

The logo features a teal plus sign to the left of the word "DRIHEALTHCARE" in a bold, dark blue, sans-serif font.

# DRIHEALTHCARE

The background is a light blue gradient with a pattern of hexagons and circles. Several circular icons are overlaid, including a plus sign, a test tube, a caduceus, and a pill.

# ADVANCING SCIENCE

in the Fast-Growing Pharmaceutical and Biotechnology Sector

September 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, Normalized 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.

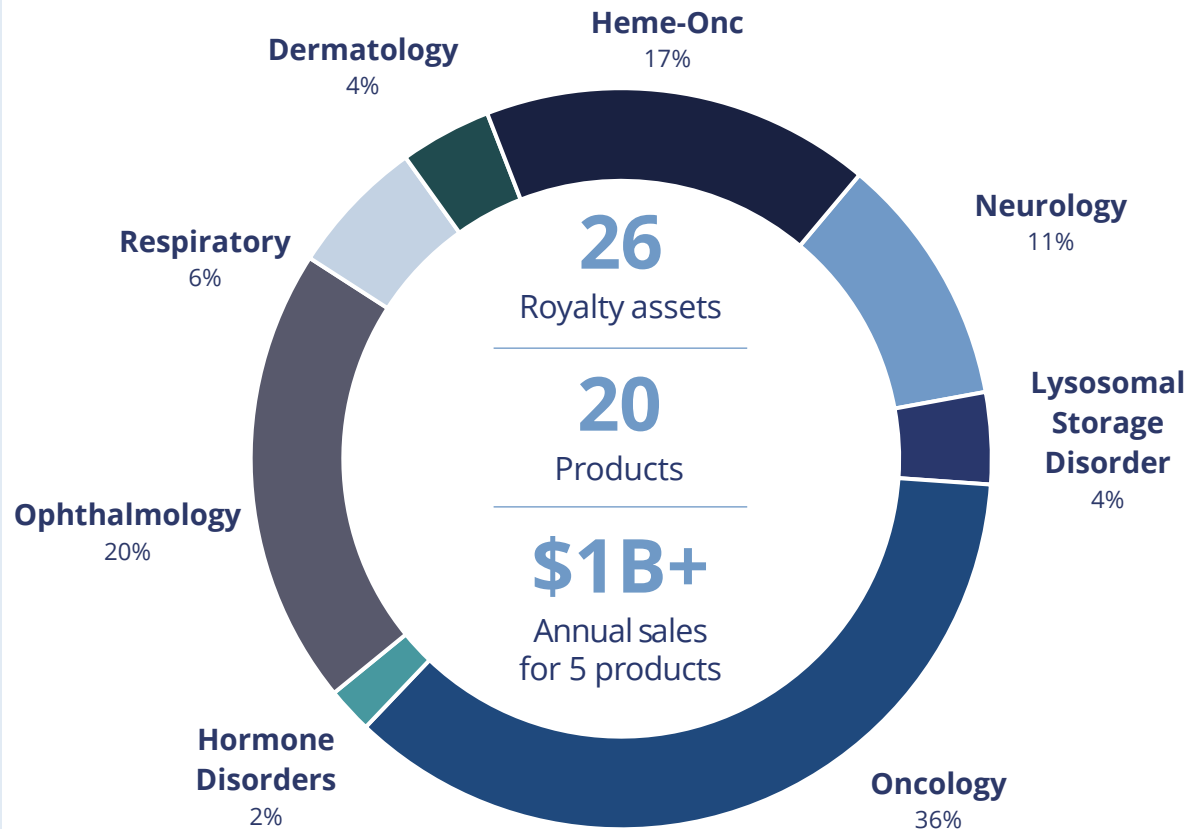
# Low risk exposure to rapid biopharma growth

**34-year<sup>1</sup>**  
History

**\$2.5B+**  
Capital deployed

**74**  
Royalty acquisitions

**6,500+**  
Royalty opportunities in  
proprietary database



Therapeutic area allocation based on net book value pro forma as at June 30, 2023

For the last twelve months ended June 30, 2023

**\$105M**  
Total Income

**\$90M**  
Adjusted EBITDA<sup>2</sup>

**86%**  
Adjusted EBITDA Margin<sup>2</sup>

**\$766M<sup>3</sup>**  
Capital deployed  
since IPO

Diverse portfolio with large pharmaceutical company characteristics

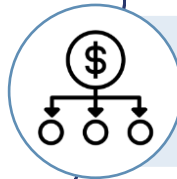
# Investment Highlights



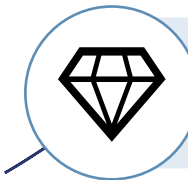
**The longest standing and a global leader** in buying healthcare royalties



Well positioned to capitalize on **generational industry growth** delivering attractive **uncorrelated cash flows**



**Diversified portfolio** of products by therapeutic area and marketer



**High yield value opportunity** that is priced attractively relative to peers

**DRIHEALTHCARE**

# 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 22% net IRRs over three funds since 2006

## 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

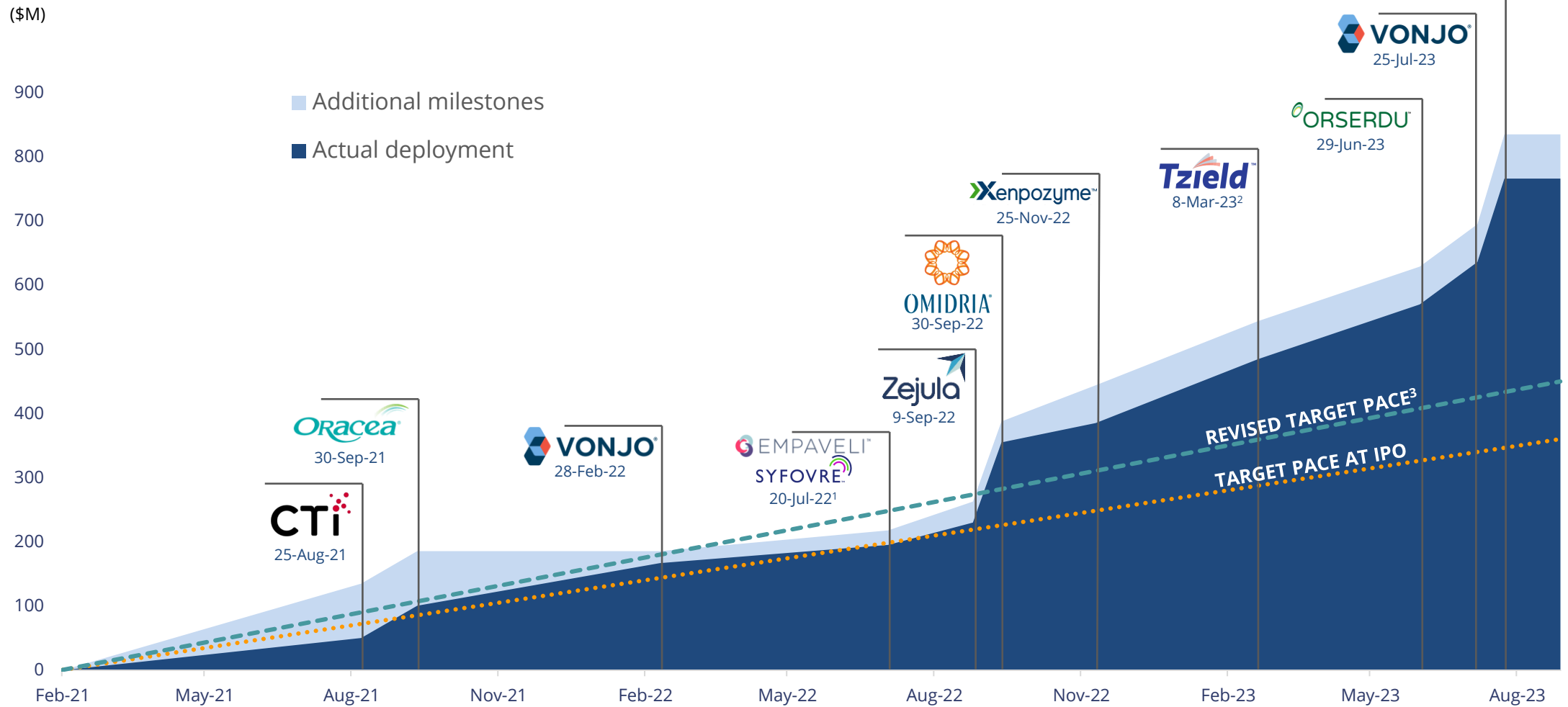
1. IRR figure is net of fees and is based on results of funds managed by DRI Healthcare Trust's manager

# Delivering on our long-term objectives

	At IPO	Today	2025 <sup>1</sup>
Capital deployment	Target of \$650 – 750 million over 5 years	\$766 million deployed to date + \$69 million in potential milestones	Revised deployment target of \$850 – 900 million
Sustainable cash generation	Declining cash curve due to expected asset expiries	Mid-teens total income CAGR through 2025 and low single digit total income CAGR through 2030 excluding any new transactions	7% - 9% total income compound annual growth rate
Portfolio duration	8 years	>10 years	>10 years
Capital resources	IPO proceeds and debt capacity	Equity offering proceeds plus 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

1. Includes \$24.5 million royalty acquired on July 20, 2022 and \$3.7 million royalty acquired from a separate counterparty on April 3, 2023
2. We sold our interest in Tziel on April 27, 2023 to an affiliate of Sanofi SA ("Sanofi")
3. Deployment target is consistent with historical deployment since IPO, combined with assumed future capital availability based on forecasted royalty receipts and credit capacity. Forecasted royalty receipts take into account the existing assets in our portfolio and future execution of transactions in our pipeline of opportunities at a pace consistent with our past performance.









# 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	
	Newly approved and first in class oncology product with uncapped growth potential	\$85 million	Up to \$140 million <sup>1</sup>
	High-quality oncology product with strong growth potential	Up to \$135 million <sup>2</sup>	\$66 million <sup>3</sup>
	Newly approved Diabetes product with long-term cash flows and growth potential	Acquisition: \$100.0 million Sale: \$210.0 million	
	Only approved product for ASMD with strong IP and long duration	\$30.0 million + up to \$26.5 million in potential milestones	
	Structured transaction on established product providing cash accretion	\$125 million	
	High-quality oncology product with multiple pipeline indications	\$35.0 million + \$10.0 million potential milestone	
	Hematology and ophthalmology product with long-term horizon and attractive growth prospects	\$28.2 million <sup>4</sup> + \$4.0 million potential milestone	
	Dermatology product with existing commercial track record	\$50.5 million	

Completed eleven acquisitions since IPO totaling up to \$835 million, with \$766 million deployed to date

1. Represents a second royalty on Orserdu acquired from Radius Health, Inc. on August 14, 2023
2. Includes \$50 million secured loan made to CTI BioPharma ("CTI") on August 25, 2021, \$60 million royalty acquired from CTI on February 28, 2022 and \$6.5 million milestone payment made to CTI on January 25, 2023. On June 26, 2023, after being acquired by Swedish Orphan Biovitrum AB (Sobi), CTI repaid its loan in full and the related credit agreement was terminated.
3. Represents a second royalty on Vonjo acquired from S\*Bio Pte Ltd on July 25, 2023
4. Includes \$24.5 million royalty acquired on July 21, 2022 and \$3.7 million royalty acquired from a separate counterparty on April 3, 2023

# Orserdu royalty transactions

## TRANSACTION HIGHLIGHTS

### Orserdu I

\$85 million up front purchase price  
Mid single digit tiered royalty on worldwide net sales

### Orserdu II

\$130 million up front plus potential \$10 million milestone  
Low to high single digit tiered royalty on worldwide net sales

Royalties collected on a 1-quarter lag



## STRONG GROWTH POTENTIAL

Approved by the FDA in January 2023 and currently under review by the EMA for potential approval

Significant PFS benefit over SOC in ESR1m patients with limited side effects and convenience of oral administration

The Trust is also entitled to receive regulatory and sales-based milestones in addition to royalties

Uncapped royalties on long-duration asset

# Vonjo II royalty transaction

## TRANSACTION HIGHLIGHTS

**\$66 million purchase price for tiered royalty on worldwide net sales**

**Approved by the FDA in February 2022 as the only treatment for Myelofibrosis with severe thrombocytopenia**

**DRI entitled to receive up to \$107.5 million in milestone payments**



## STRONG GROWTH POTENTIAL

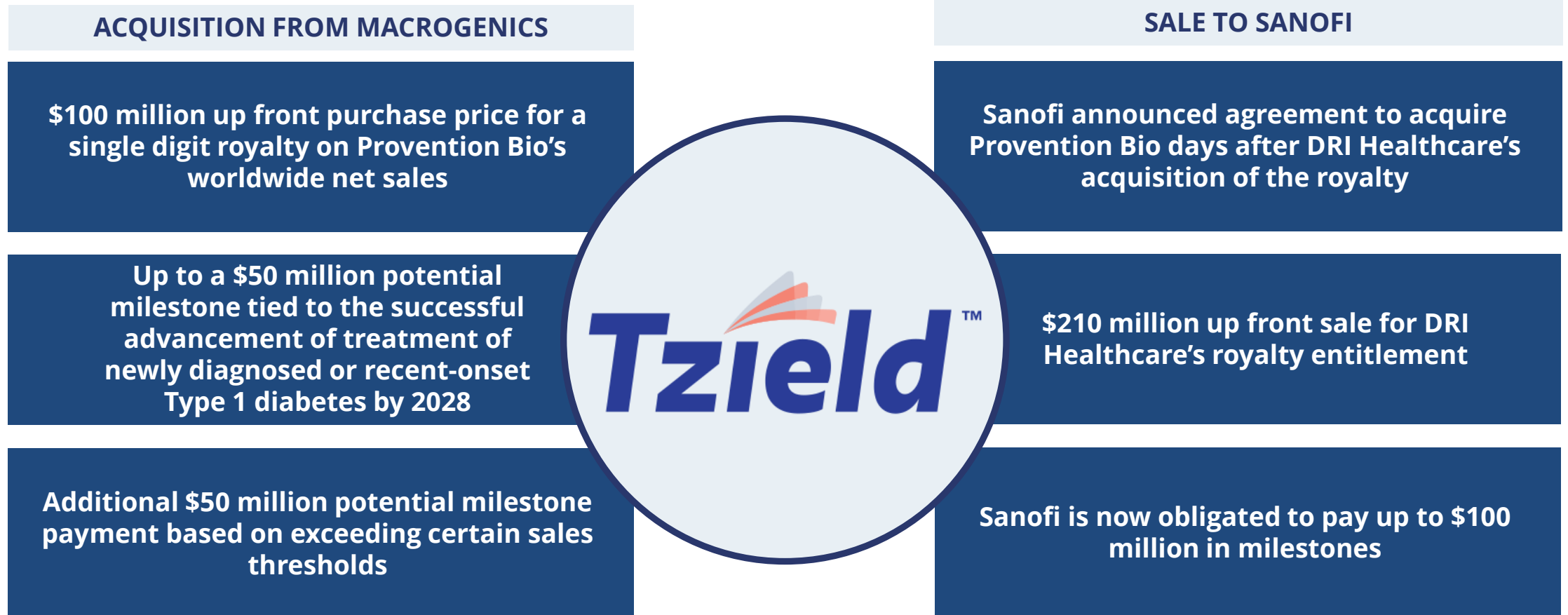
**First year of sales strongly exceeded analyst consensus estimates**

**\$6.5 million payment made to CTI in January 2023 for achieving sales milestone on Vonjo I royalty**

**On June 6, 2023, Sobi acquired CTI for \$1.7 billion**

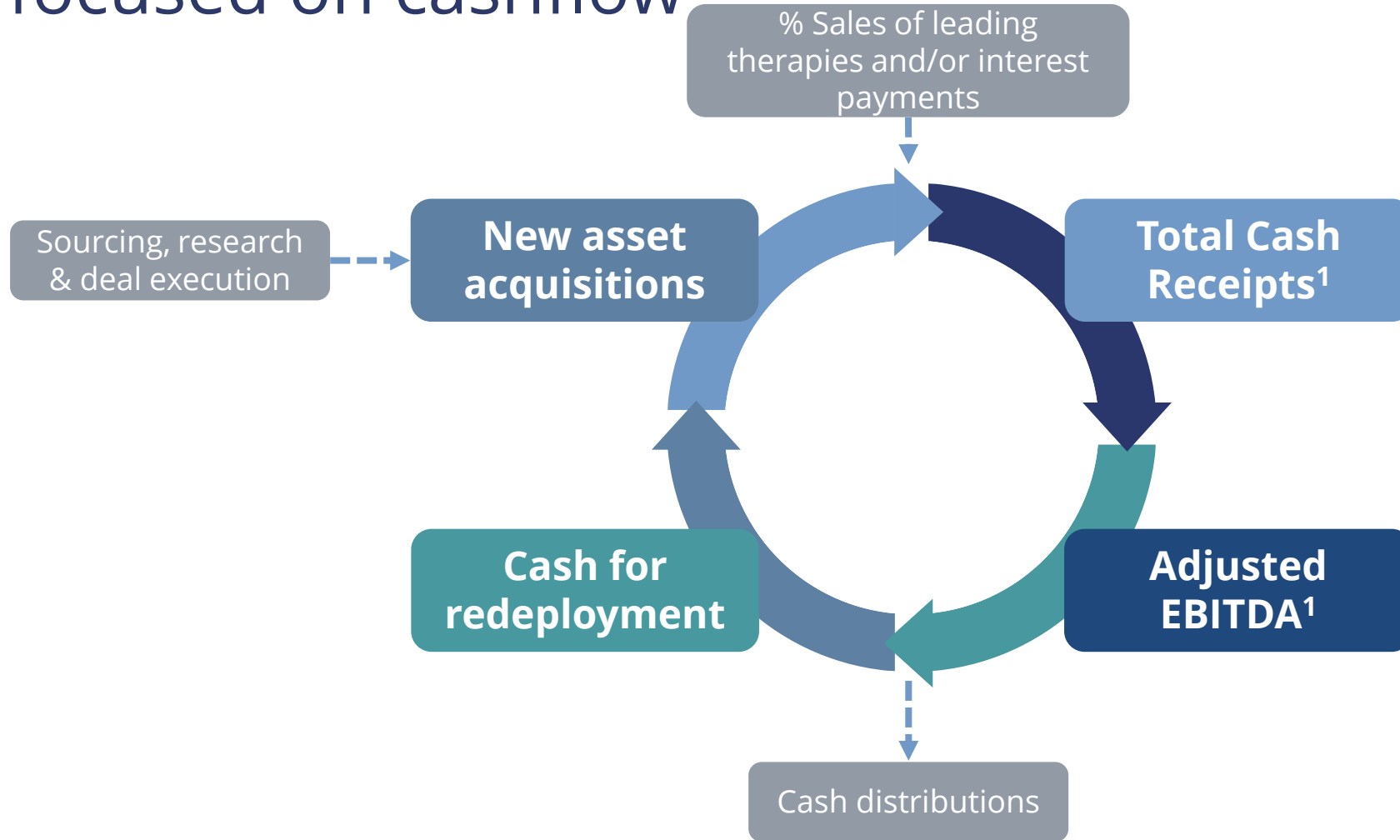
Second royalty on Vonjo increases exposure to long duration high-quality asset

# Tziield royalty transactions



Allows for reinvesting of proceeds to generate compounding effect

# Sustainable and efficient business model focused on cashflow



Business model allows for continuous compounding of cash flows

# Q2 financial highlights

Normalized Total Cash Receipts<sup>1</sup>

**\$28.7 million**

+13% over Q2 2022

Total Income

**\$28.1 million**

+32% over Q2 2022

Adjusted EBITDA<sup>1</sup>

**\$25.1 million**

+17% over Q2 2022

Adjusted EBITDA Margin<sup>1</sup>

**87%**

Adjusted Cash Earnings per Unit<sup>1</sup>

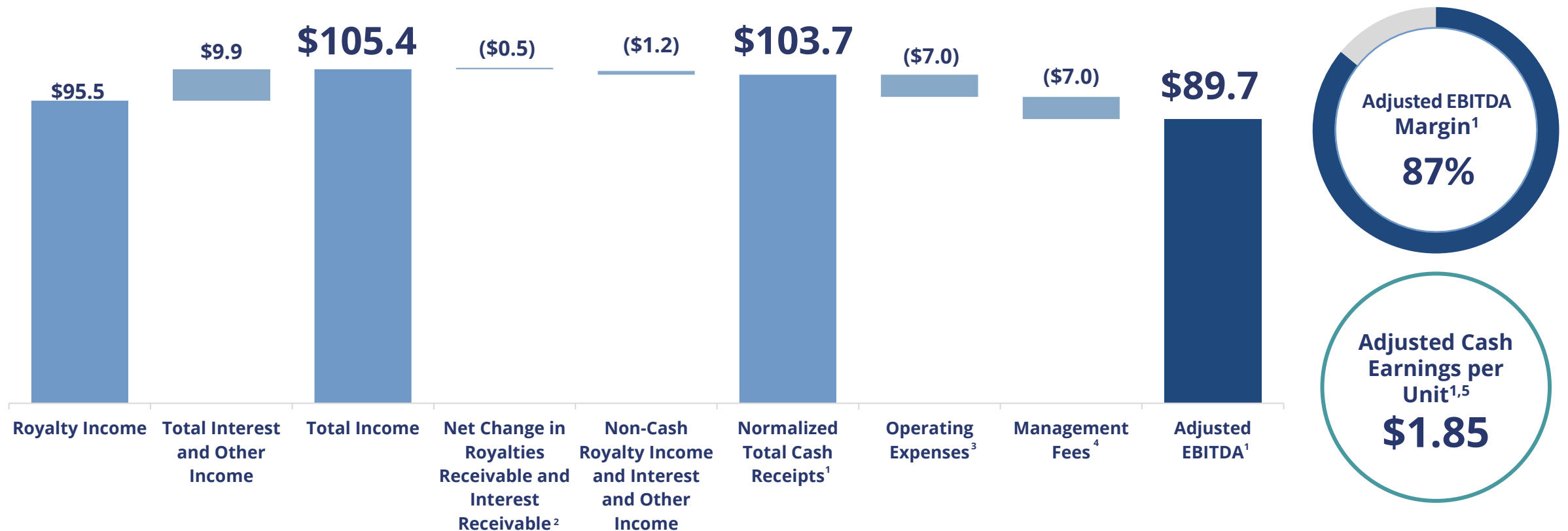
**\$0.40**

Declared Cash Distributions per Unit

**\$0.6084**

# Strong cash generation

Adjusted EBITDA for the Last Twelve Months Ended June 30, 2023 (\$M)<sup>1</sup>



Cash available to drive portfolio growth and maintain distributions to unitholders

1. Adjusted EBITDA and Normalized Total Cash Receipts are non-GAAP financial measures. Adjusted EBITDA Margin and Adjusted Cash Earnings per Unit are non-GAAP ratios. Adjusted EBITDA Margin is calculated as Adjusted EBITDA / Normalized Total Cash Receipts. See "Financial Review: Non-GAAP Financial Measures" in our MD&A, which includes a reconciliation of IFRS to non-GAAP measures. The MD&A is available on SEDAR at [www.sedar.com](http://www.sedar.com).






2. The Net Change in Royalties Receivable and Interest Receivable represents royalties and interest receivable at the beginning of period, less royalties and interest receivable at the end of period, plus acquired royalties receivable included in the purchase price of the assets, less other interest income and less prepayment premium income on loan receivable.

3. Operating expenses are net of \$0.5 million related to board of trustee unit-based compensation and \$0.5 million related to amortization of other current assets.

4. Management fees are net of \$13.7 million non-recurring management fees related to the Tziel sale.

5. Adjusted Cash Earnings per Unit is the sum of Adjusted Cash Earnings per Unit in each of the last four quarters, calculated as net earnings and other comprehensive earnings, plus: (i) amortization of royalty assets, (ii) amortization of other current assets, (iii) unit-based compensation, (iv) board of trustees unit-based compensation, and (v) management and performance fees on sale of royalty assets, and less: (i) non-cash royalty income, (ii) non-cash interest and other income on loan receivable, (iii) prepayment premium income on loan receivable, and (iv) net gain on sale of royalty assets, divided by fully-diluted weighted average units outstanding.








# Trust units are undervalued relative to royalty peers

	Price / book	Price / operating cash flow	Dividend yield
 <b>DRIHEALTHCARE</b>	0.9x	4.3x	9.1%
<b>ROYALTY PHARMA</b>	2.1x	8.3x	2.6%
 <b>XOMA</b>	1.5x	Neg	0.0%
 <b>Ligand</b>	1.7x	8.0x	0.0%
 <b>Franco-Nevada</b>	4.1x	27.1x	0.9%
 <b>WHEATON</b> PRECIOUS METALS	2.8x	25.5x	1.4%

Valuation comps highlight Trust's underlying value



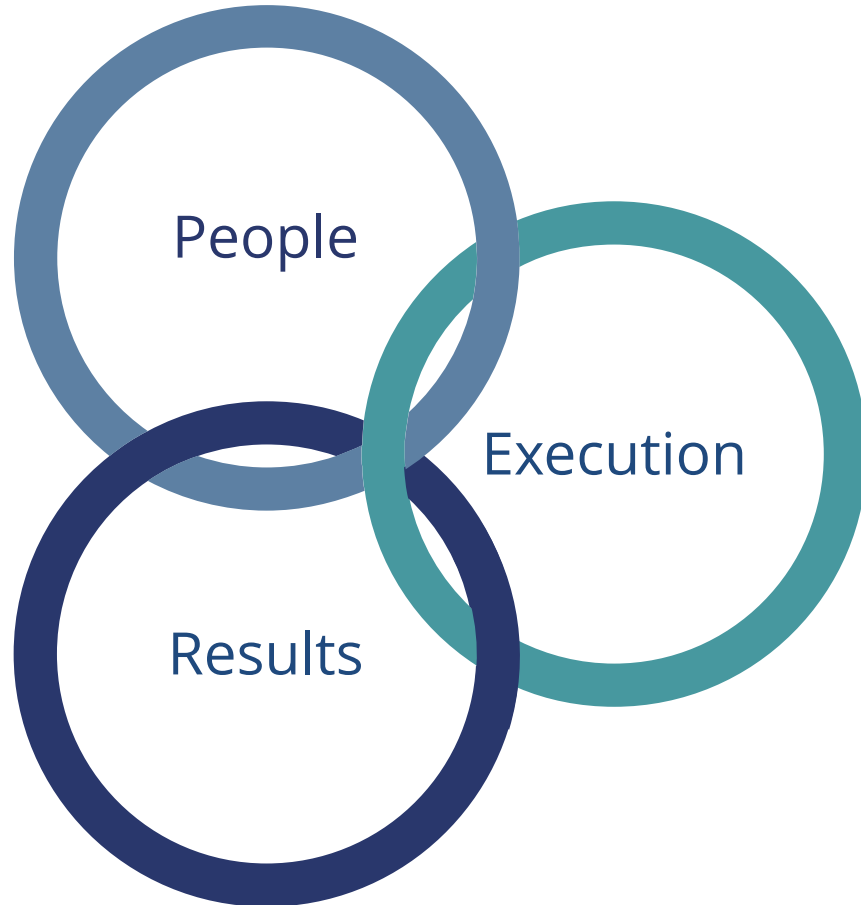
# DHT undervalued vs. large pharmas despite favourable revenue growth, profitability and risk profile

	2022-2030 Revenue CAGR	EV / 2024 EBITDA
 DRIHEALTHCARE	Low single digit	4.3x
 abbvie	1.3%	12.1x
 AMGEN	1.4%	9.7x
 Bristol Myers Squibb	-2.8%	8.5x
 MERCK	1.8%	11.3x
 NOVARTIS	2.3%	11.9x
 Roche	2.5%	9.6x

DHT trades at a discount relative to multiple comparable peer sets

Information sourced from Bloomberg as of September 6, 2023

# Our key priorities



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

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

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

# DRIHEALTHCARE



## Contact Us

David Levine

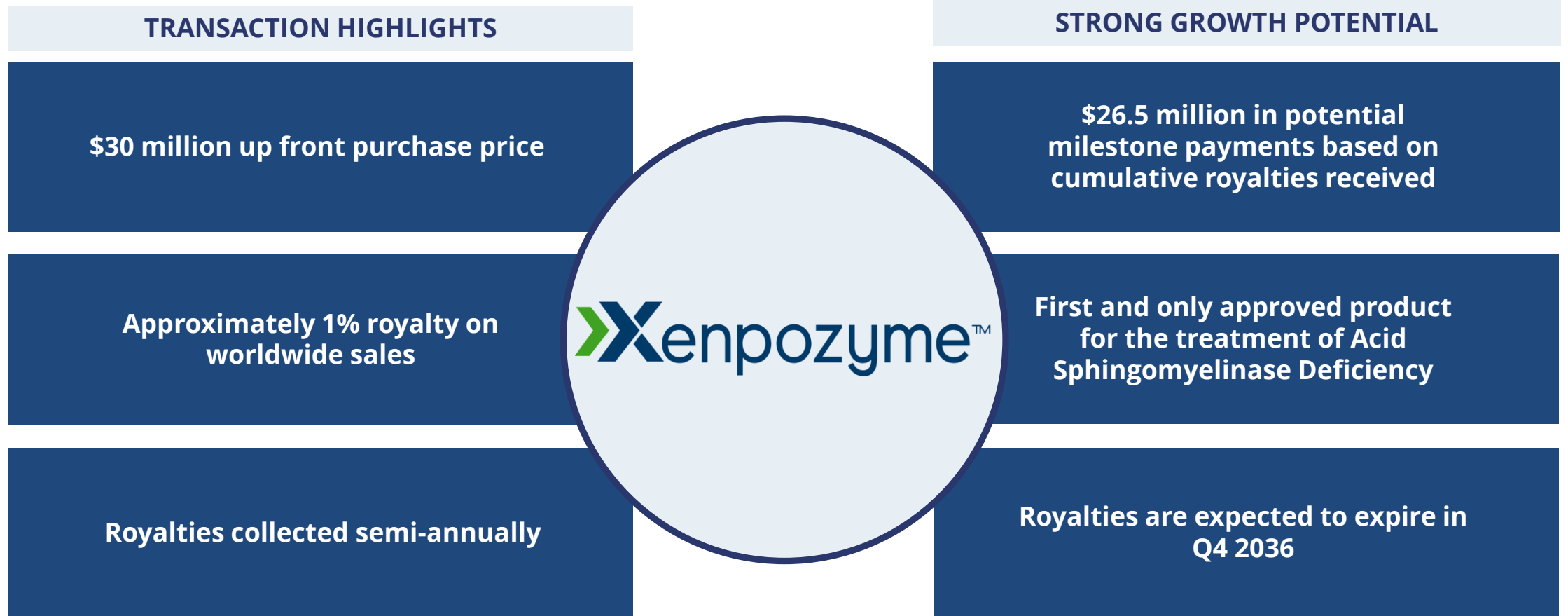
[ir@drihealthcare.com](mailto:ir@drihealthcare.com)

# **DRI HEALTHCARE**

## **Appendix – Deal Summaries**



# Xenpozyme royalty transaction



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

# Omidria royalty transaction

## TRANSACTION HIGHLIGHTS

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

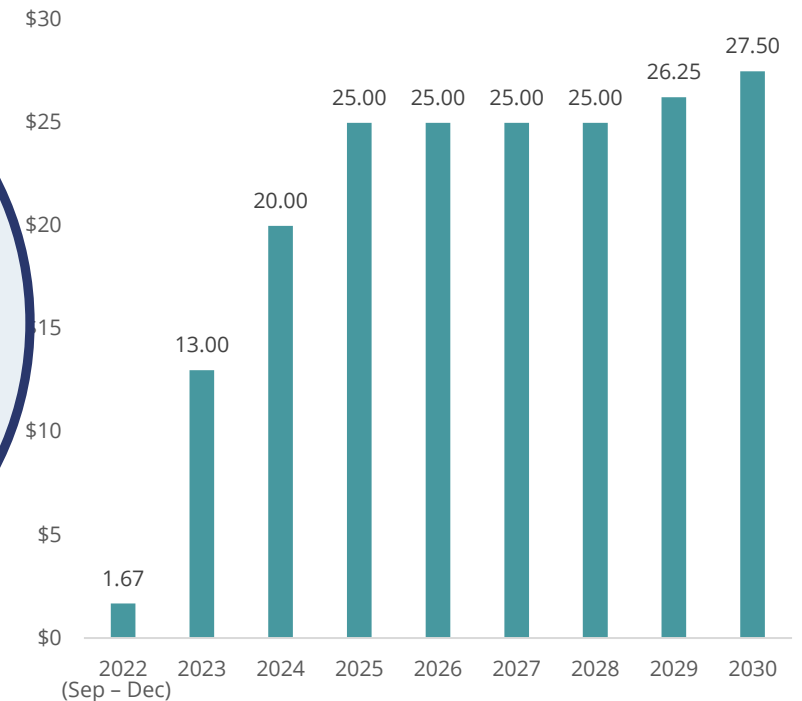
**Approved for intracameral use during cataract surgery or intraocular lens replacement**

**Marketed by Rayner Surgical with royalties collected monthly**



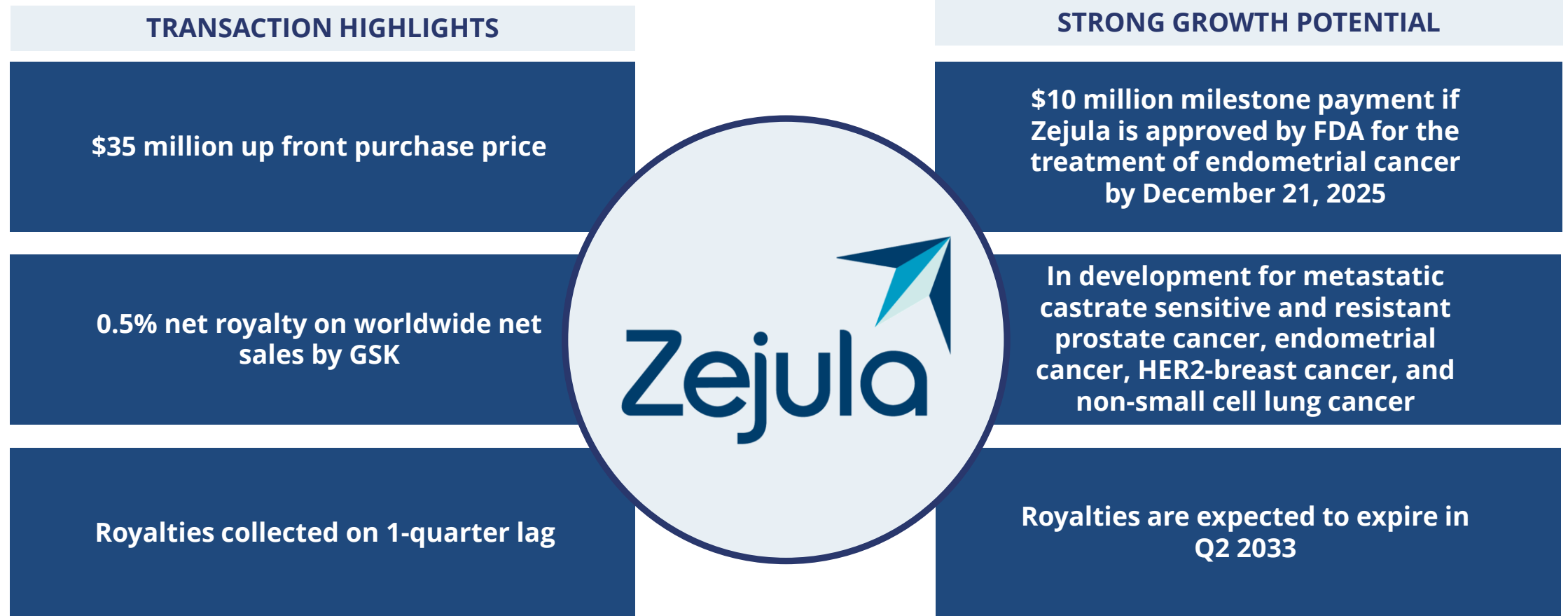
## STRUCTURED GROWTH

Annual Royalty Receipt Caps (\$M)



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

# Zejula royalty transaction



Multiple indications in development represent a pipeline in a product

# Empaveli royalty transaction

## TRANSACTION HIGHLIGHTS

**\$28.2 million purchase price<sup>1</sup> plus a \$4.0 million potential milestone payment**

**<1% royalty on worldwide net sales up to \$500 million per annum**

**Option to increase the annual sales cap to \$1.1 billion in return for a one-time payment of \$21 million<sup>2</sup>**



## STRONG GROWTH POTENTIAL

**Represents a significant advancement in the standard of care for Paroxysmal Nocturnal Hemoglobinuria**

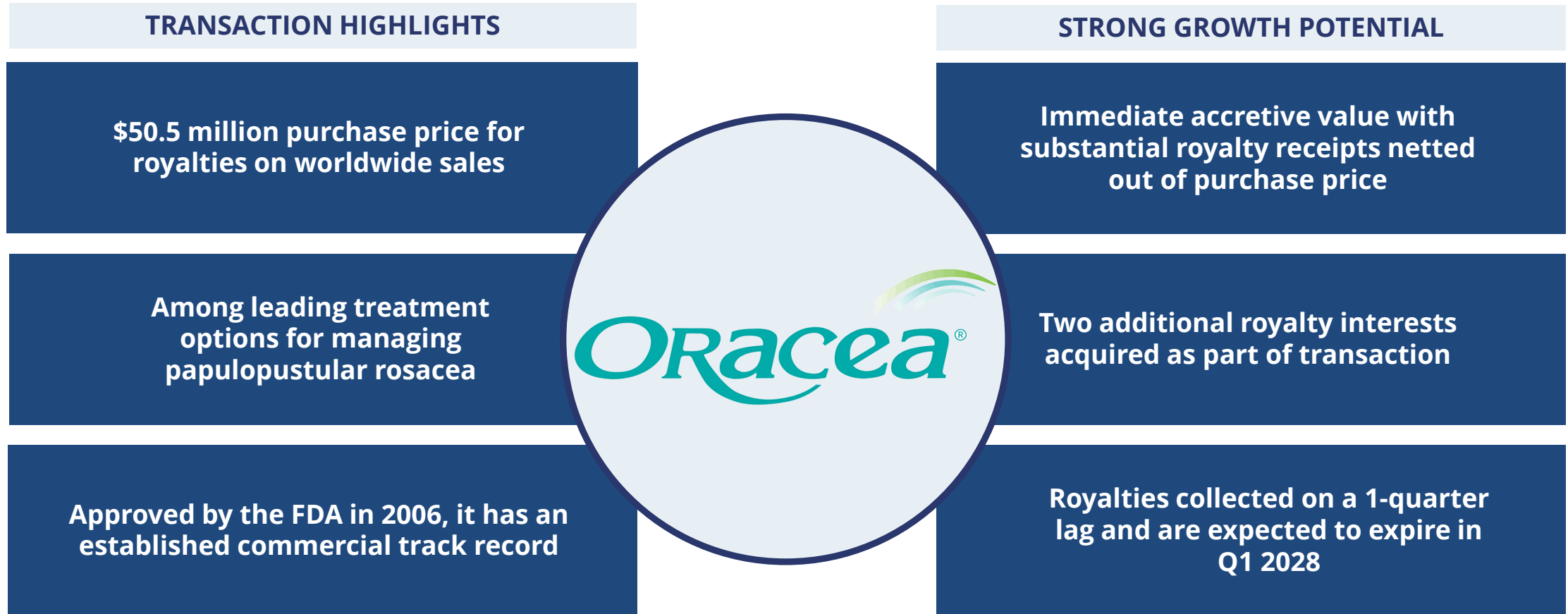
**Approved as the first and only approved treatment for Geographic Atrophy in February 2023**

**In development for pipeline indications including Cold Agglutinin Disease and C3 Glomerulopathy**

Long-term horizon and attractive growth prospects

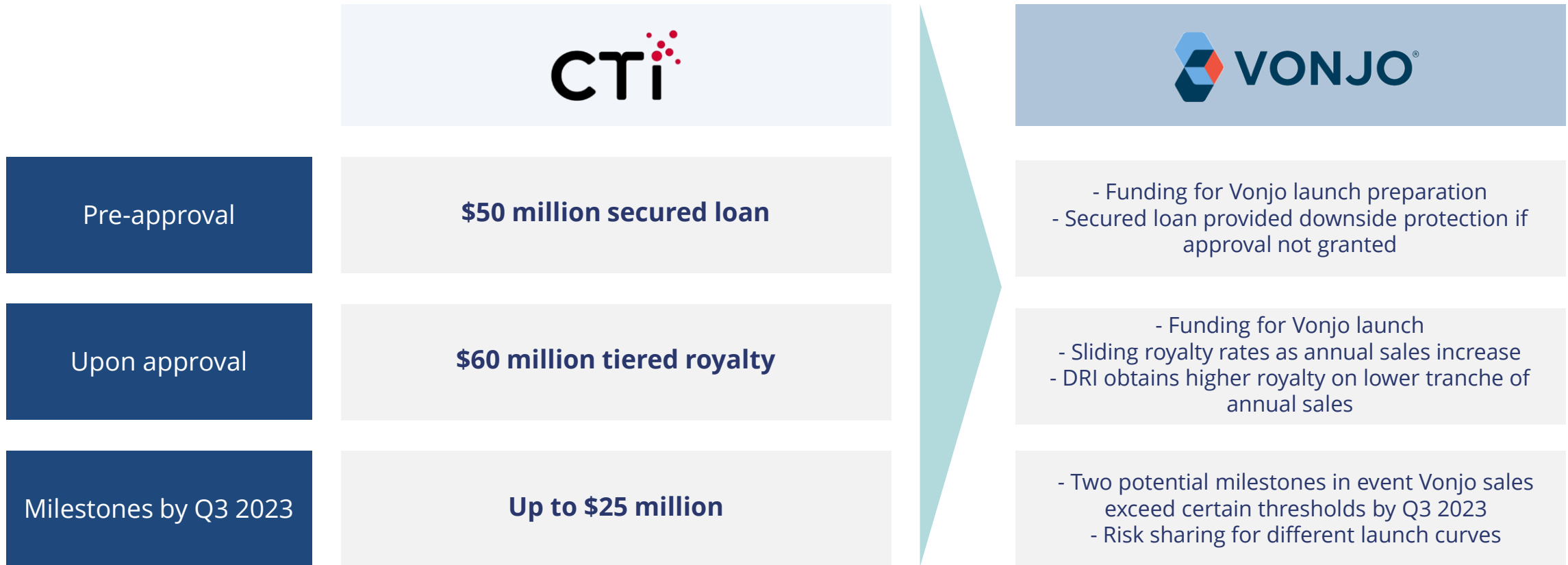


# Oracea royalty transaction



Strong cash flows generate immediate revenues

# Deal structure case study: CTI BioPharma / Vonjo



Proven ability to provide flexibility in deal structuring while managing risk