



ADVANCING SCIENCE

in the Fast-Growing Pharmaceutical and Biotechnology Sector

Q3 2022 Earnings Call | November 8, 2022

Disclaimer

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.

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This presentation also makes reference to certain non-GAAP financial measures including Total Cash Receipts 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.

Q3 highlights

1 Accretive growth

Deployed \$185 million in Q3 to fund three royalty transactions

2 Poised to execute

Significant credit capacity under existing facility

Robust and active pipeline

3 Unitholder returns

Declared distribution of \$0.075 per unit

Q3 financial highlights

\$18.8 million

Total Cash Receipts¹

\$26.5 million

Total Income

\$15.8 million

Adjusted EBITDA¹

\$7.6 million

Net Earnings and Other
Comprehensive Earnings

\$0.57

Adjusted Cash Earnings per
Unit¹

\$0.075

Declared distribution per Unit

Delivering on our long-term strategy

	At IPO	Today	2025 target
Capital deployment	\$650 – 750 million over 5 years	\$345 million deployed + \$56 million in milestones and options	On pace to exceed top end of initial target range
Sustainable cash generation	Declining cash curve due to expected asset expiries	Flat to slightly growing cash receipts through till 2025 without any new deals	7% - 9% annual royalty receipt growth
Portfolio duration	8 years	>9 years	>10 years
Capital resources	IPO proceeds and debt capacity	Attractive credit facilities with compounding effect of cash flows	Compounding of cash flows and continued access to capital to facilitate growth

Focus on building long-term and sustainable cash flow growth


Empaveli royalty transaction

TRANSACTION HIGHLIGHTS

\$24.5 million purchase price

<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



EMPAVELI™
(pegcetacoplan) injection
1080 mg/20 mL solution

STRONG GROWTH POTENTIAL

Empaveli (pegcetacoplan, marketed as Aspaveli in EU) represents a significant advancement in the standard of care for paroxysmal nocturnal hemoglobinuria

Pegcetacoplan is also in development for pipeline indications including Geographic Atrophy ("GA"), Cold Agglutinin Disease and C3 glomerulopathy

PDUFA date for GA indication expected in February 2023

Long-term horizon and attractive growth prospects

Zejula royalty transaction

TRANSACTION HIGHLIGHTS

\$35 Million up front purchase price

0.5% net royalty on worldwide net sales by GSK

Royalties collected on 1-quarter lag



STRONG GROWTH POTENTIAL

\$10 million milestone payment if Zejula is approved by FDA for the treatment of endometrial cancer by December 21, 2025

In development for metastatic castrate sensitive and resistant prostate cancer, endometrial cancer, HER2-breast cancer, and non-small cell lung cancer

Royalty term expected to continue for at least another 10 years world wide

Multiple indications in development represent a pipeline in a product

Omidria royalty transaction

TRANSACTION HIGHLIGHTS

\$125 Million purchase price, subject to annual cash receipt caps

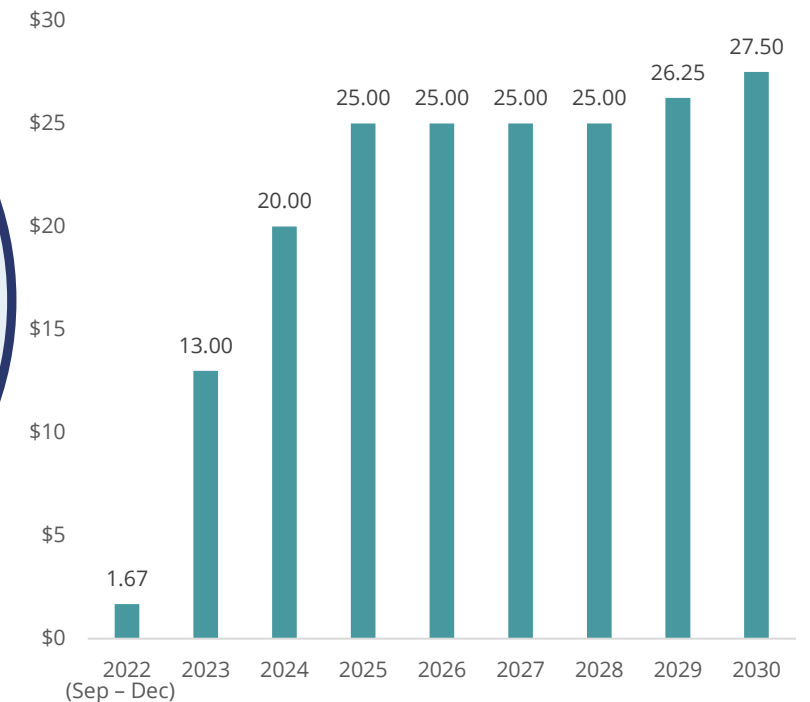
Approved for intracameral use during cataract surgery or intraocular lens replacement

Marketed by Rayner Surgical with royalties collected monthly



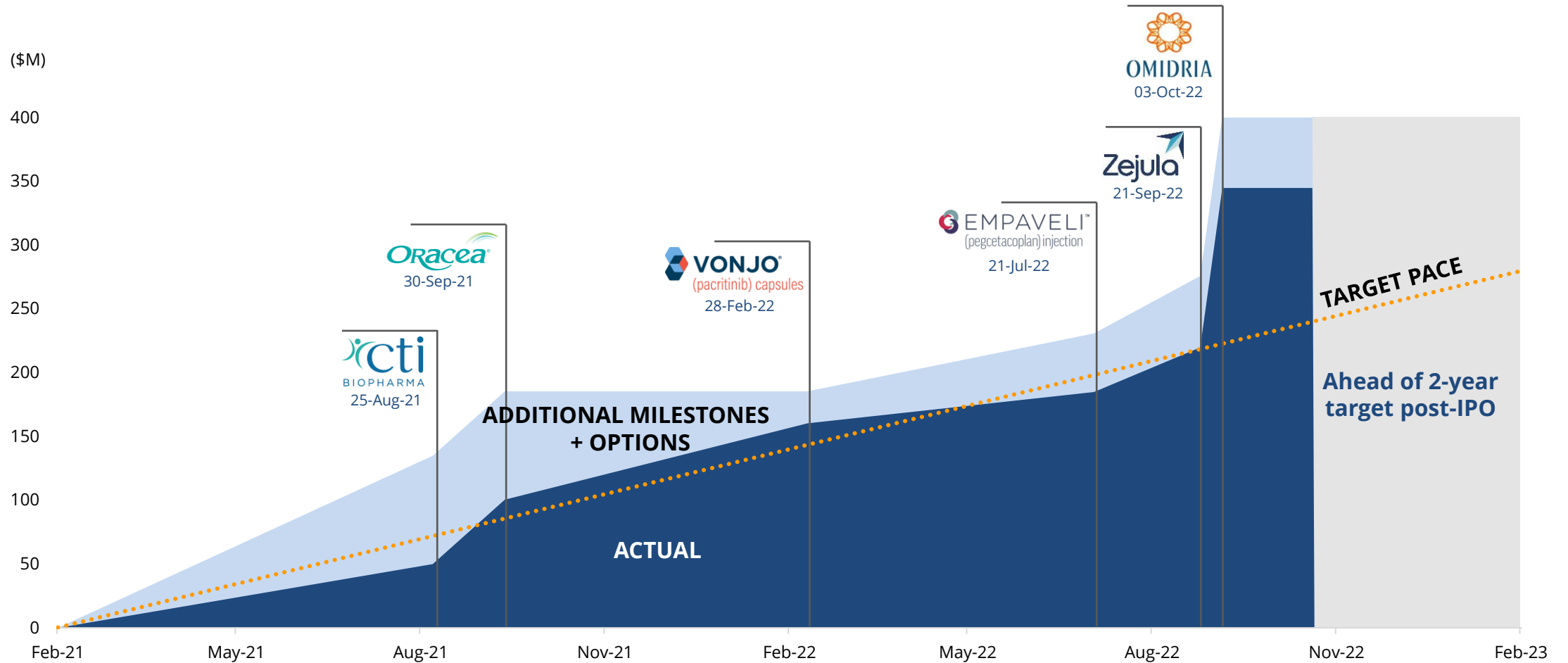
STRUCTURED GROWTH

Annual Royalty Receipt Caps (\$M)





































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

Current deployment exceeds targets



Successful execution of IPO strategy

Portfolio performance

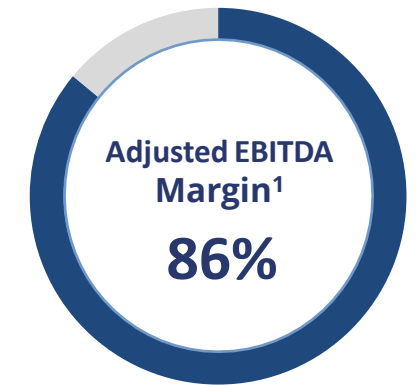
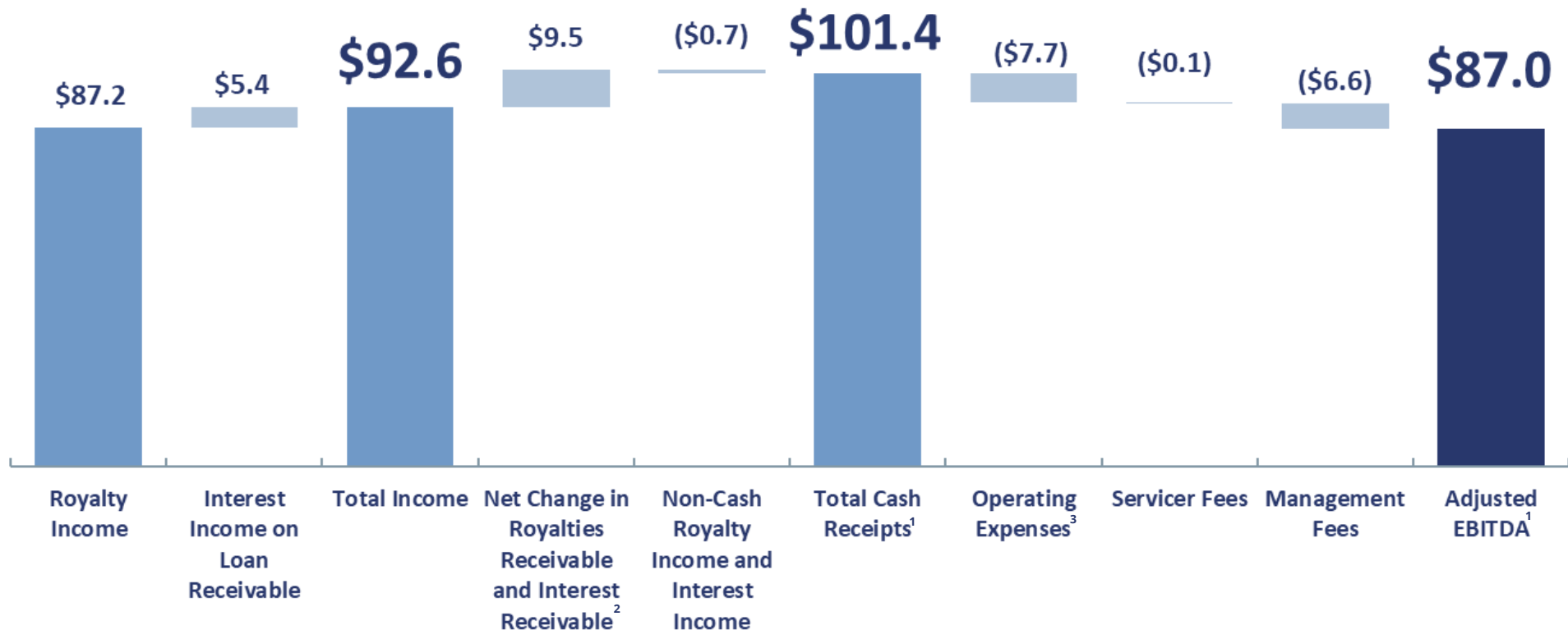
(US\$ thousands)			Total Cash Royalty Receipts ¹				
	Primary Marketer(s)	Therapeutic Area	Q3 2022	Pro Forma Q3 2021	% Change	Q2 2022	% Change
	Apellis 	Hematology	-	-	n/a	-	n/a
	REGENERON  	Ophthalmology	2,762	4,718 ³	(41%)	2,875	(4%)
	AstraZeneca 	Influenza	-	7	(100%)	-	n/a
		Endocrinology	728	551	32%	649	12%
		Ophthalmology	-	-	n/a	-	n/a
		Dermatology	2,109	3,711	(43%)	1,959	8%
		Oncology	2,578	2,313	11%	2,335	10%
		Spinal Muscular Atrophy	3,736	4,326	(14%)	4,573	(18%)
		Oncology	1,184	-	n/a	220	438%
	 	Respiratory	2,528	2,358	7%	1,458	73%
		Oncology	-	-	n/a	-	n/a
	 	Oncology	-	-	n/a	8,958	(100%)
  	   	Autoimmune	721	1,493	(52%)	576	25%
Other			1,158	688	68%	419	176%
Total Cash Royalty Receipts¹			17,504	20,165	(13%)	24,022	(27%)

Assets continue to perform well with expiring royalties offset by new additions

1. Total Cash Royalty Receipts is a non-GAAP financial measure. See note 1 on page 4 of this presentation.
 2. The Trust entered into the transactions in respect of Empaveli, Omidria and Zejula during the third quarter of 2022. In accordance with the terms of the royalty agreement, the first cash royalty receipts for these assets are expected in the fourth quarter of 2022.
 3. For Q3 2021, Total Cash Receipts is shown on a proforma basis to include \$4,718 of cash royalty receipts associated with Q2 2021 sales of Eylea received after September 30, 2021.
 4. Zytiga royalties are received semi-annually in Q2 and Q4 each year.

Strong cash generation

Adjusted EBITDA for the Last Twelve Months Ended September 30, 2022 (\$M)¹



Cash available to drive portfolio growth and maintain distributions to unitholders

Well capitalized for growth

\$20.5 million¹
Cash and cash equivalents



\$36.4 million¹
Royalties receivable

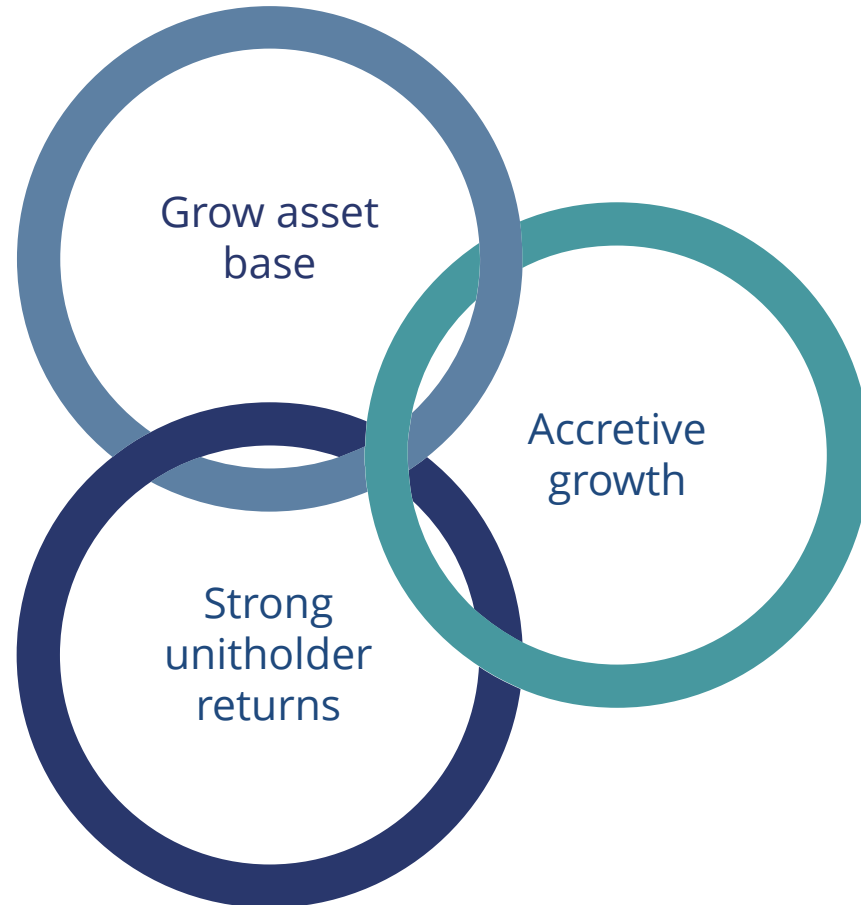


\$216.9 million¹
Drawn on credit facilities

**Significant
capacity for
further
growth**

Significant capital available for deployment

Our key priorities



Execute on strong pipeline to acquire royalties on high quality assets that meet our investment criteria

Focus on long-term, sustainable growth in top line royalty receipts and cash flow per unit

Continue focus on unitholder returns and appropriate distribution policy



Contact Us

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