

DRI Healthcare Trust Reports Second Quarter 2021 Results

- Quarter highlighted by strong performance from existing pharmaceutical products portfolio -

Toronto, Ontario – August 5, 2021 – DRI Healthcare Trust (TSX: DHT.UN/DHT.U) (“DRI” or “the Trust”) today announced its results for the quarter ended June 30, 2021. The Trust’s second quarter 2021 financial statements and Management’s Discussion & Analysis have been filed on SEDAR (www.sedar.com). This news release is not in any way a substitute for reading the Trust’s financial statements, including notes to the financial statements and the Trust Management’s Discussion & Analysis.

Results and Highlights for the Second Quarter Ended June 30, 2021

- On May 7, 2021, the Board of Trustees approved the payment of a distribution of US\$0.0375 per trust unit, subsequently paid on July 20, 2021
- Royalty Income of US\$23.4 million
- Adjusted EBITDA of US\$28.8 million¹
- Adjusted Cash Earnings per Unit of \$0.46^{1,2}

Subsequent to Quarter End

- The Trust’s board of trustees has declared a cash distribution of US\$0.0375 per unit for the third quarter of 2021 payable on October 20, 2021

“We are pleased to announce our first full quarter as a public issuer,” said Behzad Khosrowshahi, Chief Executive Officer of DRI Healthcare Trust. “We continue to experience strong performance from our existing assets and remain active advancing the transactions in our robust and healthy deal pipeline. Our primary focus is to execute on our strategy to leverage our assets and experience to acquire growth-oriented royalties on medically necessary pharmaceutical products. Our thorough due diligence process has been developed to ensure that we continue our track record of acquiring high quality assets. We are confident in our deal pipeline and remain on track to deliver on our growth targets – to purchase between \$650 million to \$750 million of royalties over the next five years, which will allow us to generate sustainable annual growth in cash royalty receipts.”

Results of Operations <i>(thousands of U.S. dollars, except per unit amounts)</i>	Three months ended June 30, 2021	Six months ended June 30, 2021³
Royalty Income	23,448	36,139
Management fees	2,167	3,050
Amortization expenses	11,005	17,798
Other expenses	2,904	4,728
Net earnings and other comprehensive earnings	7,375	10,566
Earnings per unit ²	0.18	0.36
Total Cash Royalty Receipts/ Pro Forma Total Cash Royalty Receipts ^{1,4}	33,329	63,919
Adjusted EBITDA/ Pro Forma Adjusted EBITDA ^{1, 5}	28,829	56,792
Adjusted EBITDA Margin/ Pro Forma Adjusted EBITDA Margin ^{1,5}	86%	89%
Adjusted Cash Earnings per Unit/ Pro Forma Adjusted Cash Earnings per Unit ^{1,5}	0.46	0.97

Asset Performance

During the second quarter, the Trust's portfolio included 18 royalty streams on 14 products that address medically necessary therapeutic areas, such as oncology, rare diseases, ophthalmology, endocrinology, HIV, autoimmune and vaccines. These assets were acquired on February 19, 2021 for US\$291.5 million, as part of the Trust's initial public offering. On June 30, 2021, the royalty asset portfolio had a book value, net of accumulated amortization, of US\$273.7 million. The royalty asset portfolio generated Total Cash Royalty Receipts of US\$33.3 million¹ in the second quarter, which was an increase from US\$31.8 million in the same period in 2020, on a pro forma basis. The Trust received its final royalty payments for the Rilpivirine Portfolio in the second quarter as the entitlement has expired in accordance with the terms of the royalty agreement.

Royalty Portfolio (for the three months ended June 30th)

(thousands of U.S. dollars)

Product	Therapeutic Area	Marketer(s)	Cash Royalty Receipts ⁴	
			June 30, 2021	Pro Forma June 30, 2020 ⁴
Core Products				
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	3,013	2,523
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	1,339	1,121
FluMist	Vaccine	AstraZeneca	23	-
Natpara	Endocrinology	Takeda	513	305
Rydapt	Oncology	Novartis	3,856	1,970
Spinraza	Rare Diseases	Biogen	5,615	5,642
Xolair	Respiratory	Roche, Novartis	1,417	1,406
Zytiga	Oncology	Johnson & Johnson	9,498	8,267
Total Core Products			25,274	21,234
Mature Products				
Autoimmune Portfolio ⁶	Autoimmune	Johnson & Johnson, Merck, Novartis	1,747	2,503
Rilpivirine Portfolio ⁷	HIV	Johnson & Johnson, Gilead, ViiV	5,901	7,629
Total Mature Products			7,648	10,132
Legacy Products⁸			407	442
Total Cash Royalty Receipts^{1,4}			33,329	31,808

- Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Cash Earnings per Unit, and Total Cash Royalty Receipts are non-IFRS measures for the three and six months ended June 30, 2021. These non-IFRS measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted EBITDA represents net earnings and other comprehensive earnings plus (i) amortization of royalty assets, plus (ii) interest expense, plus (iii) royalties receivable at the beginning of the period, less (iv) royalties receivable at the end of the period, plus (v) acquired royalties receivable, plus (vi) acquired cash royalties received, and reversing the impact of the following: plus (vii) impairment of royalty assets, less (viii) reversal of impairment of royalty assets, less (ix) net gain on interest rate derivatives, less (x) net gain on foreign exchange derivatives. Adjusted EBITDA Margin is calculated as Adjusted EBITDA / Total Cash Royalty Receipts. Adjusted Cash Earnings per Unit represents 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, less (iv) net gain on interest rate derivatives, less (v) net gain on foreign exchange derivatives; divided by weighted average units outstanding. The reconciliation of non-IFRS measures to IFRS can be found in the Trust's MD&A.
- The weighted average number of units for the three months ended June 30, 2021, was 40,107,407 units and for the six months ended June 30, 2021, was 29,249,601 units.
- The Trust completed its initial public offering ("IPO") on February 19, 2021. The Trust had no active operations prior to February 19, 2021.
- Total Cash Royalty Receipts and cash royalty receipts by product for the for the six months ended June 30, 2021, and the three and six months ended June 30, 2020, 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.
- For the six months ended June 30, 2021, results are presented on a pro forma basis consistent with the treatment of Total Cash Royalty Receipts described in note 4.
- 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 held directly and indirectly.
- 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 quarter ended June 30, 2021, in accordance with the terms of the royalty agreement.
- Legacy Products represent royalty income from royalty assets that are fully amortized and, where applicable, the entitlements to which have generally expired.

Liquidity and Capital

On June 30, 2021, the Trust had cash on hand of US\$115.6 million and \$30.1 million funds held in trust. The Trust's secured notes had an outstanding balance of US\$59.2 million on June 30, 2021, which was subsequently reduced with a principal payment of US\$12.1 million made on July 15, 2021, which was paid from the funds held in trust, following which the balance was released to the Trust.

The Trust had units outstanding of 40,107,407 on June 30, 2021, all of which were issued in connection with the IPO and concurrent private placement on February 19, 2021.

Distributions

A distribution to unitholders of US\$0.0375 per trust unit was paid on July 20, 2021. The Trust also announced today that its board of trustees has declared a quarterly cash distribution in the amount of US\$0.0375 per unit for the third quarter of 2021. The distribution will be payable on October 20, 2021, to unitholders of record at the close of business on September 30, 2021.

2021 Second Quarter Conference Call & Webcast

As previously announced, management will hold a conference call on Friday, August 6, 2021, at 8:30 a.m. (ET) to review the Trust's 2021 second quarter results. You can join the call by dialling 1-888-664-6392 or 416-764-8659. A live webcast of the conference call, including a slide presentation, will be available at <https://bit.ly/DHT2021Q2>. An archived replay of the webcast will be available for 90 days. A taped replay of the conference call will also be available until Friday, August 13, 2021, at midnight by calling 1-888-390-0541 and entering the reference number 769505.

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 pharmaceutical royalties will continue to play an important role in funding critical innovation, and that the Trust will continue to be the partner of choice to those innovators our development and acquisition opportunities. 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.

For further information, please contact:

Chris Anastasopoulos
Chief Financial Officer
Tel: (416) 863-1865

Rhizza Marbella
VP, Corporate Accounting & Investor Relations
Tel: (416) 324-5738
ir@drihealthcare.com