



ADVANCING SCIENCE

in the Fast Growing Pharmaceutical and Biotechnology Sector

Q3 2021 Earnings Call | November 9, 2021

DISCLAIMER

Certain statements made in this Q3 2021 earnings call 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.

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 for this quarter, 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 earnings call presentation also makes reference to certain non-IFRS measures and industry metrics such as adjusted EBITDA, adjusted EBITDA margin, total cash royalty receipts, cash earnings per unit, free cash flow and debt to EBITDA. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Rather, these measures 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

AGENDA

1. Recent highlights
2. Financial review
3. Recent transactions
4. Outlook
5. Question & answer

Note: All dollar amounts shown in this presentation are expressed in U.S. dollars unless indicated otherwise

ADVANCING OUR STRATEGY

Accretive growth

- Two transactions totaling up to \$185 million



Efficient capital structure

- \$200 million in credit facilities



Unitholder returns

- Doubled quarterly distribution to \$0.075 per unit



Q3 FINANCIAL HIGHLIGHTS

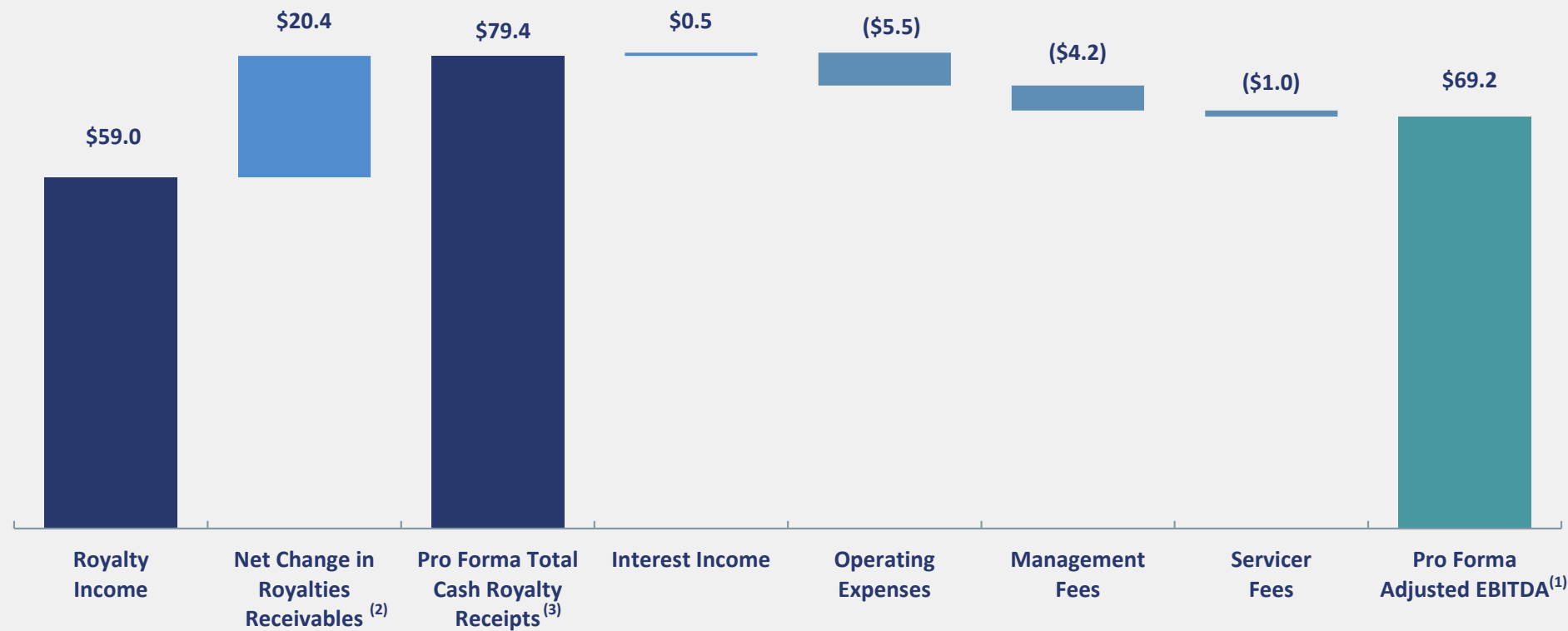
Royalty income	\$22.9 million (\$59.0 million YTD)
Cash Royalty Receipts ⁽¹⁾⁽²⁾	\$15.4 million (\$86.5 million YTD)
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$12.4 million (\$69.2 million YTD)
Adjusted Cash Earnings per Unit ⁽¹⁾	\$0.48 (\$1.44 YTD)

WELL CAPITALIZED FOR GROWTH

- As at September 30, 2021:
 - US\$41.2 million of cash and cash equivalents⁽¹⁾
 - US\$44.0 million of royalties receivable
- On October 22, 2021, a subsidiary of the Trust entered into a credit agreement with a syndicate of banks regarding 3-year senior secured revolving facilities:
 - US\$175.0 million investment credit facility
 - US\$25.0 million revolving working capital facility
 - Initial draw fully retired existing secured notes (balance of US\$47.1 million at September 30)

STRONG YTD CASH FLOW GENERATION

Pro Forma Adjusted EBITDA for the Nine Months Ended September 30, 2021 (US\$M)⁽¹⁾



Pro Forma Adjusted EBITDA Margin⁽¹⁾⁽⁴⁾
87%

Adjusted Cash Earnings per Unit⁽⁵⁾
US\$1.44

1. Adjusted EBITDA and Adjusted EBITDA Margin are non-IFRS measures for the nine months ended September 30, 2021, on a pro forma basis.
 2. The Net Change in Royalties Receivable represents royalties receivable, beginning of period, less royalties receivable, end of period, plus acquired royalties receivable and acquired cash royalties received included in the purchase price of the assets on February 19, 2021 and on September 30, 2021.
 3. Total Cash Royalty Receipts is a non-IFRS measure that has been presented on a pro forma basis. This includes cash royalties received from February 19, 2021 to September 30, 2021, as well as cash royalties received prior to the initial asset acquisition transaction from January 1, 2021 to February 18, 2021 and prior to the Oracea transaction from April 1, 2021 to June 30, 2021. These amounts have been recorded as part of the purchase price of the assets.

4. Non-IFRS measure, calculated as Pro Forma Adjusted EBITDA / Pro Forma Total Cash Royalty Receipts.
 5. Non-IFRS measure, calculated as 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, plus (iv) unit-based compensation, plus (v) net loss on interest rate derivatives, less (vi) net gain on foreign exchange derivatives, plus (vii) other items, less (viii) non-cash royalty income divided by weighted average units outstanding of 32,908,642.

Q3 2021 PRO FORMA CASH ROYALTY RECEIPTS

	(US\$ thousands)					
	Pro Forma Total Cash Royalty Receipts⁽¹⁾					
	Q3 2021	Q3 2020	% Change	YTD 2021	YTD 2020	% Change
Core Products						
Eylea (<i>pro forma</i>) ⁽²⁾	4,718	3,530	34%	13,442	11,368	18%
FluMist	7	-	n/a	2,269	1,172	11%
Natpara	551	355	55%	1,574	960	94%
Oracea	3,711	-	n/a	3,711	-	n/a
Rydapt	2,313	1,873	23%	8,770	6,552	34%
Spinraza	4,326	5,030	(14%)	15,249	16,214	(6%)
Xolair	2,358	2,904	(19%)	6,041	6,701	(10%)
Zytiga ⁽³⁾	-	-	-	9,498	8,267	15%
Total Core Products	17,984	13,692	31%	60,554	51,234	18%
Mature Products						
Autoimmune Portfolio ⁽⁴⁾	1,493	2,935	(49%)	7,601	11,723	(35%)
Rilpivirine Portfolio ⁽⁵⁾	-	8,179	(100%)	14,368	23,886	(40%)
Other Products						
Various	688	354	94%	1,561	3,193	(51%)
Pro Forma Total	20,164	25,160	(20)%	84,084	90,036	(7)%
Reported Total (exc. Eylea)	15,447	21,630	(29)%	79,366	86,506	(8)%

1. Total Cash Royalty Receipts is a non-IFRS measure and is presented on a pro forma basis for the 3-month and 9-month periods ended September 30, 2020 and September 30, 2021.

2. The Trust received cash royalty receipts associated with Q2 sales of Eylea after September 30 in each of 2020 and 2021.

3. Zytiga royalties received semi-annually in Q2 and Q4 of each year.

4. The Autoimmune Portfolio includes royalties on Stelara, Ilaris and Simponi

5. The Trust's entitlement to royalties for the Rilpivirine portfolio (Complera, Odefsey, Edurant and Juluca) ended during the quarter ended June 30, 2021, in accordance with the terms of the royalty agreement.

CTI BIOPHARMA/PACRITINIB TRANSACTION

Secured long-term royalty stream on high quality product, with immediate contribution to cash flow



pacritinib

- US\$50 million secured loan
- US\$60 million (upon FDA approval of pacritinib) for tiered royalty on pacritinib on sales in the United States (expected PDUFA date of November 30, 2021)
- Up to US\$25 million in milestone payments to CTI upon meeting certain sales thresholds by Q3 2023
- Extends portfolio duration to approx. 9 years

Transaction demonstrates ability of DHT to acquire quality assets with “win-win” solutions through bespoke transaction structures that meet objectives of counterparties

ORACEA TRANSACTION

Immediately accretive acquisition of established high quality product



Once-daily 40 mg* Capsules
ORacea[®]
(doxycycline, USP) 20 mg immediate release & 10 mg delayed release tablets
(OR-RAY-SHA)

- US\$46.4 million net purchase price (net of immediate cash royalty)
- Acquisition included royalty entitlements on two additional products – not expected to make material contribution
- Expected royalty expiry in Q1 2028

Near term cash flow characteristics support sustainability of cash flow

OUTLOOK AND SUMMARY

Target **sustainable growth** in cash royalty receipts

- Continued strong performance of existing assets
- On track to deliver on growth targets
 - US\$650 to US\$750 million five-year aggregate acquisition target
 - Transactions valued at up to US\$185 million closed in first eight months as a public trust
- Acquisition pipeline remains strong and growing
- Growth supports increased quarterly distribution