

DRI Healthcare Trust Reports First Quarter 2022 Results

- Continued strong performance of existing assets and financial results -

- Completion of VONJO™ royalty transaction -

Toronto, Ontario – May 10, 2022 – DRI Healthcare Trust (TSX: DHT.UN/DHT.U) (“DRI” or “the Trust”) today announced its financial results for the quarter ended March 31, 2022. The Trust’s first quarter 2022 financial statements and Management’s Discussion & Analysis (“MD&A”) have been filed on SEDAR (www.sedar.com). All dollar amounts are expressed in U.S. dollars unless otherwise indicated.

“Our successful start to the year was highlighted by the closing of the Vonjo royalty transaction, adding another high quality, growth-oriented asset to our portfolio and demonstrating our ability to build our asset base,” said Behzad Khosrowshahi, Chief Executive Officer of DRI Healthcare Trust. “Our portfolio continued to perform well, providing strong cash flows in the first quarter. In terms of growing our portfolio, we continue to see a robust market producing a strong pipeline of attractive opportunities. With our strong balance sheet at the end of the quarter and the recent increase in our credit facility, we are well-positioned to capitalize on these opportunities and create meaningful value for our unitholders.”

First Quarter Highlights

- Completed the Vonjo royalty transaction deploying US\$60 million;
- Total Income of US\$22.6 million;
- Total Cash Receipts of US\$21.0 million¹;
- Adjusted EBITDA of US\$17.8 million¹;
- Net Earnings and Comprehensive Earnings of US\$5.7 million;
- Adjusted Cash Earnings per Unit (basic and diluted) of US\$0.49^{1,2};
- Net Earnings per Unit (basic and diluted) of US\$0.15²;
- Paid a quarterly cash distribution of US\$0.075 per unit on April 20, 2022; and
- The Trust acquired 477,980 of its own units under its normal course issuer bid (“NCIB”) and received TSX approval to increase the number of units that can be purchased under the NCIB to 2,500,000 units until October 4, 2022.

Subsequent to Quarter End

- On April 20, 2022, the Trust entered into an amended and restated credit agreement increasing total credit facilities to US\$350 million to fund transactions; and
- Today, the board of trustees declared a quarterly cash distribution of US\$0.075 per unit for the second quarter of 2022, which is payable on July 20, 2022 to unitholders of record on June 30, 2022.

¹ Total Cash Receipts and Adjusted EBITDA are non-GAAP financial measures. Adjusted Cash Earnings per Unit is a non-GAAP ratio. These measures are not standardized measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. The reconciliation of these measures can be found later in this press release and in the Trust’s MD&A.

² The weighted average number of basic and diluted units for the three months ended March 31, 2022 were 38,743,644 units and 38,743,769 units, respectively.

Financial Highlights

<i>(thousands of U.S. dollars, except per unit amounts)</i>	Three months ended March 31, 2022	Pro Forma three months ended March 31, 2021¹
Total income	22,625	12,691
Management fees	1,437	883
Amortization expenses	12,775	6,793
Other expenses	2,719	1,824
Net earnings and other comprehensive earnings	5,694	3,191
Earnings per unit – basic ²	0.15	0.17
Earnings per unit – diluted ²	0.15	0.17
Total Cash Receipts/ Pro Forma Total Cash Receipts ^{3,4}	20,952	30,590
Adjusted EBITDA/ Pro Forma Adjusted EBITDA ^{3,4}	17,811	27,963
Adjusted EBITDA Margin/ Pro Forma Adjusted EBITDA Margin ^{3,4}	85 %	91 %
Adjusted Cash Earnings per Unit – Basic ^{2,3}	0.49	0.54
Adjusted Cash Earnings per Unit – Diluted ^{2,3}	0.49	0.54

Asset Performance

As at March 31, 2022, the Trust's portfolio included 18 royalty streams on 14 products that address medically necessary therapeutic areas, such as oncology, rare diseases, ophthalmology, endocrinology, dermatology, autoimmune diseases and vaccines. On March 31, 2022, the royalty asset portfolio had a book value, net of accumulated amortization, of US\$341.2 million, which generated Total Cash Royalty Receipts of US\$19.7 million³ and royalty income of US\$21.3 million during the three months ended March 31, 2022. In addition, the Trust held a loan receivable with a gross principal outstanding balance of US\$50.0 million as at March 31, 2022, which generated interest income and cash interest received of US\$1.3 million in the quarter.

¹ The Trust completed its initial public offering ("IPO") on February 19, 2021. The Trust had no active operations prior to February 19, 2021.

² The weighted average number of basic and diluted units for the three months ended March 31, 2022 was 38,743,644 units and 38,743,769 units, respectively. The weighted average number of basic and diluted units for the three months ended March 31, 2021 was 18,271,153 units.

³ Total Cash Receipts (including Pro Forma Total Cash Receipts) and Adjusted EBITDA (including Pro Forma Adjusted EBITDA) are non-GAAP financial measures. Adjusted EBITDA Margin (including Pro Forma Adjusted EBITDA Margin) and Adjusted Cash Earnings per Unit are non-GAAP ratios. These measures and ratios are not standardized measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. The reconciliation of these measures can be found later in this press release and in the Trust's MD&A.

⁴ Total Cash Receipts for the three months ended March 31, 2021 include cash that was received by the Trust's current subsidiaries prior to the completion of the Trust's acquisition of those subsidiaries and therefore, along with the Adjusted EBITDA and Adjusted EBITDA Margin are presented on a pro forma basis and are referred to as Pro Forma Total Cash Receipts, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDA Margin.

Portfolio (for the three months ended)

(thousands of U.S. dollars)

Product	Therapeutic Area	Marketer(s)	Total Cash Receipts ¹		
			March 31, 2022	Pro Forma March 31, 2021 ²	% Change
Core Products					
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	1,418	3,027	(53)%
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	1,528	1,345	14%
FluMist	Vaccine	AstraZeneca	2,218	2,239	(1)%
Natpara	Endocrinology	Takeda	673	510	32%
Oracea	Dermatology	Galderma	1,749	—	n/a
Rydapt	Oncology	Novartis	2,963	2,601	14%
Spinraza	Rare Diseases	Biogen	4,278	5,308	(19)%
Vonjo ³	Oncology	CTI Biopharma	—	—	n/a
Xolair	Respiratory	Roche, Novartis	2,641	2,266	17%
Zytiga ⁴	Oncology	Johnson & Johnson	—	—	n/a
Total Core Products			17,468	17,296	1%
Mature Products					
Autoimmune Portfolio ⁵	Autoimmune	Johnson & Johnson, Merck, Novartis	1,810	4,361	(58)%
Rilpivirine Portfolio ⁶	HIV	Johnson & Johnson, Gilead, ViiV	—	8,467	(100)%
Total Mature Products			1,810	12,828	(86)%
Other Products⁷	Various	Various	424	466	(9)%
Total Cash Royalty Receipts^{1,2}			19,702	30,590	(36)%
Interest Receipts on Loan Receivable			1,250	—	n/a
Total Cash Receipts^{1,2}			20,952	30,590	(32)%

¹ Total Cash Receipts and Total Cash Royalty Receipts are non-GAAP financial measures. These measures are not standardized measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. The reconciliation of these measures can be found later in this press release and in the Trust's MD&A.

² Total Cash Receipts and Total Cash Royalty Receipts for the three months ended March 31, 2021, include cash that was received by the Trust's current subsidiaries prior to completion of the Trust's acquisition of those subsidiaries and are presented on a pro forma basis

³ The Trust acquired VONJO on March 7, 2022. In accordance with the terms of the royalty agreement, royalty will be collected with a one quarter lag.

⁴ Cash royalties from Zytiga are received on a semi-annual basis during the second and fourth quarters of the year.

⁵ The Autoimmune Portfolio consists of an agreement to receive royalties on sales of Stelara, Simponi and Ilaris. The royalty assets include two royalty streams on each product, for a total of six royalty streams.

⁶ The Rilpivirine Portfolio consists of an agreement to receive royalties on sales of Complera, Edurant, Odefsey and Juluca. The Trust's entitlement to royalties ended during the second quarter of 2021 in accordance with the terms of the royalty agreement.

⁷ Other Products includes royalty income from certain other royalty assets as well as royalty assets which are fully amortized and, where applicable, the entitlements to which have generally expired.

Liquidity and Capital

On March 31, 2022, the Trust had cash and cash equivalents of US\$30.0 million. The Trust's credit facility had an outstanding principal balance of US\$71.0 million on March 31, 2022.

On April 20, 2022, the Trust entered into an amended and restated credit agreement with a syndicate of banks regarding US\$350 million of credit facilities, increasing the capacity of the credit facilities announced on October 22, 2021 by US\$150 million.

The Trust had 38,636,928 units issued and outstanding on March 31, 2022.

Distributions

On March 7, 2022, the board of trustees approved a quarterly cash distribution of US\$0.075 per unit, which was paid to unitholders on April 20, 2022. The Trust also announced today that its board of trustees has declared a quarterly cash distribution in the amount of US\$0.075 per unit for the second quarter of 2022, payable on July 20, 2022, to unitholders of record on June 30, 2022.

Normal Course Issuer Bid

During the quarter, the Trust repurchased and cancelled 477,980 of its own units under its NCIB for an aggregate amount of US\$2.5 million. As previously announced, the Trust received approval on March 8, 2022 from the Toronto Stock Exchange to increase the total number of units that can be repurchased under its NCIB to 2,500,000 units. The expiry date of October 4, 2022 for the NCIB remains unchanged. Since the NCIB commenced in October 2021, the Trust has acquired an aggregate of 1,521,050 trust units.

Vonjo Royalty Transaction

On February 28, 2022, the FDA approved pacritinib, under the brand name Vonjo, for the treatment of adult myelofibrosis patients with platelets below 50 x 109/L, triggering the funding of the previously announced tiered royalty transaction on March 7, 2022. The Trust expects to receive its first cash royalty receipts from Vonjo in the second quarter of 2022.

First Quarter 2022 Conference Call & Webcast

As previously announced, management will hold a conference call on Wednesday, May 11, 2022, at 8:00 a.m. (ET) to review the Trust's 2022 first quarter results. You can join the call by dialing 1-888-664-6392 or 416-764-8659 approximately 15 minutes prior to the call to secure a line.

A live webcast of the conference call, including a slide presentation, will be available at <https://bit.ly/DRIQ12022>. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. The webcast will be archived on the Trust's website following the call date.

Non-GAAP Financial Measures

The reconciliations of our non-GAAP financial measures and non-GAAP ratios for three months ended March 31, 2022, and March 31, 2021, to the most directly comparable measures calculated in accordance with IFRS are presented below.

Total Cash Royalty Receipts and Total Cash Receipts

Total Cash Royalty Receipts refers to all cash royalty receipts from the Trust's entire portfolio of royalty assets and Total Cash Receipts refers to Total Cash Royalty Receipts plus cash receipts for interest and principal payments collected from its loan receivable. Because of the lag between when we record royalty income and receives the corresponding cash payments on our royalties, we believe Total Cash Receipts and Total Cash Royalty Receipts are useful measures when evaluating our operations, as they represent actual cash generated in respect of all royalty assets held during a period.

<i>(thousands of U.S. dollars, except per unit amounts)</i>	Three months ended March 31, 2022	Pro Forma three months ended March 31, 2021¹
Total income	22,625	12,691
[+] Royalties receivable, beginning of period	30,148	—
[-] Royalties receivable, end of period	(31,590)	(39,560)
[+] Acquired royalties receivable ²	—	55,190
[+] Acquired cash royalties received ²	—	2,269
[-] Non-cash royalty income ³	(157)	—
[-] Non-cash interest income on loan receivable ⁴	(74)	—
Total Cash Receipts	20,952	30,590
[-] Interest income on loan receivable	(1,324)	—
[+] Non-cash interest income on loan receivable ⁴	74	—
Total Cash Royalty Receipts	19,702	30,590

¹ Cash receipts for the three months ended March 31, 2021 are presented on a pro forma basis and represent the cash that was received by the Trust's current subsidiaries prior to completion of the Trust's acquisition of those subsidiaries. The Trust was the beneficiary of royalty cash receipts from the assets acquired in the Closing Transactions from January 1, 2021 to February 18, 2021 and has recorded the increase of \$2,269 in acquired cash and cash equivalents related to the royalty cash receipts within that period, as described under the Transactions Completed section of the MD&A.

² Acquired royalties receivable and acquired cash royalties received were used to reduce the net purchase paid for the assets acquired by the Trust, as described under the Transactions Completed section of the MD&A.

³ During the third quarter of 2021, the Trust recorded an other current liability of \$718 with a corresponding charge to other items to reflect the obligation for excess royalty payments received in connection with the Autoimmune Portfolio prior to the Trust's acquisition of the asset, as described under the Financial Review: Results of Operations section of the MD&A. Royalty income of \$157 (2021 – nil) was used to reduce the obligation during the three months ended March 31, 2022.

⁴ For the three months ended March 31, 2022, non-cash interest income on loan receivable represents the amortization of commitment fee of \$25 (2021 – nil) and the accretion of exit fee receivable of \$49 (2021 – nil).

Adjusted EBITDA and Adjusted EBITDA Margin

We believe Adjusted EBITDA provides meaningful information about our operating cash flows as it eliminates the effects of accruals and non-cash expenses recorded on the statement of income and comprehensive income. We refer to EBITDA when reconciling our net earnings and other comprehensive earnings to Adjusted EBITDA, but we do not use EBITDA as a measure of our performance. We believe that Adjusted EBITDA Margin is a useful supplemental measure to demonstrate the operating efficiency of our business on a cash basis.

<i>(thousands of U.S. dollars, except per unit amounts)</i>	Three months ended March 31, 2022	Pro Forma three months ended March 31, 2021
Net earnings and other comprehensive earnings	5,694	3,191
[+] Amortization or royalty assets	12,775	6,793
[+] Interest expense	418	252
EBITDA	18,887	10,236
[+] Royalties receivable, beginning of period	30,148	—
[-] Royalties receivable, end of period	(31,590)	(39,560)
[+] Acquired royalties receivable ¹	—	55,190
[+] Acquired cash royalties received ¹	—	2,269
[+] Unit-based compensation	527	—
[+] Board of trustees unit-based compensation ²	70	—
[+] Net gain on interest rate derivatives	—	(4)
[-] Net loss (gain) on foreign exchange derivatives	—	(168)
[-] Non-cash royalty income ³	(157)	—
[-] Non-cash interest income on loan receivable ⁴	(74)	—
Adjusted EBITDA	17,811	27,963
[÷] Total Cash Receipts	20,952	30,590
Adjusted EBITDA Margin	85%	91%

¹ Acquired royalties receivable and acquired cash royalties received were used to reduce the net purchase paid for the assets acquired by the Trust, as described under the Transactions Completed section of the MD&A.

² During 2022, certain members of the board of trustees elected to be compensated fully or partially in DUs under the Trust's Incentive Plan.

³ During the third quarter of 2021, the Trust recorded an other current liability of \$718 with a corresponding charge to other items to reflect the obligation for excess royalty payments received in connection with the Autoimmune Portfolio prior to the Trust's acquisition of the asset, as described under the Financial Review: Results of Operations section of the MD&A. Royalty income of \$157 (2021 – nil) was used to reduce the obligation during the three months ended March 31, 2022.

⁴ For the three months ended March 31, 2022, non-cash interest income on loan receivable represents the amortization of commitment fee of \$25 (2021 – nil) and the accretion of exit fee receivable of \$49 (2021 – nil).

Adjusted Cash Earnings per Unit

We believe that Adjusted Cash Earnings per Unit provides meaningful information about our performance as it provides a measure of the cash generated by our assets on a per unit basis.

<i>(thousands of U.S. dollars, except per unit amounts)</i>	Three months ended March 31, 2022	Pro Forma three months ended March 31, 2021
Net earnings and other comprehensive earnings	5,694	3,191
[+] Amortization or royalty assets	12,775	6,793
[+] Unit-based compensation	527	—
[+] Board of trustees unit-based compensation ¹	70	—
[+] Net gain on interest rate derivatives	—	(4)
[-] Net loss (gain) on foreign exchange derivatives	—	(168)
[-] Non-cash royalty income ²	(157)	—
[-] Non-cash interest income on loan receivable ³	(74)	—
Adjusted Cash Earnings	18,835	9,812
Adjusted Cash Earnings per Basic Unit⁴	0.49	0.54
Adjusted Cash Earnings per Fully Diluted Unit⁴	0.49	0.54

¹ During 2022, certain members of the board of trustees elected to be compensated fully or partially in DUs under the Trust's Incentive Plan.

² During the third quarter of 2021, the Trust recorded an other current liability of \$718 with a corresponding charge to other items to reflect the obligation for excess royalty payments received in connection with the Autoimmune Portfolio prior to the Trust's acquisition of the asset, as described under the Financial Review: Results of Operations section of the MD&A. Royalty income of \$157 (2021 – nil) was used to reduce the obligation during the three months ended March 31, 2022.

³ For the three months ended March 31, 2022, non-cash interest income on loan receivable represents the amortization of commitment fee of \$25 (2021 – nil) and the accretion of exit fee receivable of \$49 (2021 – nil).

⁴ The weighted average number of basic and diluted units for the three months ended March 31, 2022 were 38,743,644 units and 38,743,769 units, respectively. The weighted average number of basic and diluted units for the three months ended March 31, 2021 were 18,271,153 units.

About DRI Healthcare Trust

DRI Healthcare Trust provides unitholders with differentiated exposure to the anticipated growth in the global pharmaceuticals and biotechnology markets. Our business model is focused on managing and growing a diversified portfolio of pharmaceutical royalties with the aim to deliver attractive growth in cash royalty receipts over the long term. DRI Healthcare Trust is an unincorporated open-ended trust governed by the laws of the Province of Ontario, externally managed by its manager, DRI Capital Inc. DRI Healthcare Trust's units are listed and trade on the Toronto Stock Exchange in Canadian dollars under the symbol "DHT.UN" and in U.S. dollars under the symbol "DHT.U".

Caution concerning forward-looking statements

This news release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information generally can be identified by the use of forward-looking words such as "expect", "continue", "anticipate", "intend", "aim", "plan", "believe", "budget", "estimate", "forecast", "foresee", "close to", "target" or negative versions thereof and similar expressions. Some of the specific forward-looking information in this news release may include, among other things, statements regarding our belief that our strong balance sheet, combined with the recent increase in our credit facility, will support further growth, that we continue to see a robust market producing a strong pipeline of attractive opportunities and are looking forward to continued growth in 2022 that will create meaningful value for our unitholders, and that we expect to receive our first cash royalty receipts from Vonjo in the second quarter of 2022. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust's control that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, those that are disclosed in the Trust's most recent annual information form. Certain assumptions underlying the forward-looking information in this news release include: the Trust's assumptions regarding demand and growth in pharmaceutical sales, R&D and opportunities for royalty investing; the competitive environment in which the Trust operates; the performance of the Trust's manager; the Trust's ability to implement its growth strategies; the Trust's ability to obtain financing and maintain its existing financing on acceptable terms; the Trust's ability to maintain good business relationships with marketers and other industry partners; timely receipt of cash royalty receipts; expectations regarding the duration of royalties; the Trust's ability to keep pace with changing consumer preferences; the absence of material adverse changes in the Trust's industry or the global economy; currency exchange and interest rates; the impact of competition; the changes and trends in the Trust's industry or the global economy; and stability in laws, rules, regulations and global standards in the pharmaceutical industry. All forward-looking information in this news release speaks as of the date of this news release. The Trust does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise except as required by law. Additional information about these assumptions and risks and uncertainties is contained in the Trust's filings with securities regulators, including its latest annual information form and Management's Discussion and Analysis. These filings are also available at the Trust's website at dricapital.com.

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