

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

# DRIHEALTHCARE

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

# ADVANCING SCIENCE

in the Fast-Growing Pharmaceutical and Biotechnology Sector

April 17, 2024

# Disclaimer

This presentation has been prepared by DRI Healthcare Trust (the “Trust”). The Trust is an unincorporated open-ended trust governed by the laws of the Province of Ontario, Canada and is externally managed by DRI Capital Inc. (“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 Healthcare. The predecessor of DRI Healthcare was founded in 1989. Any references to employees or historical figures prior to the IPO refer to those of DRI Healthcare. This document includes information regarding the historical performance of private funds managed by DRI Healthcare, and is not indicative of future results.

## **Cautionary Note Regarding Forward-Looking Information**

This presentation, including responses to questions related thereto, may contain “forward-looking information” within the meaning of, and made pursuant to the “safe harbor” provisions of, Canadian provincial securities laws. Statements that contain forward-looking information are predictive in nature, depend upon or refer to future events or conditions, and include, but are not limited to, statements which reflect management’s current opinions, estimates and assumptions regarding the operations, business, investment opportunities, the profitability and availability of royalty investments, results, performance, financial position and compounding of cash flow, expected financial results, priorities, objectives, strategies, prospects, pipeline, capital management and both short- and long-term outlook of the Trust and its subsidiaries, which are based on management’s experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate and reasonable in the circumstances. Statements containing forward-looking information are typically identified by words such as “guidance,” “target,” “project,” “assumes,” “seek,” “objective,” “outlook,” “commitment,” “believe,” “expect,” “will,” and other similar expressions.

Despite careful consideration and review of the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct, and undue reliance should not be placed on such statements. Forward-looking information is subject to known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results to materially differ from those depicted or implied by such information, including but not limited to the risk factors or assumptions identified in the Trust’s most recent Management’s Discussion and Analysis (“MD&A”), under “Risk Factors” in the Trust’s most recent Annual Information Form, and in the Trust’s other filings with Canadian securities regulators available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The forward-looking information contained in this presentation represents management’s expectations as of the date of this presentation, and are subject to change after such date. Except as may be required by applicable securities laws, the Trust does not undertake any obligation to update or revise any statement containing forward-looking information in this presentation, whether as a result of new information, future events or otherwise.

## **Non-GAAP Measures and Ratios**

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 the International Financial Reporting Standards (“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 the 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. See “Financial Review: Non-GAAP Financial Measures” in the MD&A, which includes a reconciliation of IFRS to non-GAAP measures.

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

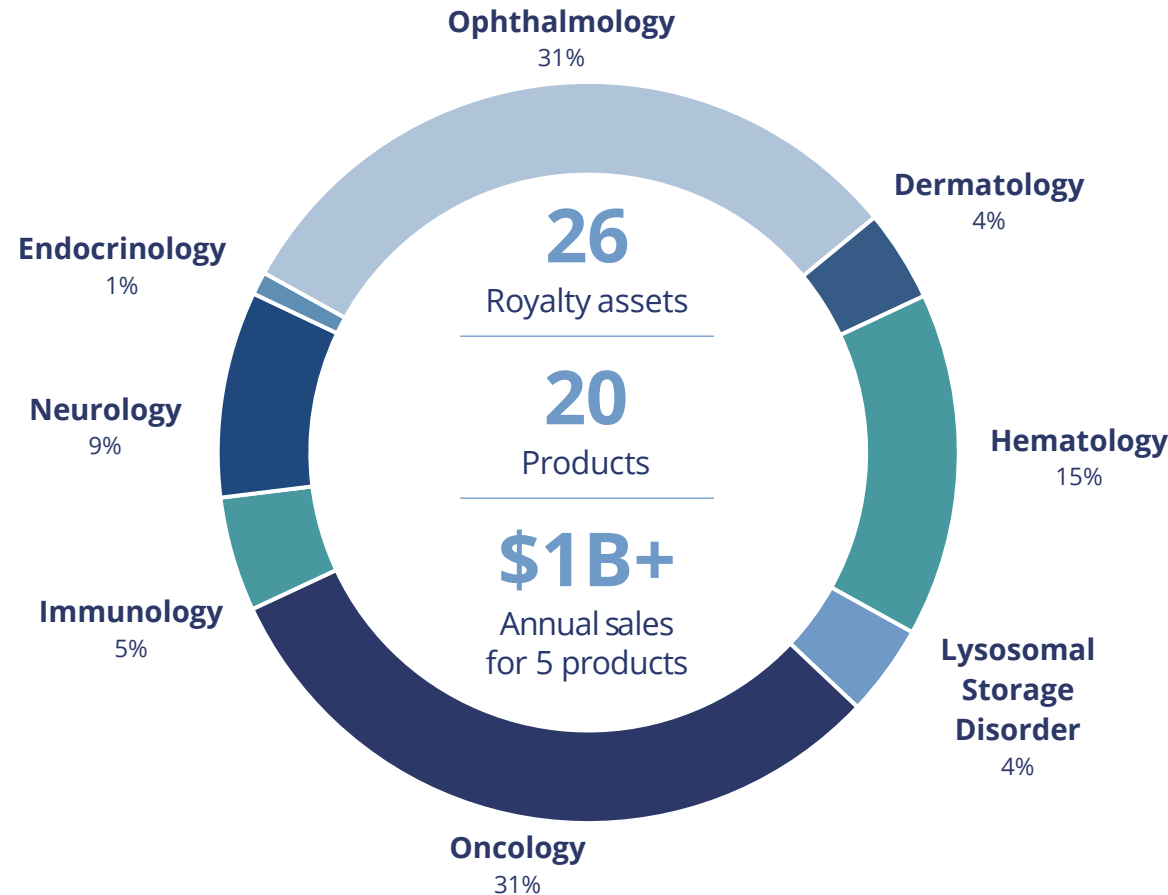
# Seeks to provide low risk exposure to rapid biopharma growth

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

**\$3.0B+<sup>1</sup>**  
Capital deployed

**74<sup>1</sup>**  
Royalty acquisitions

**7,500+**  
Royalty opportunities in  
proprietary database



Therapeutic area allocation based on net book value pro-forma as at December 31, 2023<sup>4</sup>

For the year ended December 31, 2023

**\$166M**  
Total Income

**\$113M**  
Adjusted EBITDA<sup>2</sup>

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

**\$881M<sup>3</sup>**  
Capital deployed  
since IPO

## Diverse portfolio with large pharmaceutical company characteristics

1. Historical data includes activities prior to establishment of the Trust in February 2021.
2. Adjusted EBITDA is a non-GAAP measure and Adjusted EBITDA Margin is a non-GAAP ratio. See "Financial Review: Non-GAAP Financial Measures" in our MD&A, which includes a reconciliation of IFRS to non-GAAP measures.
3. Excludes \$106 million in potential additional deployment in milestones.
4. The net book value of \$706,105 as at December 31, 2023, on a pro-forma basis, reflects the \$115,000 purchase price of the royalty expansion transaction from Omeros Corporation on February 1, 2024.

# Investment Highlights

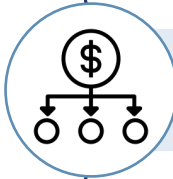


Founded in 1989, **DRI Healthcare is the pioneer of and a global leader** in healthcare royalty investing

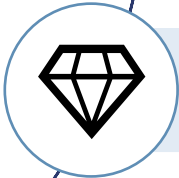


DRI Healthcare believes it is well positioned to capitalize on generational industry growth delivering attractive **uncorrelated cash flows**

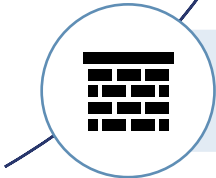
**DRI HEALTHCARE**



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



Potential for high margin value opportunity on **self-liquidating asset** class generating quarterly cash flows



Decades-long industry relationships and highly specialized investment capabilities create **strong barriers to entry**

# Experienced and engaged team



**Behzad Khosrowshahi**  
Chief Executive Officer

*22 years with  
DRI Healthcare*



**Navin Jacob**  
EVP & Chief Investment  
Officer

*2 years with  
DRI Healthcare*



**Chris Anastasopoulos**  
EVP & Chief Financial  
Officer

*8 years with  
DRI Healthcare*



**Ali Hedayat**  
Board Member / Investment  
Committee Member

*18 years with  
DRI Healthcare*



**Babak Farahmand**  
EVP, Asset Operations  
and Analytics

*13 years with  
DRI Healthcare*



**Heather Pals**  
General Counsel & Chief  
Compliance Officer

*3 years with  
DRI Healthcare*



**David Plow**  
Chief of Staff

*9 years with  
DRI Healthcare*

## INVESTMENT TEAM

**15** Financial, legal and healthcare  
related investing team members

## STAFF

**39** Professional team members located  
across Canada and the US

## GENDER DIVERSITY

**46%** Percentage of women at  
DRI Healthcare

Retaining top-tier talent is key to our long-term success

# 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<sup>1</sup> over three funds since 2006

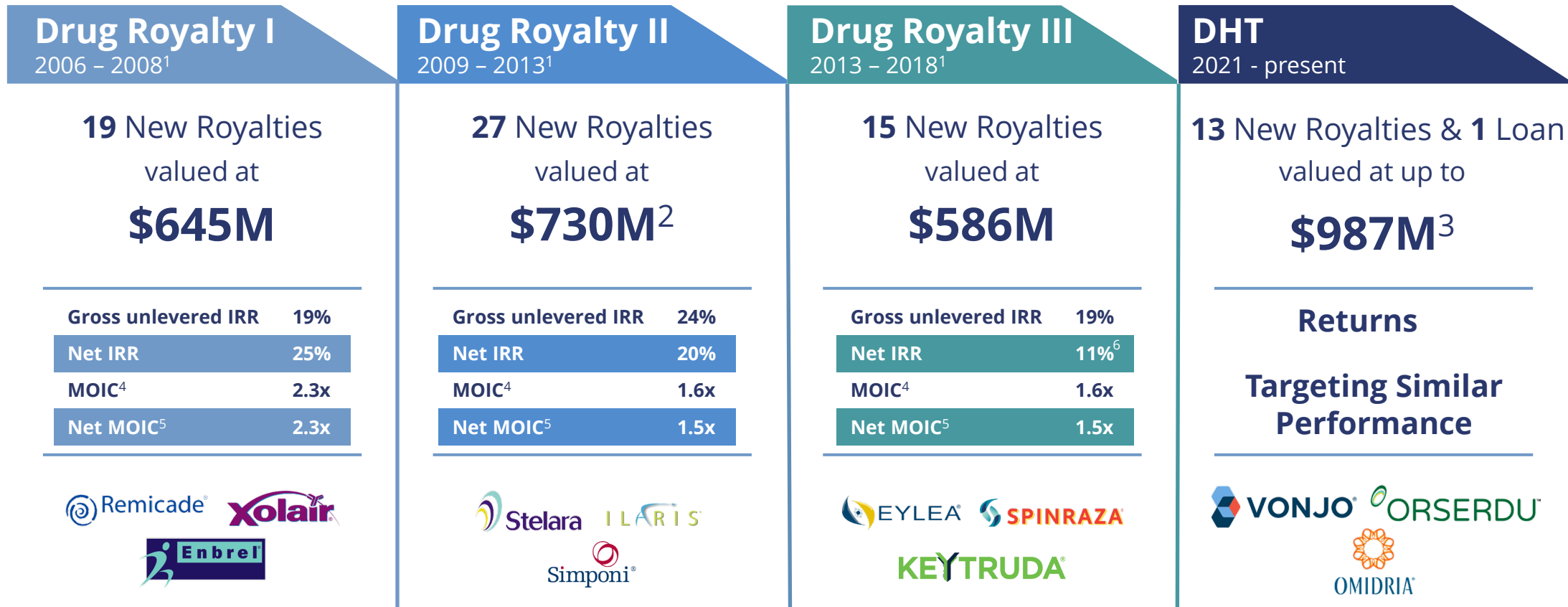
## 3 Proactive sourcing

proprietary database tracking royalties on more than 2,500 drugs worldwide combined with deep industry relationships developed over our 35-year history

## 4 Strong execution

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

# Track record of delivering growth and value



Consistent track record of efficient capital deployment at high returns

1. These private funds were managed by DRI Healthcare.  
 2. Includes \$82 million in capital deployed via co-investments through Drug Royalty II CIF. Gross and net IRR for Drug Royalty II CIF were 19% and 16%, respectively.  
 3. Includes a \$4 million potential milestone payment for Empaveli/Syfovre, a \$10 million potential milestone payment for Zejula, up to \$26.5 million in potential milestone payments for Xenpозyme, a \$10 million potential milestone payment for Orserdu II, and up to \$55 million in potential milestone payments for Omidria.  
 4. Gross unlevered multiple of invested capital ("MOIC"). Gross unlevered multiple is the ratio of (i) aggregate royalty receipts divided by (ii) the purchase price excluding deal costs. See "Appendix - Industry Metrics and Ratios" at the end of this presentation.  
 5. Net multiple is the ratio of (i) equity distributions to investors divided by (ii) equity contributions from investors. See "Appendix - Industry Metrics and Ratios" at the end of this presentation.  
 6. Net IRR on Drug Royalty III was impacted by asset prices during deployment and decreased use of leverage. See "Appendix - Industry Metrics and Ratios" at the end of this presentation.

# Delivering on our long-term objectives

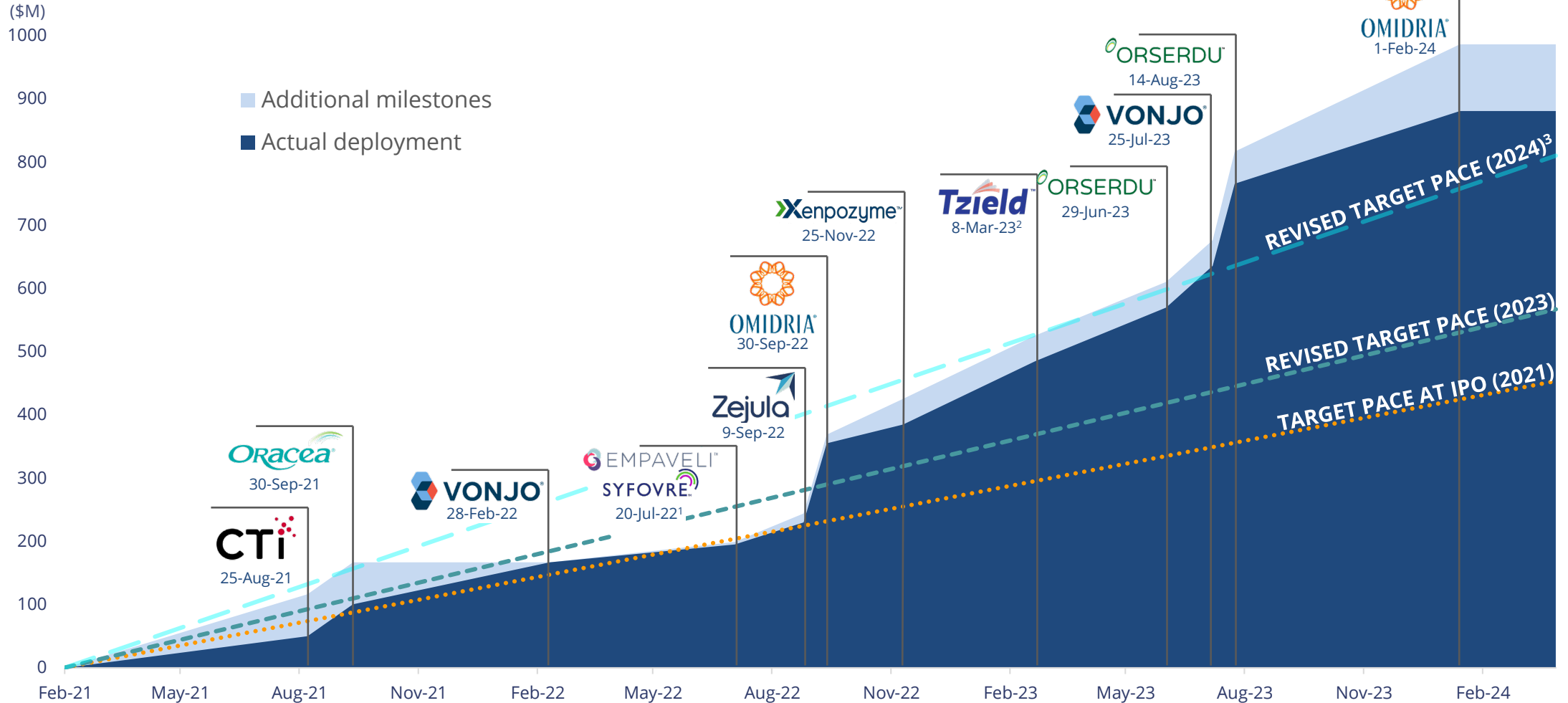
	Guidance at IPO (Feb 2021)	Guidance Today
Capital deployment target	Initial target of \$650 – 750 million over 5 years	Raised deployment target to over \$1.25 billion over 5 years <sup>1</sup>
Sustainable cash generation	Declining cash curve due to expected asset expiries	High-teens royalty income CAGR through 2025 and mid- to high-single digit royalty income CAGR through 2030 <i>(excluding any new transactions)</i>
Portfolio duration	8 years	>10 years
Capital resources	IPO proceeds and debt capacity	Equity offering proceeds and attractive credit facilities with compounding effect of cash flows

Focus on building long-term and sustainable strategic growth

1. Statements regarding the Trust's outlook over 5 years 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.



# Current deployment exceeds targets



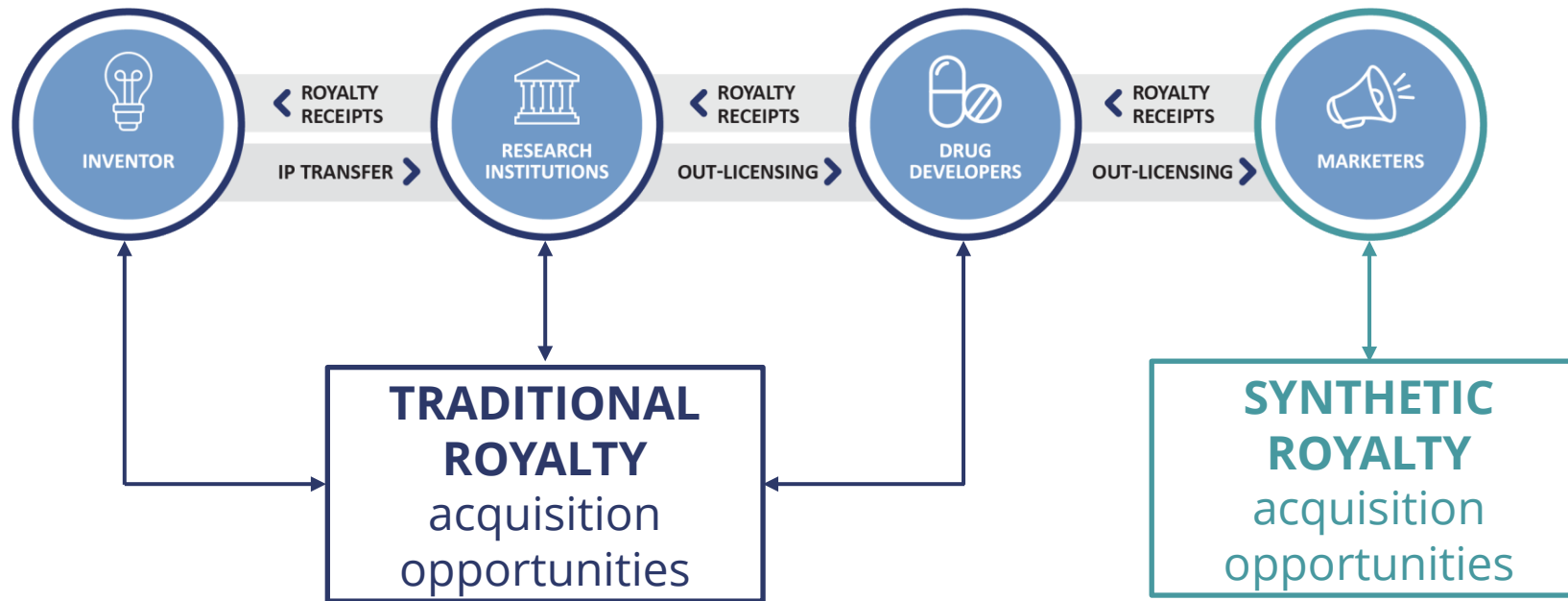
Deployment pace and need for capital by counterparties → 5 year deployment target increased to over \$1.25 billion<sup>3</sup>

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.

# Pharmaceutical royalty model



## Each constituent sells royalties for different reasons

### Inventors

sell royalties for tax planning and philanthropic reasons

### Academic institutions

sell royalties to offset budget shortfalls or to fund large capital projects

### Drug developers

sell royalties to fund R&D programs or divest of a non-core asset

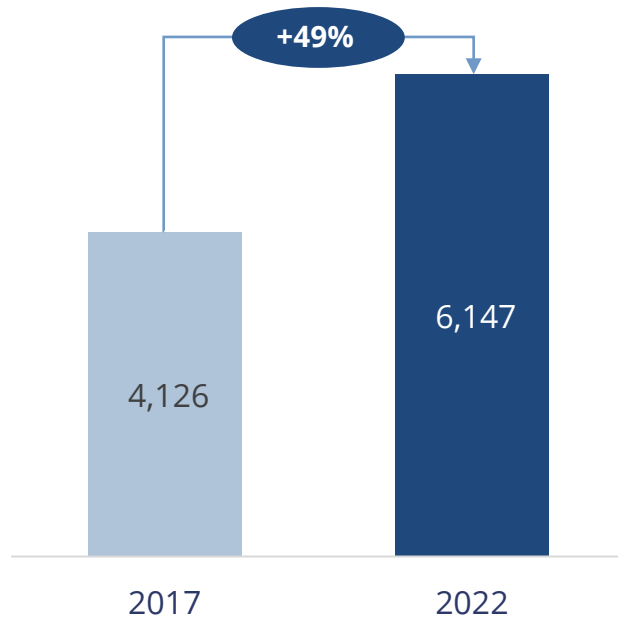
### Drug marketers

create synthetic royalties as an alternative form of non-dilutive financing

DRI sources deals from all parties along the drug development value chain

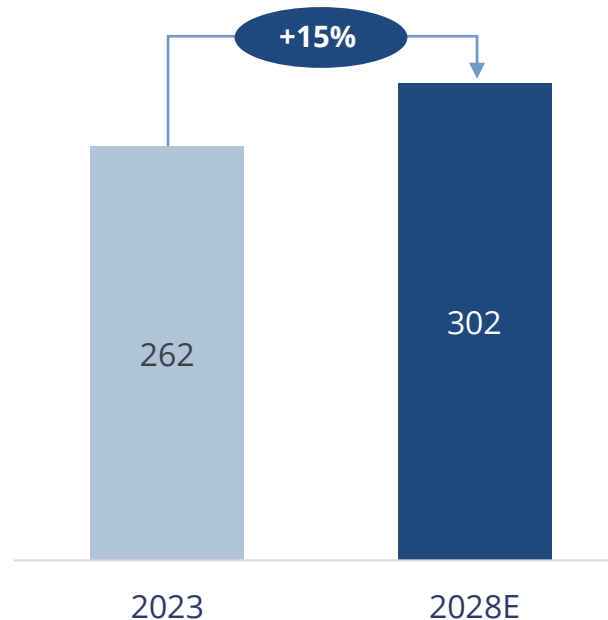
# Long-term drivers support royalty financing growth

**Growth of Biopharma clinical pipeline<sup>1</sup>**



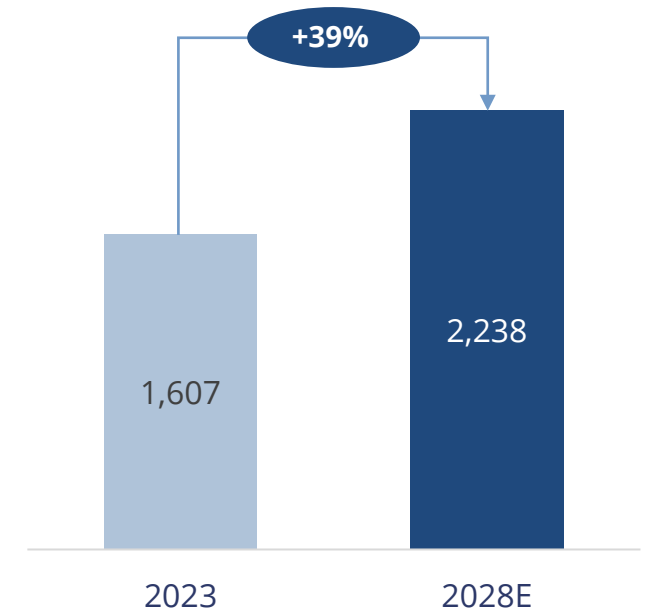
- Genomics
- Molecular diagnostics
- Data science

**Projected Growth of Worldwide Biopharma R&D Spend (\$B)<sup>2</sup>**



- Pace of innovation
- Complex modalities
- Real-world outcomes

**Projected Growth of Worldwide Medicine Spend (\$B)<sup>3</sup>**



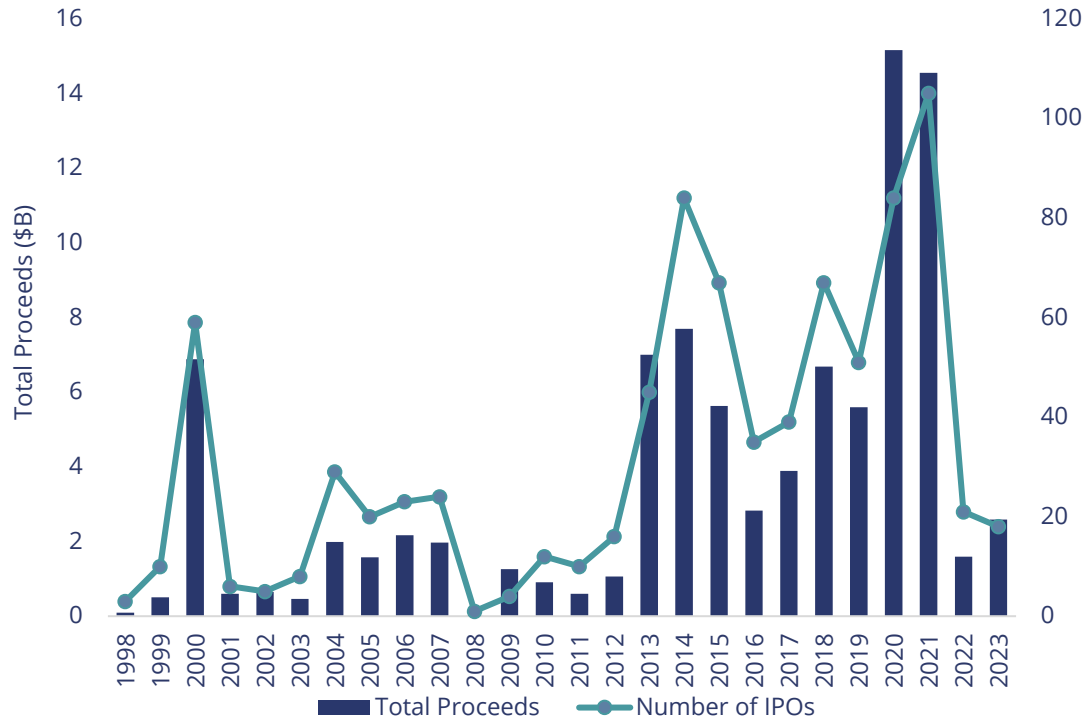
- Specialty medicines
- Aging population
- Emerging markets

Growing capital needs to develop novel drugs bolsters our pipeline

1. Source: IQVIA Global Trends in R&D 2023, February 2023.  
 2. Source: Evaluate Pharma World Preview 2023: Pharma's Age of Uncertainty, August 2023.  
 3. Source: IQVIA Global Use of Medicines 2024, Outlook to 2028, January 2024.

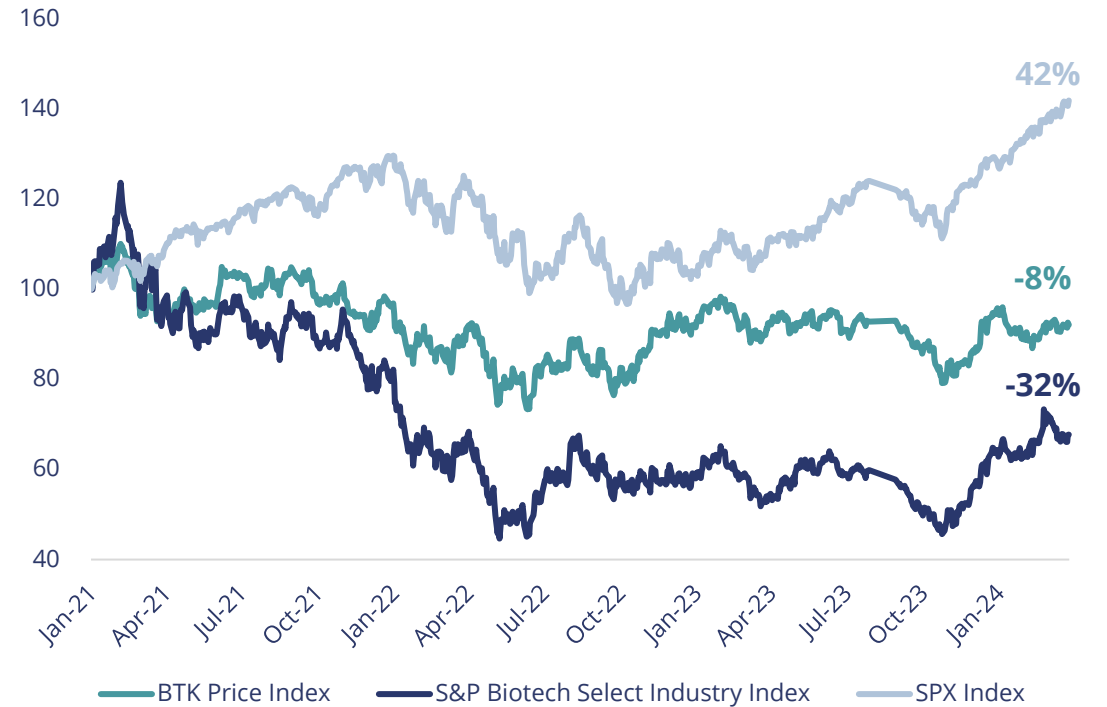
# State of the biotech market

## Biotech IPOs<sup>1</sup>



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

## Biotech Equities Performance<sup>2</sup>



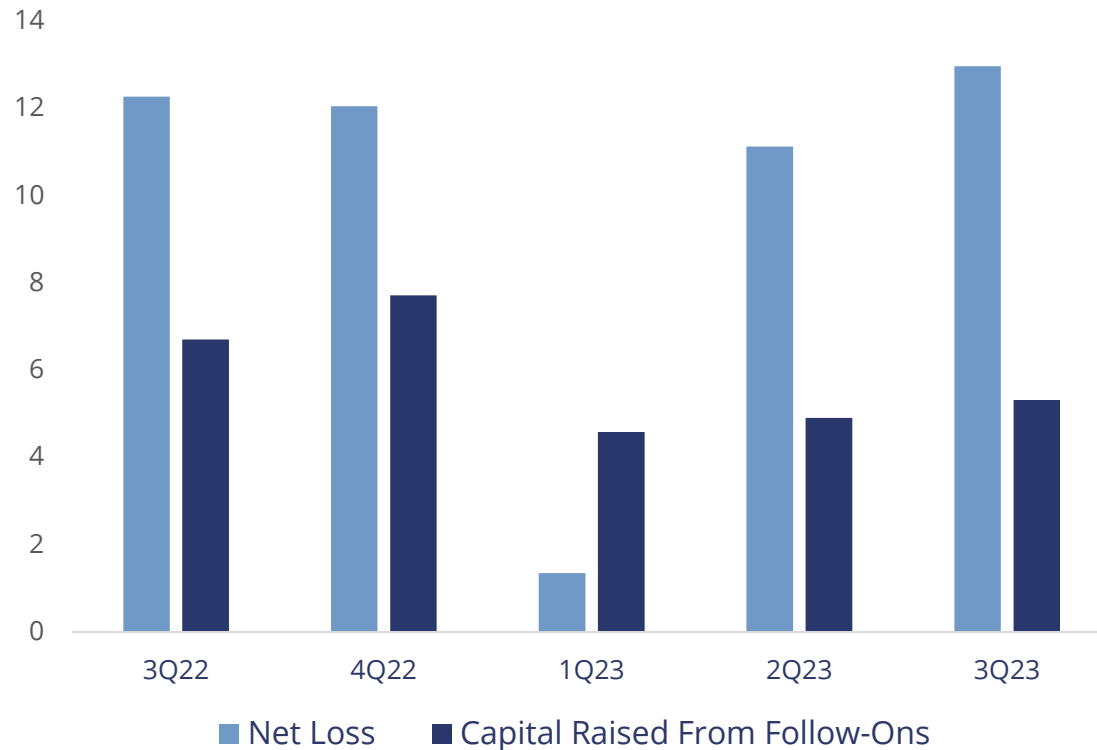
**Struggling equity capital markets for biotechs**

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

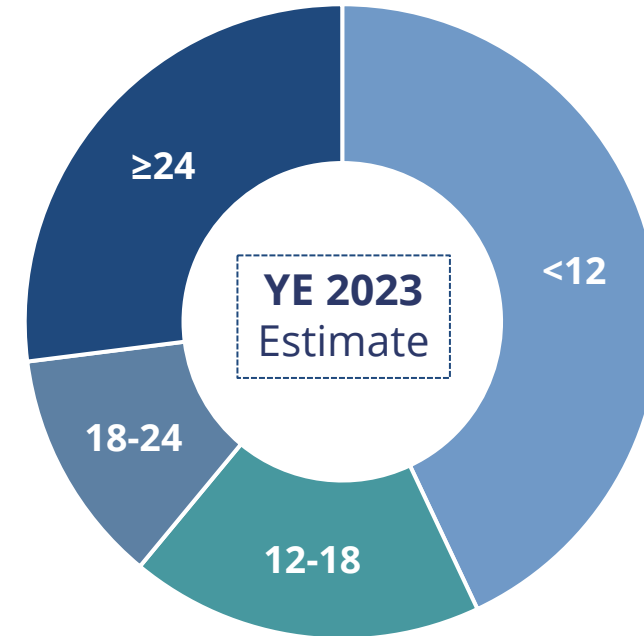
1. Source: Jefferies Biotechnology IPO Screens, January 2024.  
 2. Source: TSX InfoSuite as of April 1, 2024. See "Appendix B - Industry Metrics and Ratios" at the end of this presentation.

# US SMID biotechs' limited cash reserves

Net Loss vs. Capital Raised (\$B)<sup>1</sup>



Cash Runway for Unprofitable NASDAQ Biotechs<sup>2</sup>



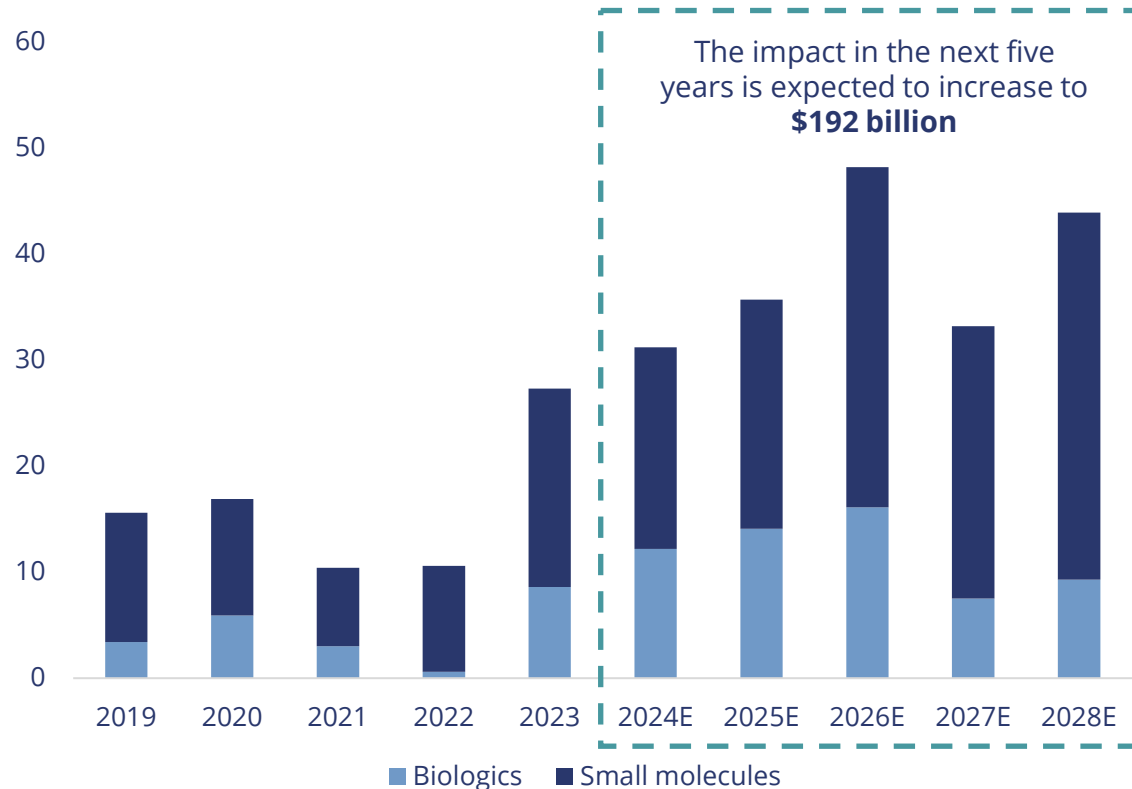
- 43% have cash runway of less than 12 months
- 30% have cash runway between 12-24 months
- Only 27% have cash runway 24 months or more

Tightening cash reserves highlight need to seek royalty-based financing

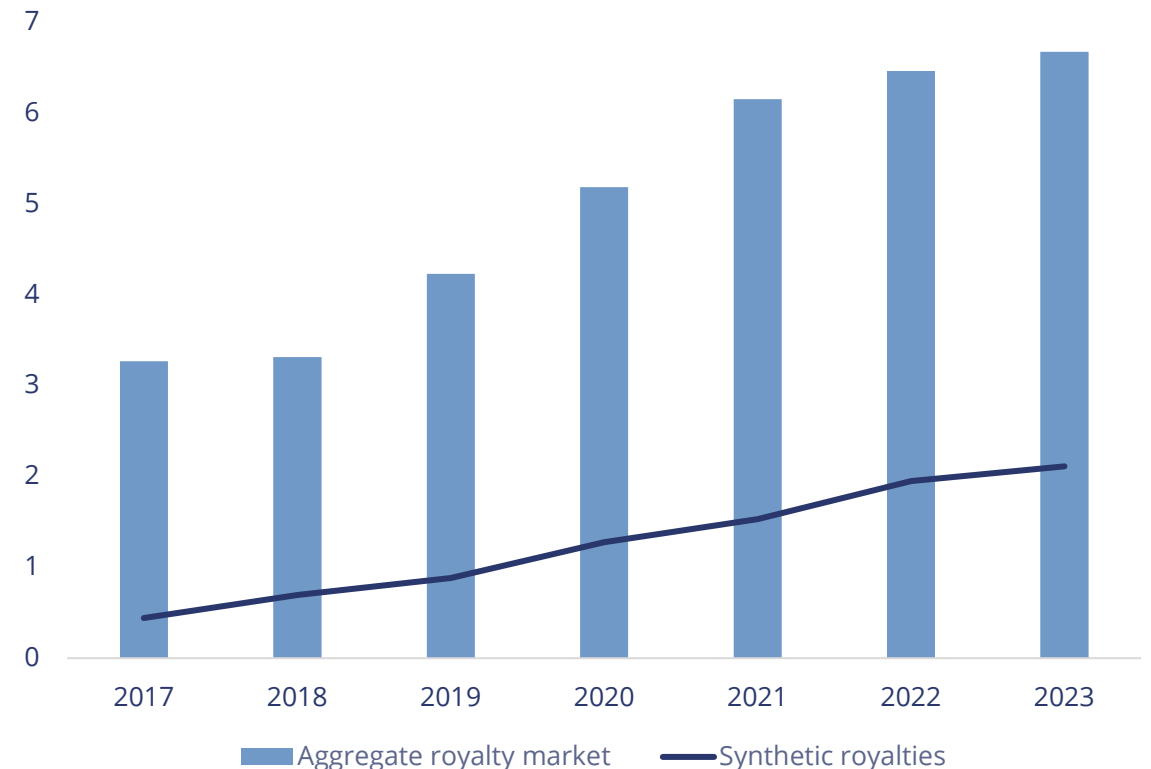
1. Source: Mizuho Securities, Q323 Analysis of Cash Runway and Differential, November 30, 2023  
 2. Source: BioCentury, The year of biotech's recovery, January 12, 2024

# Loss of exclusivity fuels business development and expands royalty opportunity set

Revenue loss from pending loss of exclusivity (\$B)<sup>1</sup>



Trailing three-year average value of transactions (\$B)<sup>2</sup>



Pharma companies seek new drugs via business development to fill patent cliff, creating new royalty opportunities

1. Source: IQVIA Global Use of Medicines 2024, Outlook to 2028, January 2024 .  
 2. Source: Internal database. Includes royalty related monetization transactions across the ecosystem (inventor, academic/non-profit, biotech and pharma).

# Robust pipeline

\$3.7 billion in opportunities<sup>1</sup>

Address important unmet needs with life-changing therapies for patients

Marketed by leading biotech or biopharma companies









Provides strong intellectual property and regulatory protection

Further portfolio diversification and extension with attractive returns

All deals in the pipeline meet or exceed DRI Healthcare's strict investment criteria

1. As of Q4 2023 earnings call on February 29, 2024.

# Proven track record of closing accretive transactions

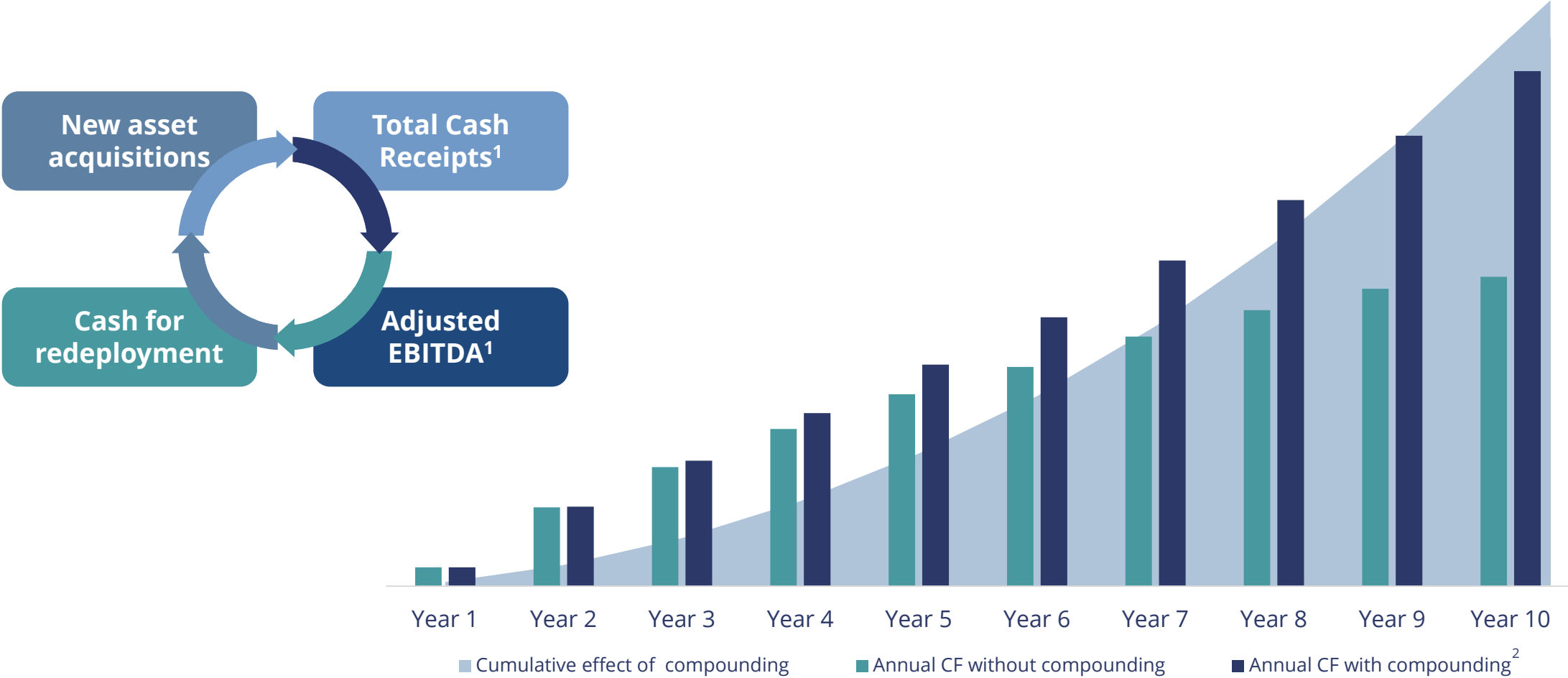
	Investment Thesis	Transaction Size	
	Uncapped transaction on established product providing cash accretion	\$125 million	Up to \$170 million <sup>1</sup>
	Newly approved and first in class oncology product with uncapped growth potential	\$85 million	Up to \$140 million <sup>2</sup>
	High-quality oncology product with strong growth potential	Up to \$135 million <sup>3</sup>	\$66 million <sup>4</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	
	High-quality oncology product with multiple pipeline indications	\$35.0 million + \$10.0 million potential milestone	
	Hematology and ophthalmology products with long-term horizon and attractive growth prospects	\$28.2 million <sup>5</sup> + \$4.0 million potential milestone	
	Dermatology product with existing commercial track record	\$50.5 million	

Completed twelve transactions since IPO totaling up to \$987 million, with \$881 million deployed to date

1. Represents the expansion of the royalty entitlement on the US net sales of Omidria from Omeros Corp. that closed on February 1, 2024.
2. Represents a second royalty on Orserdu acquired from Radius Health, Inc. on August 14, 2023.
3. 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. The conditions required for the second milestone payment of \$18.5 million were not met by the end of the third quarter and the additional milestone payment was not made. 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.
4. Represents a second royalty on Vonjo acquired from S\*Bio Pte Ltd on July 25, 2023.
5. Includes \$24.5 million royalty acquired on July 21, 2022 and \$3.7 million royalty acquired from a separate counterparty on April 3, 2023.



# Positive effect of compounding of cash flows

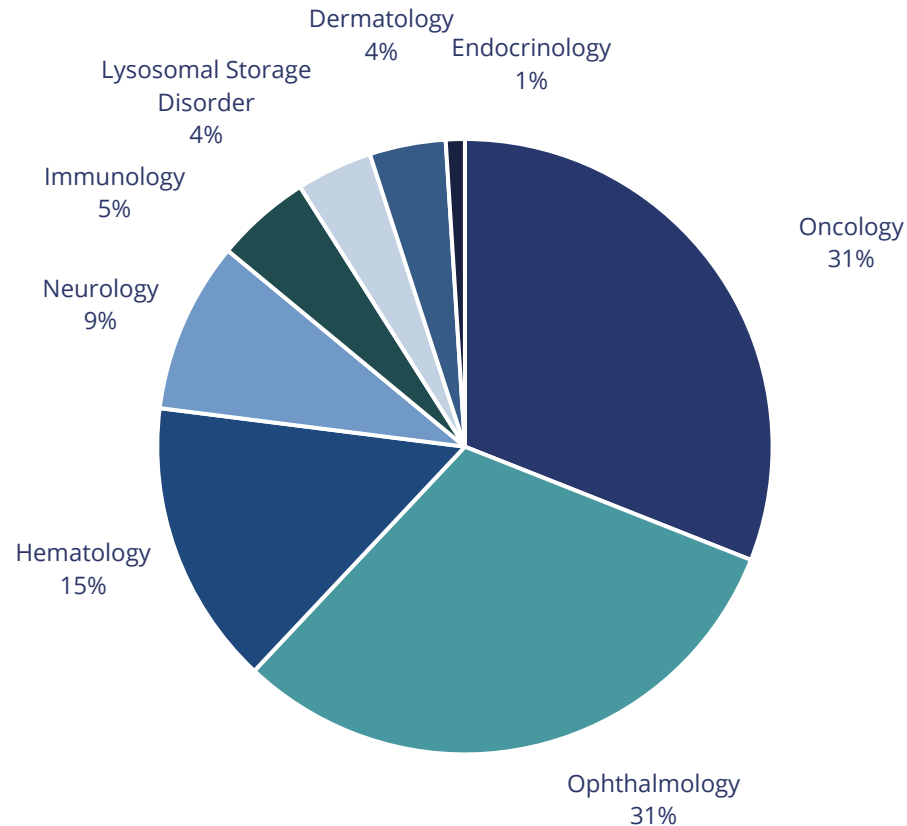


## Virtuous cycle of growing returns and reinvestment

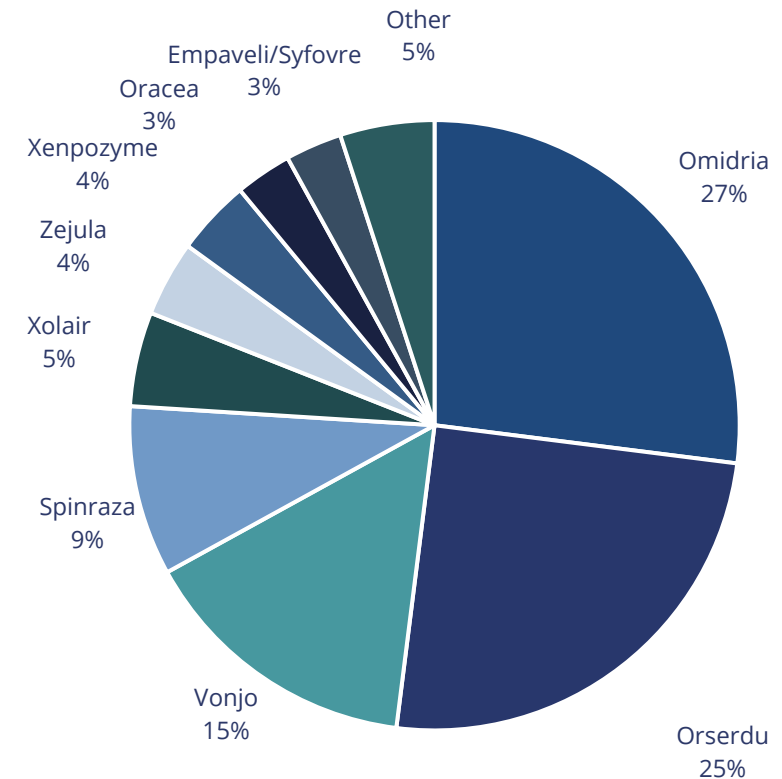
1. Total Cash Receipts and Adjusted EBITDA are non-GAAP measures. See "Financial Review: Non-GAAP Financial Measures" in our MD&A, for a reconciliation of IFRS to non-GAAP measures.  
 2. The above chart is for illustrative purposes only to depict the effect of reinvesting cash flow over time. The chart was generated using a typical deal cash flow profile based on a historical analysis of DRI Healthcare's internal database of royalty transactions. Key assumptions include original transaction funded with a mix of debt and equity, with interest rate expense, management fees, and other operating costs factored in.

# Robust diversified portfolio

By Therapeutic Area<sup>1</sup>



By Product<sup>1</sup>



No individual product accounts for more than 27% of net book value

1. Net book value is calculated pro-forma as at December 31, 2023, which reflects the \$115,000 purchase price of the royalty expansion transaction from Omeros Corporation on February 1, 2024.

# Preferred security refinancing

## Transaction rationale

### Scale

Refinancing advisable given strong growth of the Trust since February 2023 private placement

### Simplicity

Single class of preferred securities creates a cleaner mezzanine tier of our capital structure

### Reduced dilution

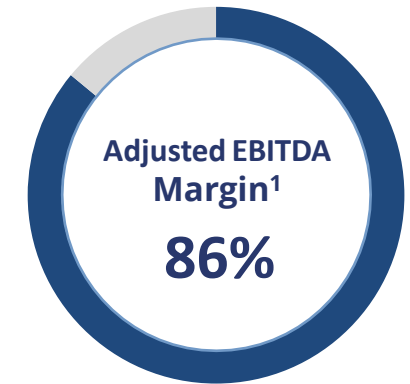
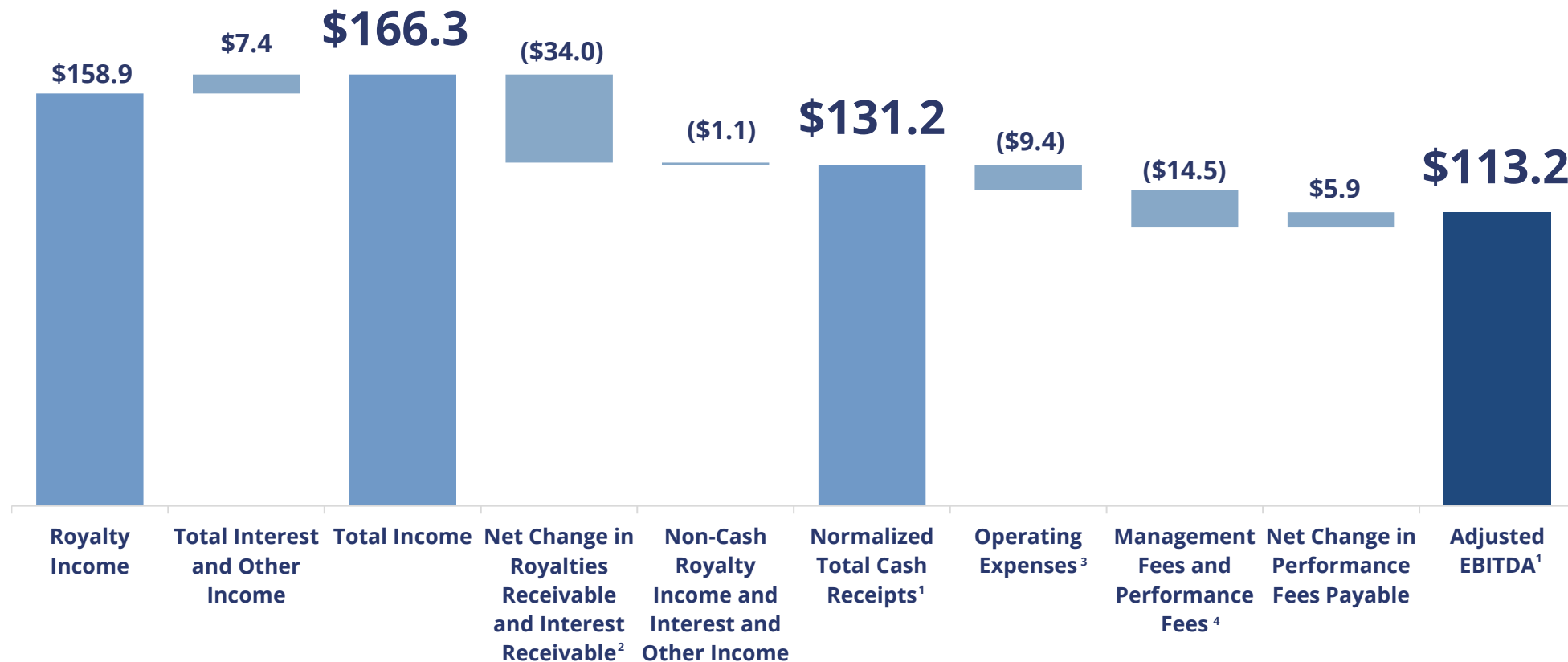
Replaces in-the-money warrants with out-of-the money warrants

<b>Transaction</b>	<ul style="list-style-type: none"> <li>Replaces US\$114.76 million principal amount of Series A and Series B preferred securities and approximately 6.4 million warrants with US\$135.2 million principal amount of new Series C preferred securities and approximately 1.7 million new warrants</li> </ul>
<b>Maturity</b>	<ul style="list-style-type: none"> <li>April 2074</li> </ul>
<b>Redemption</b>	<ul style="list-style-type: none"> <li>Redeemable by the Trust at par, plus accrued and unpaid interest, on or after April 30, 2029</li> </ul>
<b>Coupon</b>	<ul style="list-style-type: none"> <li>7.50%</li> <li>Will result in only slight increase of cash interest liability</li> <li>Coupon escalates to 10% on April 30, 2029, and by an additional 1.5% per annum thereafter, up to a specified cap, if not otherwise redeemed</li> </ul>
<b>Warrants</b>	<ul style="list-style-type: none"> <li>1,749,996 exercisable prior to expiry in April 2029</li> </ul>
<b>Warrant Exercise Price</b>	<ul style="list-style-type: none"> <li>US\$15.00 per Trust unit</li> </ul>

Refinancing replaces Pref A and B securities with Pref C securities and reduces potential dilution by 8.2%

# Strong cash generation

Adjusted EBITDA for the Year Ended December 31, 2023 (\$M)<sup>1</sup>



Cash available to drive portfolio growth and maintain distributions to unitholders

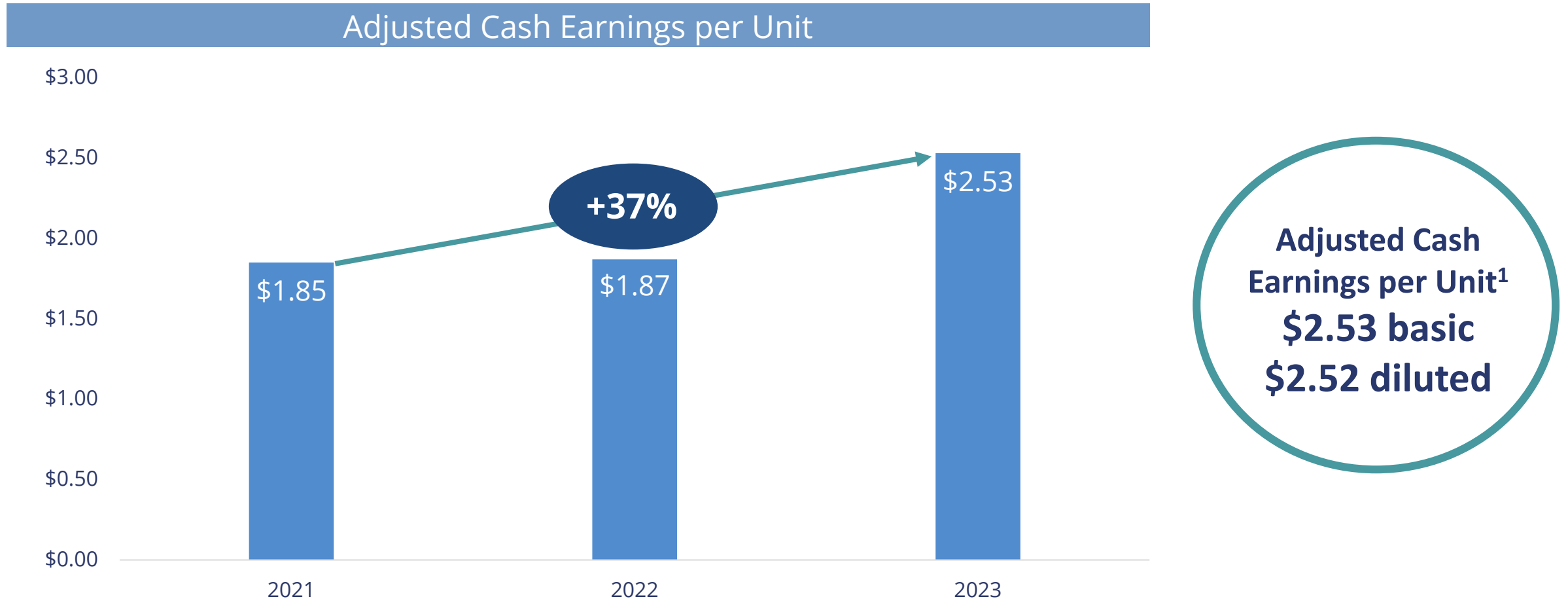
1. Adjusted EBITDA and Normalized Total Cash Receipts are non-GAAP financial measures. Adjusted EBITDA Margin and Adjusted Cash Earnings per Unit are non-GAAP ratios. See "Financial Review: Non-GAAP Financial Measures" in our MD&A, for a reconciliation of IFRS to non-GAAP measures.

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 \$0.8 million related to board of trustee unit-based compensation and \$0.2 million related to amortization of other current assets.

4. Management fees are net of \$13.7 million and performance fees are net of \$18.6 million non-recurring fees related to the Tziel sale.

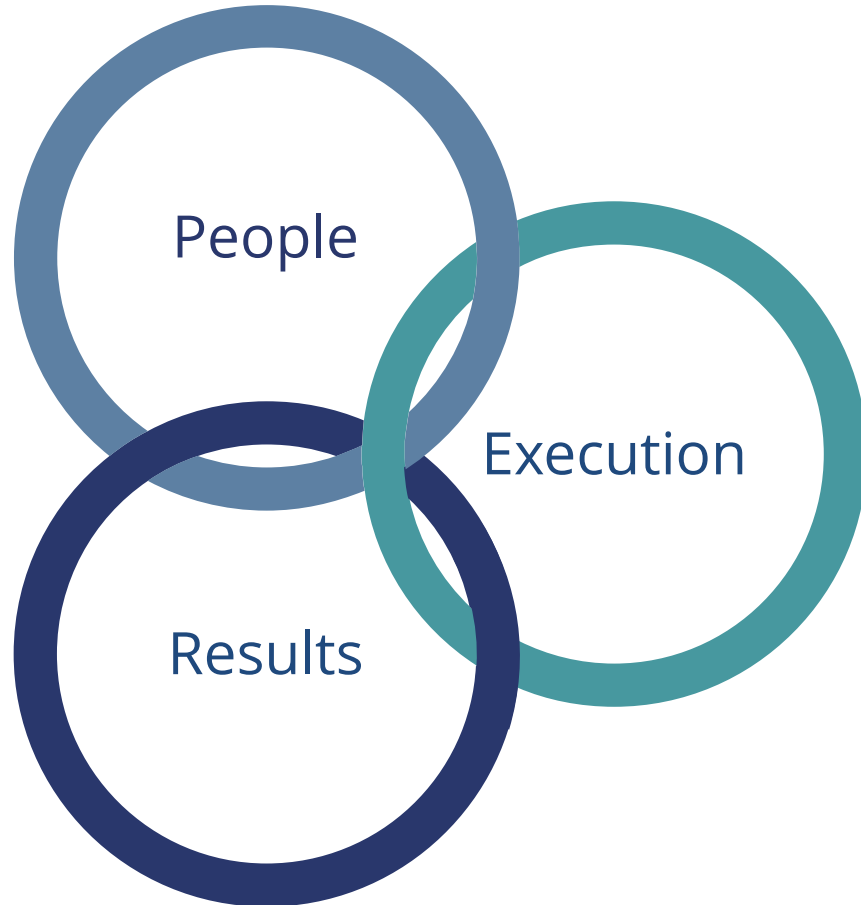
# Sustainable value creation



Strong performance drives accretive value for unitholders

1. Adjusted Cash Earnings per Unit is a non-GAAP ratios. See "Financial Review: Non-GAAP Financial Measures" in our MD&A, for a reconciliation of IFRS to non-GAAP measures.

# 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)

# Appendix – Industry Metrics and Ratios

## Industry Metrics

References in this presentation to a securities index or other benchmark are made for informational purposes only and an investment in the Trust is unlike an investment in an index of securities or the aggregate funds constituting such benchmark. The investment characteristics of such index or benchmarks may differ materially from the Trust, and an investment in the Trust is not comparable to an investment in such an index (or benchmark) or in the securities that comprise the index (or benchmark). The risk/return profile in the index or benchmark is also typically materially different from that of the Trust. The Trust does not trade in any of the securities represented in the index, and the Trust may employ leverage, hedging, and other investment strategies that may not be incorporated in the index. In addition, investing in the Trust is generally subject to expenses, management fees, and performance fees or allocations payable by the Trust, none of which are reflected in the index. Further, the index or benchmark is not necessarily used or selected by the Trust as an appropriate benchmark to compare relative to the performance of the Trust, but rather it is included because the Trust believes it serves as a useful point of comparison and is a well known and widely recognized index or benchmark. The Trust is not managed to track the performance of the index referenced herein.

The **S&P 500 Total Return Index** is calculated based on price changes and reinvested dividends of the S&P 500® index, which includes 500 companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. The index is composed almost entirely of common stocks of companies listed on the New York Stock Exchange (including NYSE Arca and NYSE Amex) and NASDAQ stock market. REITs (excluding mortgage REITs) and business development companies are also eligible for inclusion. Additions to the index must have over \$4 billion in market capitalization, a public float of at least 50%, four consecutive quarters of positive as-reported earnings, adequate liquidity and reasonable price. The S&P 500 Index is an unmanaged, market-value weighted index with each stock's weight in the index proportionate to its market value.

The **BTK Price Index** represents common stocks or American depository receipts of selected companies involved in the biotechnology industry, and listed on the NYSE, NASDAQ, NYSE MKT, or another major U.S. exchange.

The **S&P Biotechnology Select Industry®** represents the biotechnology segment of the S&P Total Market Index ("S&P TMI"). The S&P TMI is designed to track the broad U.S. equity market. The biotechnology segment of the S&P TMI comprises the Biotechnology sub-industry. The Index is modified equal weighted.

The **SPX Index** is Standard and Poor's 500, or commonly known as the S&P 500, is an index that includes 500 leading companies and covers approximately 80% of available market capitalization.

## Ratios

**Gross unlevered multiple** is the ratio of (i) aggregate royalty receipts divided by (ii) the purchase price excluding deal costs. Gross unlevered IRR is the annualized, compounded rate of return based on the purchase price of assets, excluding deal costs, and the royalty receipts generated by those assets. All figures are based on actual cash flows and assume all royalty receipts and purchase price payments during a calendar quarter occur on the last day of that calendar quarter except for the terminal value for Drug Royalty I, Drug Royalty II CIF and Drug Royalty III where the value is recorded on February 19, 2021 based on the proceeds from the sale of the royalty assets to the Trust, and for Drug Royalty II a terminal value is recorded on April 1, 2015 based on an allocation of the proceeds from the sale of that fund.

**Net multiple** is the ratio of (i) equity distributions to investors divided by (ii) equity contributions from investors. The distributions and contributions are based on actual cash flows.

**Net IRR** is the annualized, compounded rate of return of equity contributions from investors and equity distributions to investors, assuming all contributions and distributions during a calendar quarter occur on the last day of that calendar quarter, except for Drug Royalty II where distributions made following the sale of that fund on April 1, 2015 are captured on the exact dates they occurred. For Drug Royalty I, the fiscal year end was (i) November 30 until 2008 and (ii) December 31 from 2009 onwards. The net multiple and net IRR are net of all fees and expenses, including management fees and reflects all debt proceeds, interest and principal payments and hedge settlements.