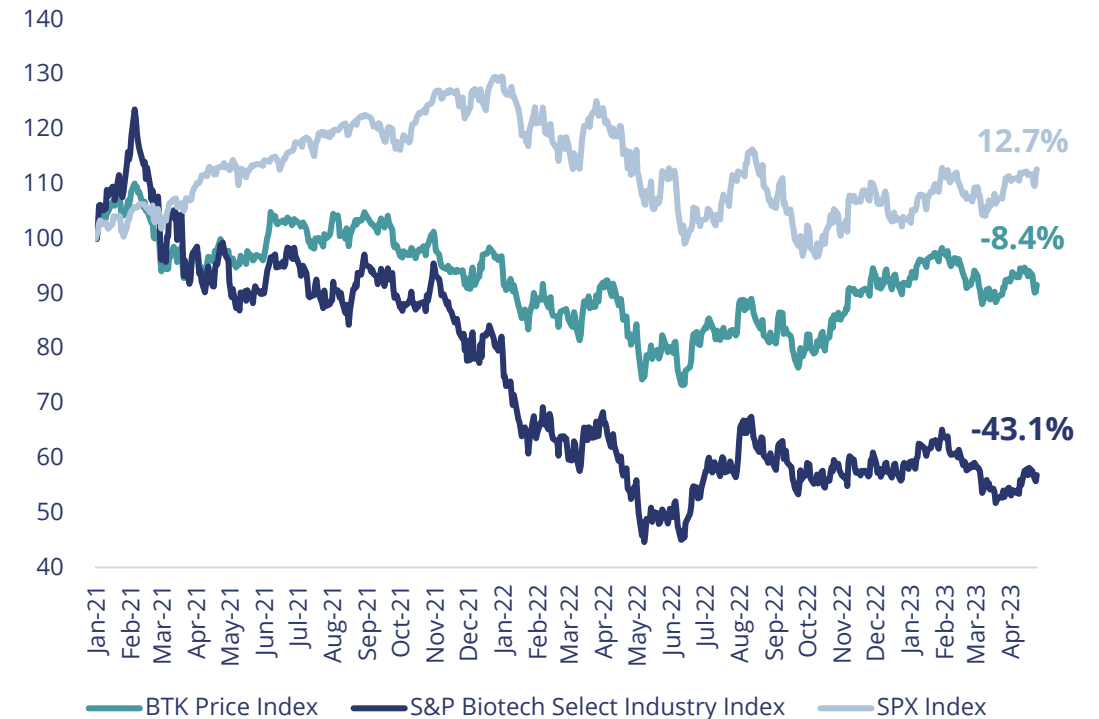
State of the biotech market

Biotech IPOs¹



**Rapid expansion of biotech market with
>500 IPOs in last 10 years**

Biotech Equities Performance²

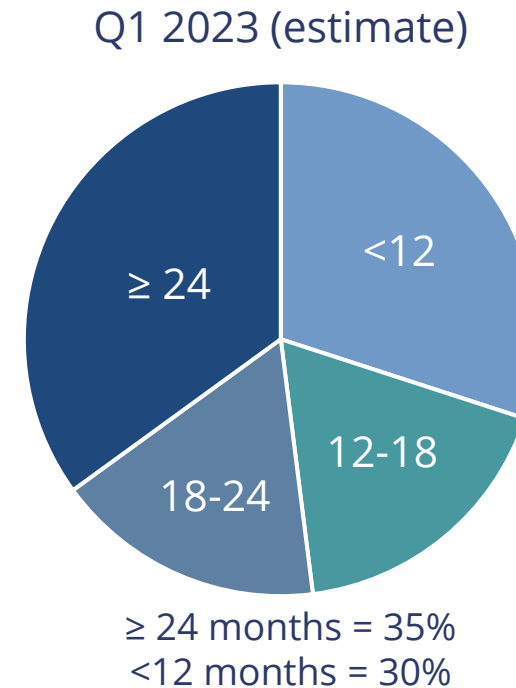
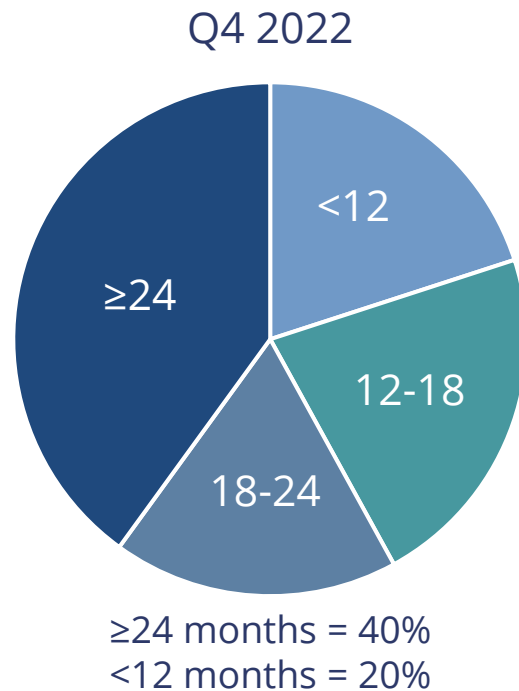


Struggling equity capital markets for biotechs

Creates an environment where a large amount of capital is required, making DRI's royalty financing very attractive

Biotechs' limited cash reserves

Cash Runway for Unprofitable Biotechs (months)



65% of unprofitable NASDAQ-listed biotechs are estimated to have <2 years of cash








Tightening cash reserves highlight need to seek royalty-based financing

Creating win-win deals for multiple counterparties



A proven and repeatable asset identification, selection and execution process

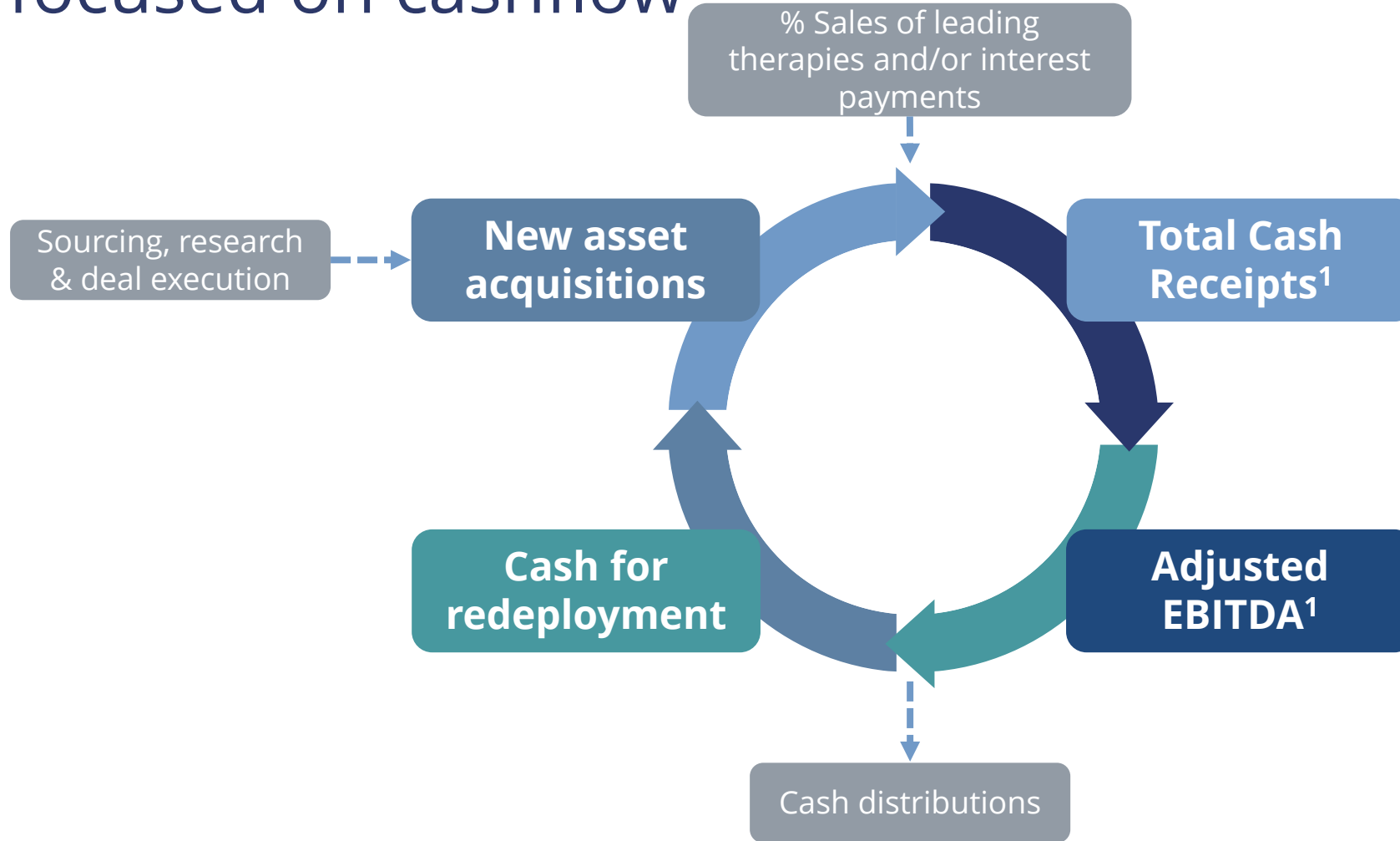
Proven track record of closing accretive transactions

	Investment Thesis	Transaction Size
	High-quality oncology product with strong growth potential	\$116.5 million + \$18.5 million potential milestone
	Dermatology product with existing commercial track record	\$50.5 million
	Hematology and ophthalmology product with long-term horizon and attractive growth prospects	\$28.2 million¹ + \$21.0 million option
	High-quality oncology product with multiple pipeline indications	\$35.0 million + \$10.0 million potential milestone
	Structured transaction on established product providing cash accretion	\$125 million
	Only approved product for ASMD with strong IP and long duration	\$30.0 million + up to \$26.5 million in potential milestones
	Newly approved Diabetes product with long-term cash flows and growth potential	Acquisition: \$100.0 million Sale: \$210.0 million

Completed eight acquisitions since IPO totaling up to \$561 million, with \$485 million deployed to date

1. Includes \$24.5 million royalty acquired on July 21, 2022 and \$3.7 million royalty acquired from a separate counterparty on April 3, 2023

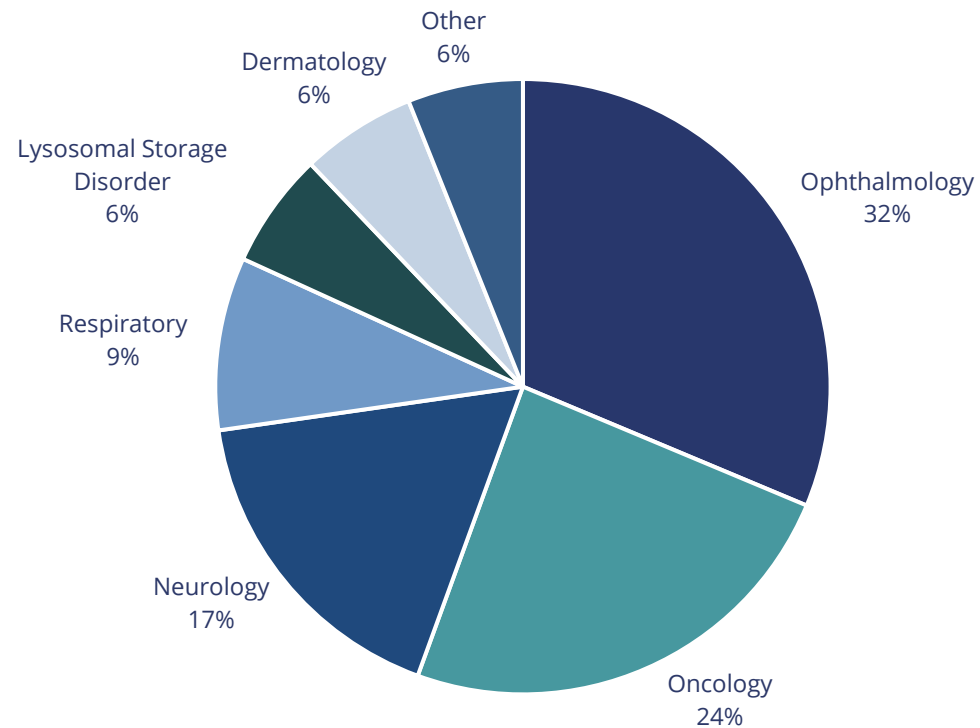
Sustainable and efficient business model focused on cashflow



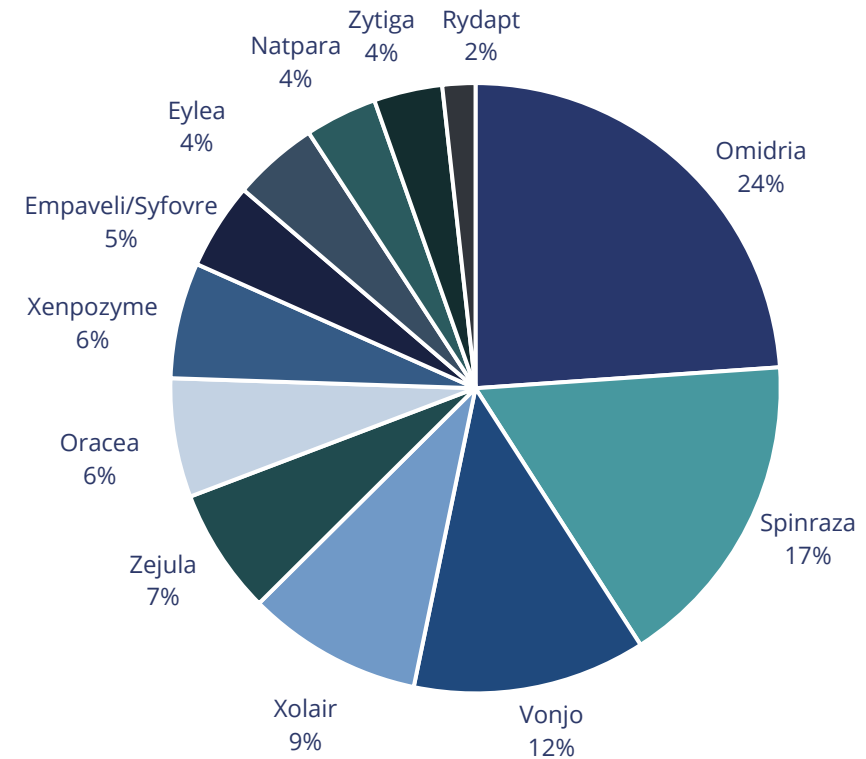
Business model allows for continuous compounding of cash flows

Robust diversified portfolio

By Therapeutic Area¹



By Product¹



No individual product accounts for more than 24% of net book value

1. Based on net book value as at December 31, 2022

2022 financial highlights

\$96.2 million

Total Cash Receipts¹

\$93.0 million

Total Income

\$82.4 million

Adjusted EBITDA¹

86%

Adjusted EBITDA Margin¹

\$1.87

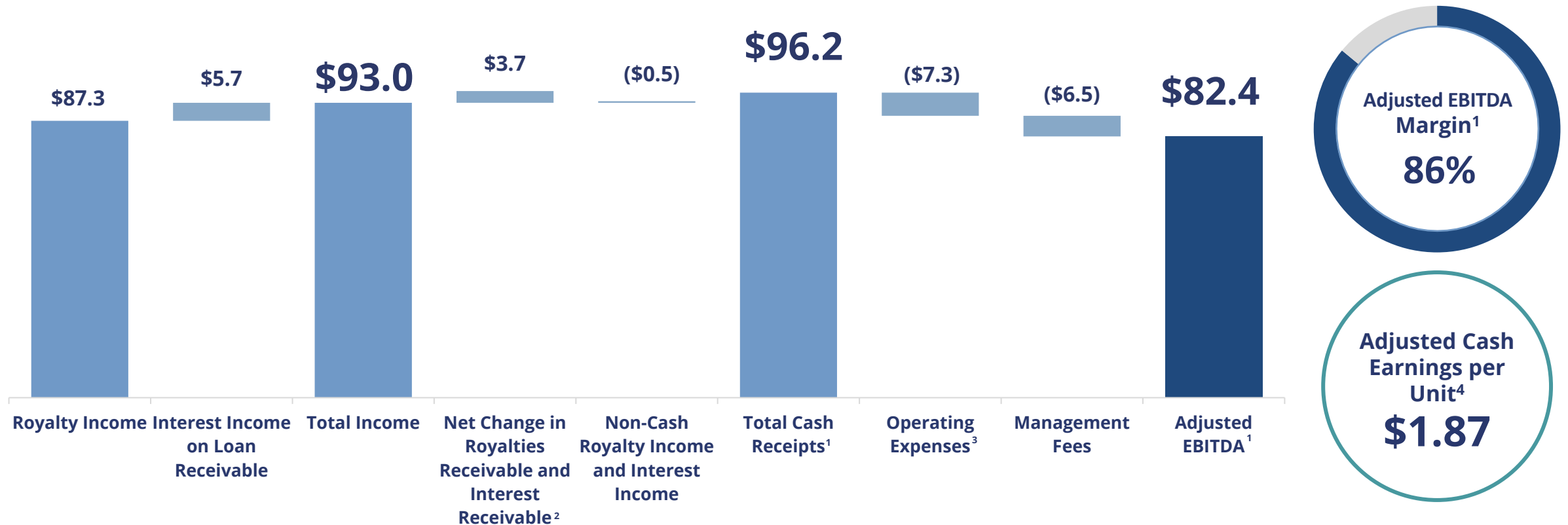
Adjusted Cash Earnings per
Unit¹

\$0.30

Declared Cash Distributions
per Unit

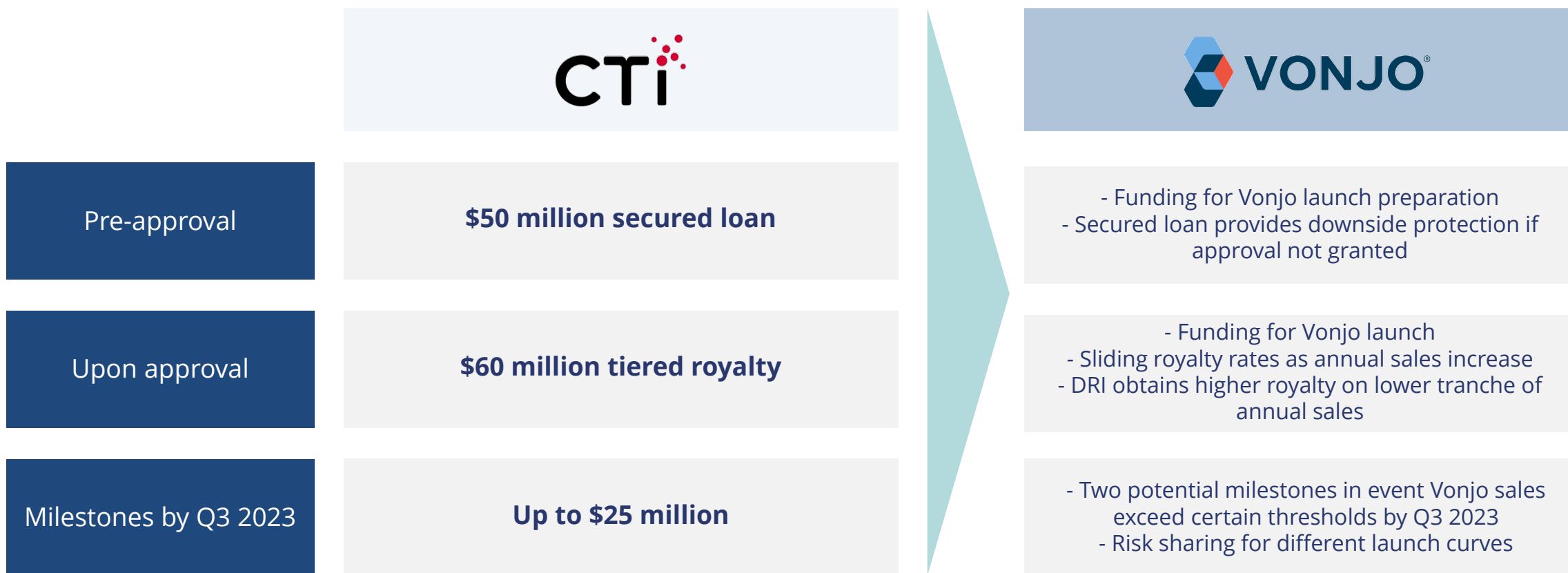
Strong cash generation

Adjusted EBITDA for the Year Ended December 31, 2022 (\$M)¹



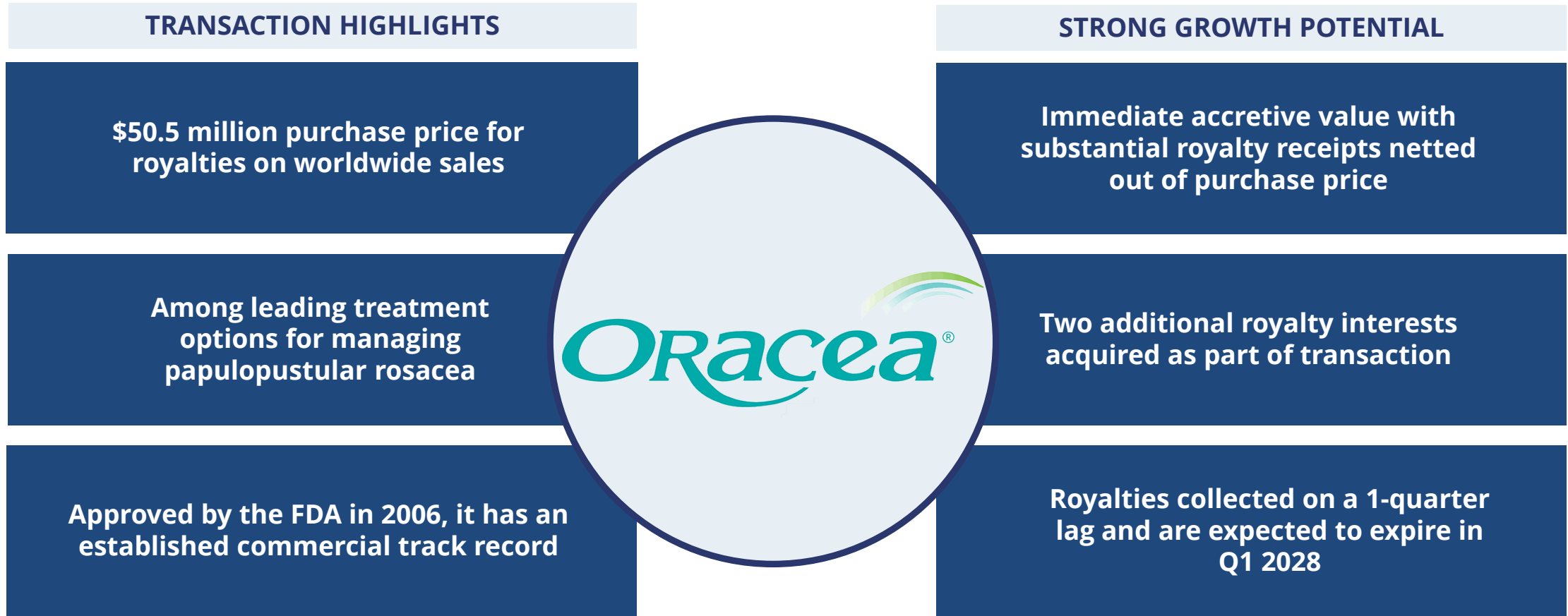
Cash available to drive portfolio growth and maintain distributions to unitholders

Deal structure case study: CTI Biopharma / Vonjo



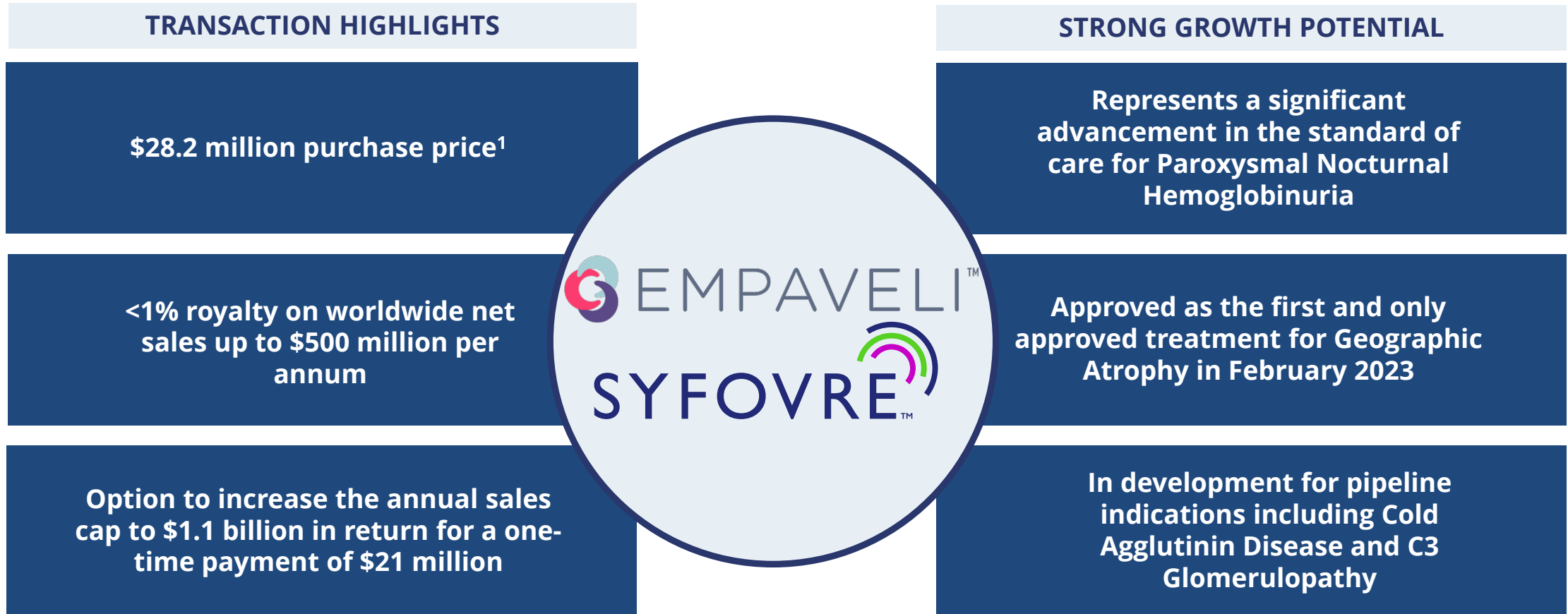
Proven ability to provide flexibility in deal structuring while managing risk

Oracea royalty transaction



Strong cash flows generate immediate revenues

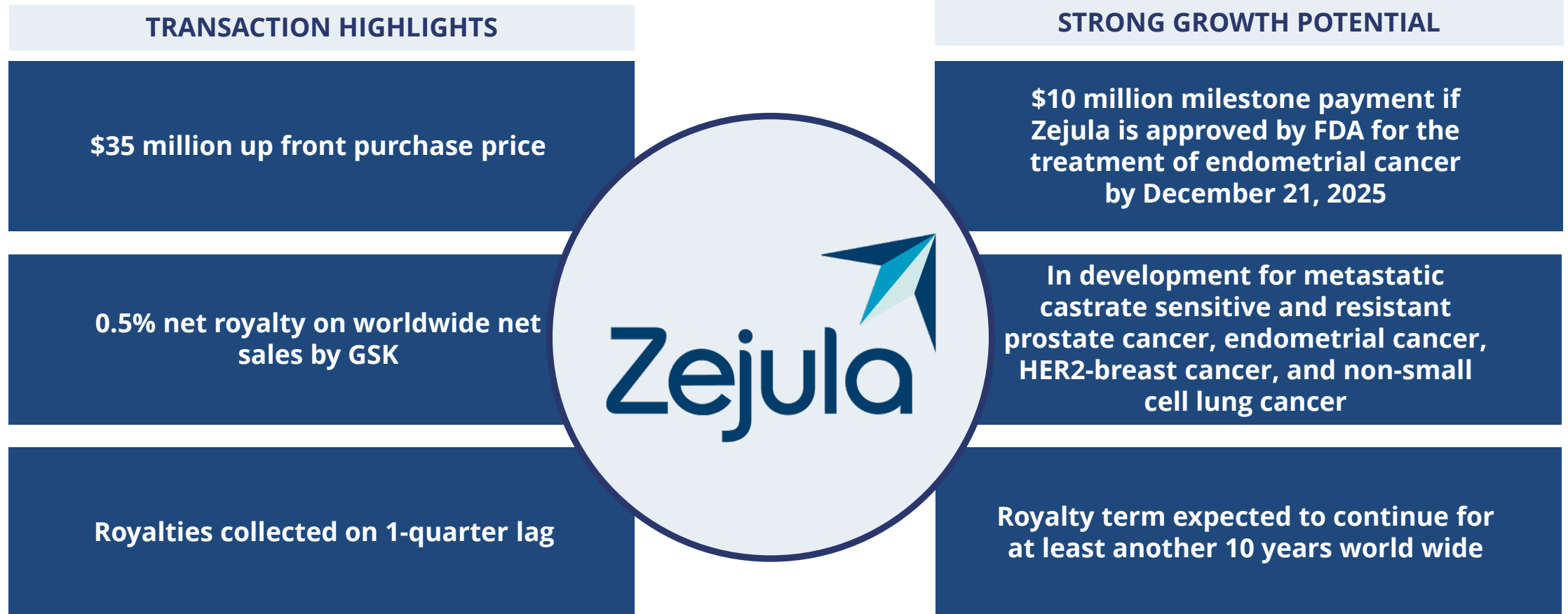
Empaveli royalty transaction



Long-term horizon and attractive growth prospects

1. Includes \$24.5 million royalty acquired on July 21, 2022 and \$3.7 million royalty acquired from a separate counterparty on April 3, 2023

Zejula royalty transaction



Multiple indications in development represent a pipeline in a product

Omidria royalty transaction

TRANSACTION HIGHLIGHTS

\$125 million up front purchase price, subject to annual cash receipt caps

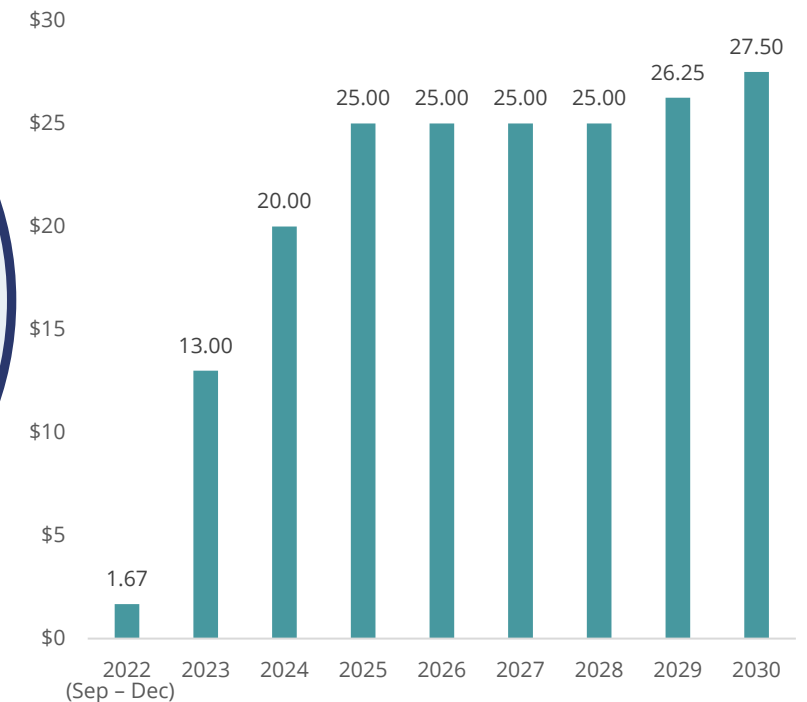
Approved for intracameral use during cataract surgery or intraocular lens replacement

Marketed by Rayner Surgical with royalties collected monthly



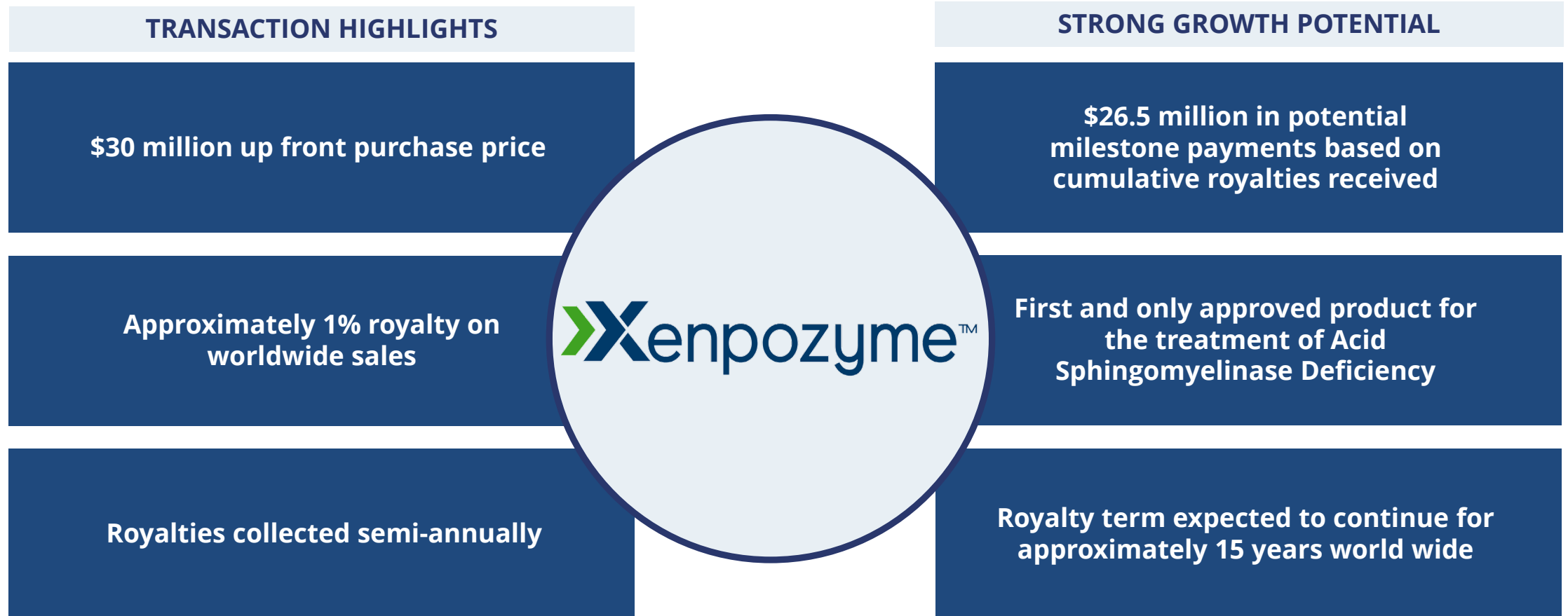
STRUCTURED GROWTH

Annual Royalty Receipt Caps (\$M)



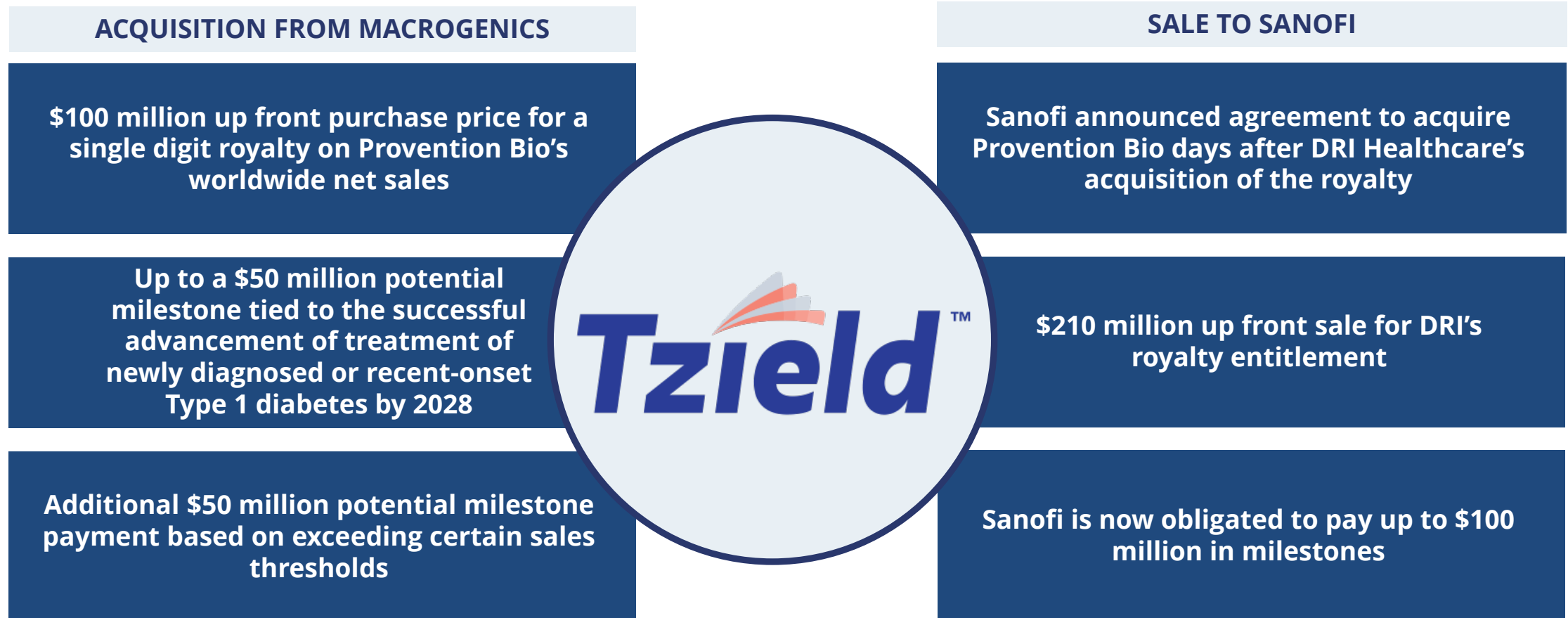
Substantial near-term cash flows with long-term structural growth anticipated

Xenpozyme royalty transaction





















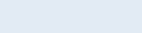














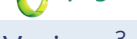
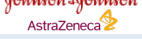

Long duration product with strong IP protection anticipated to generate high multiple on invested capital

Tzielid royalty transactions



Allows for reinvesting of proceeds to generate compounding effect

Portfolio performance

Asset	Primary Marketer(s)	Therapeutic Area	Total Cash Royalty Receipts ^{1,2} FY 2022	Net Book Value 12/31/22
	Apellis 	Hematology / Ophthalmology	269	23,437
	REGENERON  	Ophthalmology	11,280	23,041
	AstraZeneca 	Vaccine	2,952	2,096
		Endocrinology	2,625	19,457
	Rayner 	Ophthalmology	1,670	121,782
	GALDERMA 	Dermatology	7,662	32,144
	NOVARTIS 	Oncology	10,102	8,899
	Biogen 	Neurology	16,466	86,587
  	   	Autoimmune	3,704	3,871
	CTi 	Oncology	3,155	62,876
	sanofi 	Lysosomal Storage Disorder	–	31,293
	 	Respiratory	9,646	47,389
		Oncology	692	33,973
	 	Oncology	18,059	18,465
Various ³			2,563	2,883
Total			90,845	618,193

DHT's assets have continued to show strong performance

Growth opportunities from existing assets¹

	Phase 1	Phase 2	Phase 3	Phase 4
Spinraza	RESPOND: Spinraza in patients who had received Zolgensma			
	ASCEND: Higher dose Spinraza in patients who had received Evrysdi			
	DEVOTE: Higher dose Spinraza			
Vonjo	PACIFICA: Confirmatory trial in Myelofibrosis			
Xolair	OUTMATCH: Xolair monotherapy or as adjunct therapy in food allergies			
Zejula	FIRST: 1L treatment of stage III/IV Ovarian Cancer with Dostarlimab			
	ZEST: tBRCAm HER2-negative BC or tBRCAwt TNBC who have detectable ctDNA after completion of definitive therapy			
	RUBY: maintenance treatment of Recurrent or Primary Advanced Endometrial Cancer with dostarlimab			
	ZEAL: 1L maintenance therapy in combination with pembrolizumab in NSCLC			
	AMPLITUDE: Combination of Zytiga + Zejula in mHSPC			
Zytiga	MAGNITUDE: Combination of Zytiga + Zejula in mCRPC			
	AMPLITUDE: Combination of Zytiga + Zejula in mHSPC			
Empaveli / Syfovre	PLAUDIT: Treatment for wAIHA or CAD			
	DISCOVERY: Treatment for IgA Nephropathy, Lupus Nephritis, PNM, or C3G			
Rydapt	Rydapt + decitabine in unfit AML patients			
	Rydapt + HDM201 in r/r AML with FLT mutation			

Additional indications have potential to enhance royalty streams

Committed to best practices in ESG



Environmental

Building a platform for sustainability

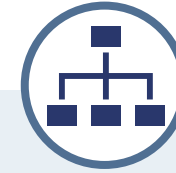
- Review of sustainability practices of our business partners
- Head office located in a Gold LEED-certified building
- Commitment to waste reduction
- Employee environmental training and awareness
- Intend to take steps to minimize or offset our carbon footprint



Social

Accountability and integrity as core values

- Highly diverse and inclusive team
- Balanced gender representation
- Employee time off each quarter for charitable volunteering
- Professional development and career advancement
- Corporate giving and donations



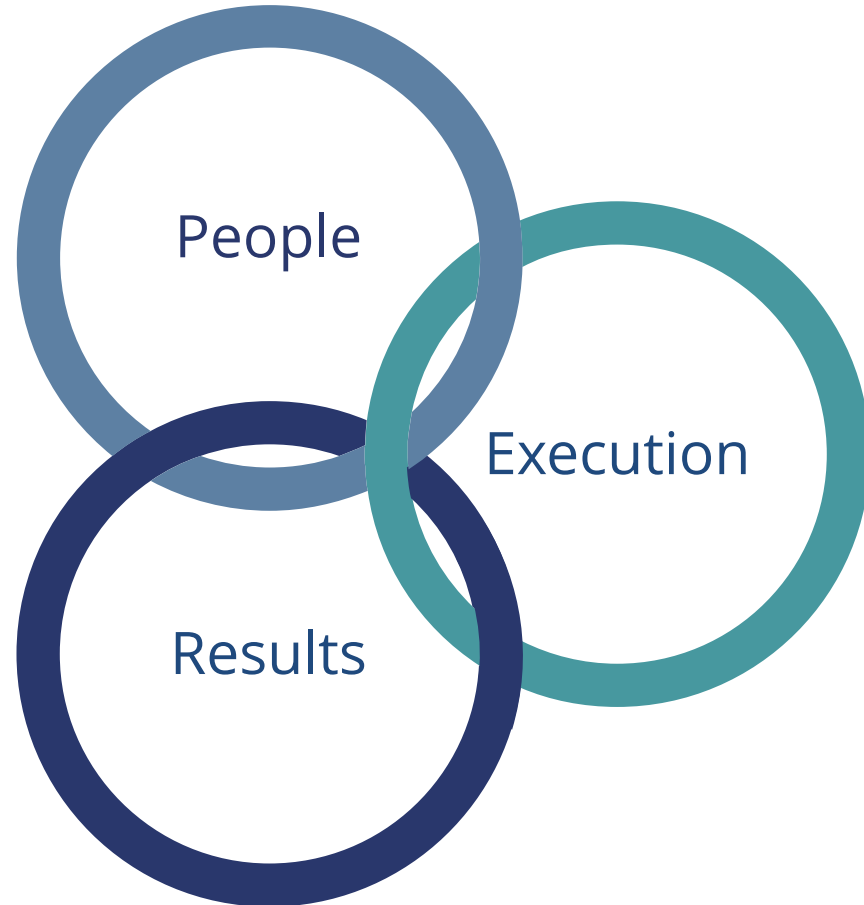
Governance

Valuing diversity and community support

- Best practice governance policies in place
- Diverse and majority independent Board
- Board oversight of ESG and risk management
- Active unitholder engagement
- Robust cybersecurity
- Whistleblower policy in place

Striving to deliver value to our stakeholders, our community, and society as a whole

Our key priorities



Invest in our people and build the industry leading royalty investment team

Execute on strong pipeline and operate at peak performance in all aspects of our business

Focus on long-term, sustainable growth generating strong unitholder returns

DRIHEALTHCARE



Contact Us

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