

## DRI Healthcare Trust Reports Third Quarter 2023 Results

- 36% royalty income growth over prior year period highlights successful portfolio growth strategy –
- Significant deployment capacity available after follow-on offerings and credit facility increase –

**Toronto, Ontario – November 13, 2023** – DRI Healthcare Trust (TSX: DHT.UN/DHT.U) (“DRI” or the “Trust”) is pleased to announce its financial results for the quarter ended September 30, 2023. The Trust’s third quarter 2023 financial statements and Management’s Discussion & Analysis (“MD&A”) have been filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). All dollar amounts are expressed in U.S. dollars unless otherwise indicated.

“Our financial results mark another strong quarterly performance, highlighted by royalty income growth of 36% compared to the same period last year”, said Behzad Khosrowshahi, Chief Executive Officer of the Trust. “Our portfolio continues to grow with US\$391.2 million deployed this year in strategic acquisitions. We have significantly enhanced our deployment capacity with our recent follow-on offerings and credit facility increase. Coupled with a high-quality pipeline, we are in a strong position to continue our growth trajectory and create further value for our unitholders.”

### Third Quarter Highlights

- Deployed US\$196.0 million to purchase additional royalty streams on Vonjo and Orserdu;
- Completed two follow-on public offerings totaling 18,653,000 Units for gross proceeds of US\$151.5 million;
- Total Income of US\$34.1 million;
- Normalized Total Cash Receipts of US\$25.2 million<sup>1</sup>;
- Adjusted EBITDA of US\$20.3 million<sup>1</sup>;
- Comprehensive Loss of US\$3.1 million;
- Adjusted Cash Earnings per Unit (basic and diluted) of US\$0.46<sup>1,2</sup>;
- Net Loss per Unit of US\$0.08 (basic and diluted)<sup>2</sup>;
- Paid a special cash distribution of US\$0.5334 per unit and a regular quarterly cash distribution of US\$0.075 per unit to unitholders on July 20, 2023.

### Subsequent to Quarter End

- Increased credit facility to US\$500.0 million;
- Received Toronto Stock Exchange (“TSX”) approval for normal course issuer bid to allow the Trust to acquire up to 3,280,195 of its Trust units between November 20, 2023 and November 19, 2024;
- Declared a quarterly cash distribution of US\$0.075 per unit for the fourth quarter of 2023, payable on January 19, 2024 to unitholders of record on December 31, 2023.

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<sup>1</sup> Normalized 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.

<sup>2</sup> The weighted average number of basic and diluted units for the three months ended September 30, 2023 were 46,115,848 units and 46,205,568 units, respectively.

## Financial Highlights

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<i>(thousands of US dollars, except per unit amounts)</i>				
Total income	<b>34,143</b>	26,471	<b>90,437</b>	70,392
Management fees	<b>1,673</b>	1,322	<b>18,909</b>	4,477
Performance fees	—	—	<b>18,616</b>	—
Amortization expenses	<b>23,589</b>	13,992	<b>62,357</b>	40,188
Other expenses	<b>12,812</b>	3,543	<b>30,182</b>	9,322
Net gain from sale of royalty asset	<b>150</b>	—	<b>109,756</b>	—
Net earnings (loss)	<b>(3,781)</b>	7,614	<b>70,129</b>	16,405
Net unrealized gain on derivative asset	<b>652</b>	—	<b>652</b>	—
Comprehensive earnings (loss)	<b>(3,129)</b>	7,614	<b>70,781</b>	16,405
Net earnings (loss) per unit – basic	<b>(0.08)</b>	0.20	<b>1.73</b>	0.42
Net earnings (loss) per unit – diluted	<b>(0.08)</b>	0.20	<b>1.73</b>	0.42
Normalized Total Cash Receipts <sup>1</sup>	<b>25,249</b>	18,844	<b>78,928</b>	65,082
Adjusted EBITDA <sup>1</sup>	<b>20,254</b>	15,814	<b>66,759</b>	55,068
Adjusted EBITDA Margin <sup>1</sup>	<b>80 %</b>	84 %	<b>85 %</b>	85 %
Adjusted Cash Earnings per Unit – Basic <sup>1</sup>	<b>0.46</b>	0.57	<b>1.35</b>	1.48
Adjusted Cash Earnings per Unit – Diluted <sup>1</sup>	<b>0.46</b>	0.57	<b>1.35</b>	1.48
Weighted average number of Units – Basic	<b>46,115,848</b>	38,657,266	<b>40,485,450</b>	38,684,889
Weighted average number of Units – Diluted	<b>46,205,568</b>	38,694,492	<b>40,664,366</b>	38,710,064

## Asset Performance

As at September 30, 2023, the Trust's portfolio included 26 royalty streams on 20 products that address a variety of therapeutic areas, such as oncology, neurology, ophthalmology, endocrinology, hematology, dermatology, lysosomal storage disorders, immunology and influenza. On September 30, 2023, the royalty asset portfolio had a book value, net of accumulated amortization, of US\$740.0 million, which generated Total Cash Royalty Receipts<sup>1</sup> of US\$25.2 million and US\$75.7 million during the three and nine months ended September 30, 2023, respectively, and royalty income of US\$34.0 million and US\$83.5 million, respectively.

<sup>1</sup> Normalized Total Cash Receipts, Total Cash Royalty Receipts and Adjusted EBITDA are non-GAAP financial measures. 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.

## Portfolio

(thousands of US dollars)

Product	Therapeutic Area	Marketer(s)	Cash Receipts			
			Three months ended		Nine months ended	
			September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Empaveli/Syfovre <sup>1</sup>	Hematology/Ophthalmology	Apellis, Sobi	—	—	438	—
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	1,331	1,318	4,055	4,109
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	289	1,444	1,705	4,474
FluMist	Influenza	AstraZeneca	4	—	1,479	2,218
Natpara	Endocrinology	Takeda	585	728	1,806	2,050
Omidria	Ophthalmology	Rayner Surgical	3,250	—	9,750	—
Oracea	Dermatology	Galderma	2,770	2,109	6,052	5,817
Orserdu I	Oncology	Menarini	3,453	—	3,453	—
Orserdu II <sup>2</sup>	Oncology	Menarini	—	—	—	—
Rydapt	Oncology	Novartis	1,694	2,578	6,544	7,876
Spinraza	Neurology	Biogen	4,319	3,736	12,358	12,587
Stelara, Simponi and Ilaris <sup>3</sup>	Immunology	Johnson & Johnson, Merck, Mitsubishi Tanabe, Novartis	222	721	1,022	3,107
Vonjo	Hematology	Sobi	2,716	1,184	7,055	1,404
Vonjo II	Hematology	Sobi	396	—	396	—
Xenpozyme	Lysosomal Storage Disorder	Sanofi	247	—	247	—
Xolair	Immunology	Roche, Novartis	2,671	2,528	6,747	6,627
Zejula	Oncology	GSK	777	—	2,259	—
Zytiga <sup>4</sup>	Oncology	Johnson & Johnson	—	—	8,543	8,958
Other Products <sup>5</sup>	Various	Various	525	1,158	1,755	2,001
<b>Total Cash Royalty Receipts<sup>6</sup></b>			<b>25,249</b>	<b>17,504</b>	<b>75,664</b>	<b>61,228</b>
Interest receipts from loan receivable <sup>7</sup>			—	1,340	3,264	3,854
Principal repayment of loan receivable <sup>6,8</sup>			—	—	50,000	—
Exit fee received for loan receivable <sup>6,7</sup>			—	—	1,000	—
Premiums for prepayment <sup>6,7</sup>			—	—	2,140	—
Proceeds from sale of royalty assets <sup>9</sup>			—	—	210,000	—
<b>Total Cash Receipts<sup>1</sup></b>			<b>25,249</b>	<b>18,844</b>	<b>342,068</b>	<b>65,082</b>
Principal repayment of loan receivable <sup>6,7</sup>			—	—	(50,000)	—
Exit fee received for loan receivable <sup>6,7</sup>			—	—	(1,000)	—
Premiums for prepayment <sup>6,7</sup>			—	—	(2,140)	—
Proceeds from sale of royalty assets <sup>8</sup>			—	—	(210,000)	—
<b>Normalized Total Cash Receipts<sup>1</sup></b>			<b>25,249</b>	<b>18,844</b>	<b>78,928</b>	<b>65,082</b>

<sup>1</sup> Empaveli/Syfovre royalties are generally received with a three-quarter lag. In the second quarter of 2023 we received the royalty early, on a two quarter lag and as such we expect the next royalty payment to be received in the fourth quarter of 2023.

<sup>2</sup> The Trust completed a transaction in respect of Orserdu II during the third quarter of 2023. In accordance with the terms of the royalty agreements, cash royalty receipts are collected on a one-quarter lag.

<sup>3</sup> Stelara, Simponi and Ilaris were previously referred to as the Autoimmune Portfolio. The royalty assets include two royalty streams on each product, for a total of six royalty streams.

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

<sup>5</sup> 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.

<sup>6</sup> Total Cash Receipts, Total Cash Royalty Receipts and Normalized Total Cash 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.

<sup>7</sup> Interest receipts from loan receivable relates to the CTI loan, which was repaid in full on June 26, 2023. In accordance with the loan agreement, the Trust was also entitled to receive an exit fee and prepayment premiums upon prepayment of the loan, which were received in the second quarter of 2023.

<sup>8</sup> This item represents cash received by the Trust that is not expected to recur in the normal course of our operations. As such, this item is not included in Normalized Total Cash Receipts.

<sup>9</sup> The Trust completed a transaction in respect of Tzield during the first quarter of 2023. On April 27, 2023, the Trust sold the Tzield royalty asset.

### **Liquidity and Capital**

On September 30, 2023, the Trust had cash and cash equivalents of US\$28.2 million. The Trust's credit facility had an outstanding principal balance of US\$148.3 million on September 30, 2023.

On July 19, 2023, the Trust issued 9,223,000 units pursuant to a follow-on equity offering for gross proceeds of US\$74.1 million. The 9,223,000 units included units issued pursuant to the exercise by the underwriters of their over-allotment option.

On September 20, 2023, the Trust issued an additional 9,430,000 units pursuant to another follow-on equity offering, for gross proceeds of US\$77.4 million. The 9,430,000 units included units issued pursuant to the exercise by the underwriters of their over-allotment option.

Subsequent to the end of the quarter, on October 31, 2023, the Trust increased the total credit available under its credit facility from US\$338.8 million to US\$500.0 million and extended the maturity date of the credit facility from March 26, 2026 to October 31, 2026.

The Trust intends to use the net proceeds of the follow-on offerings and increased available credit from its credit facility to fund its near-term pipeline of royalty transactions.

The Trust had 56,318,936 units issued and outstanding on September 30, 2023.

### **Distributions**

On August 14, 2023, the board of trustees approved a quarterly cash distribution of US\$0.075 per unit to unitholders of record as of September 30, 2023, which was paid on October 20, 2023. 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 fourth quarter of 2023, payable on January 19, 2024, to unitholders of record on December 31, 2023.

### **Normal Course Issuer Bid**

The Trust also announced today the acceptance by the TSX of the Trust's Notice of Intention to make a normal course issuer bid (the "NCIB"). Pursuant to the NCIB, the Trust proposes to purchase, from time to time, if considered advisable, up to an aggregate of 3,280,195 of its trust units, being 10% of its 32,801,950 public float of units as of November 6, 2023, through the facilities of the TSX and/or through various eligible alternative Canadian trading systems at the market price at the time of purchase. Purchases may commence on November 20, 2023 and will conclude on the earlier of the date on which the Trust has purchased the maximum number of trust units permitted under the NCIB and November 19, 2024. The average daily trading volume of the units over the most recently completed six calendar months was 59,137 units. Accordingly, for purposes of the TSX rules, the Trust is entitled to purchase, on any trading day, up to 14,784 units and to make block purchases of its units which exceed such daily limit no more frequently than once per calendar week. Under the Trust's prior normal course issuer bid that commenced on November 14, 2022 and concluded on November 13, 2023 (the "Prior NCIB"), the Trust obtained approval from the TSX to purchase 2,493,280 units. The Trust purchased 1,236,113 units under the Prior NCIB through the facilities of the TSX and alternative Canadian trading systems at a volume weighted average price of \$5.28 per unit. The Trust remains focused on its primary strategy of acquiring new pharmaceutical royalty streams, and using its capital for that purpose. DRI Capital Inc., the manager of the Trust ("DRI Capital"), believes that there is a robust and growing pipeline of royalty stream acquisitions opportunities and is active in reviewing a number of potential transactions. However, it is also the opinion of DRI Capital that, from time to time, the market price of the Trust's units may not adequately reflect the value of the underlying assets of the Trust, and the Trust wishes to take advantage of the market trading prices of its units in those instances. The board of trustees of the Trust believes that at such times the proposed purchases would be in the best interests of the Trust and would constitute an appropriate use of available funds. All units purchased by the Trust pursuant to the NCIB will be cancelled. In connection with the

NCIB, the Trust has established an automatic purchase plan with its designated broker (the "Plan") to allow for purchases of units during self-imposed blackout periods, subject to certain parameters as to price and number of units. Outside of these pre-determined black-out periods, units will be repurchased in accordance with management's discretion, subject to applicable law. The Plan constitutes an automatic plan for purposes of applicable Canadian securities legislation and has been pre-cleared by the TSX.

#### **Additional Vonjo Royalty Stream**

On July 7, 2023, the Trust bought an additional royalty interest in the worldwide sales of Vonjo for US\$66.0 million ("Vonjo II") from S\*Bio Pte Ltd. The transaction entitles the Trust to a tiered royalty on worldwide net sales of Vonjo. The Trust is entitled to receive quarterly royalty payments on a one-quarter lag based on sales beginning April 1, 2023, with the first payment received in Q3 2023. The Trust is also entitled to receive up to US\$107.5 million in milestone payments.

#### **Additional Orserdu Royalty Stream**

On August 14, 2023, the Trust purchased an additional royalty interest on the sales of Orserdu for US\$130.0 million ("Orserdu II") from Radius Pharmaceuticals, Inc., a wholly-owned subsidiary of Radius Health, Inc. A milestone payment of US\$10.0 million will be paid upon the occurrence of certain pre-specified events. The transaction entitles the Trust to a net low to high single digit tiered royalty on the worldwide net sales of Orserdu. The Trust is entitled to receive quarterly royalty payments on a one-quarter lag based on sales beginning July 1, 2023, with its first payment expected to be received in Q4 2023. The Trust is also entitled to receive milestone payments of up to US\$40.0 million on the achievement of sales performance thresholds.

#### **Third Quarter 2023 Conference Call & Webcast**

As previously announced, management will hold a conference call on Tuesday, November 14, 2023, at 8:00 a.m. (ET) to review the Trust's 2023 third 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 <http://bit.ly/DRIQ32023>. 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.

### **Non-GAAP Financial Measures**

The reconciliations of non-GAAP financial measures for the three and nine months ended September 30, 2023 and 2022 to the most directly comparable measures calculated in accordance with IFRS and calculation of non-GAAP ratios are presented below.

#### **Total Cash Royalty Receipts, Total Cash Receipts and Normalized Total Cash Receipts**

Total Cash Receipts refers to Total Cash Royalty Receipts plus cash receipts from all products. Total Cash Receipts includes cash receipts from interest as well as non-recurring cash receipts such as the principal payments related to the Trust's loan receivable, fees and premiums related thereto and proceeds from the sale of royalty assets which consist of the proceeds from the sale of the Tzield royalty. Total Cash Royalty Receipts refers to aggregate cash royalty receipts from the Trust's portfolio of royalty assets and forms part of Total Cash Receipts. Because of the lag between when the Trust records royalty income and receives the corresponding cash payments on its royalties, management believes Total Cash Receipts and Total Cash Royalty Receipts are useful measures when evaluating the Trust's operations, as they represent actual cash generated in respect of all royalty assets held during a period. The Trust also presents Normalized Total Cash Receipts, which refers to Total Cash Receipts adjusted to remove cash receipts that are not expected to recur in the normal course of its operations. Management believes that Normalized Total Cash Receipts will assist readers in evaluating the period over period performance of the Trust's royalty portfolio since Normalized Total Cash Receipts only includes cash receipts generated by royalties and other amounts payable pursuant to the terms of the Trust's royalty assets and interest on the Trust's loan receivable.

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<i>(thousands of US dollars)</i>				
Total income	34,143	26,471	90,437	70,392
[-] Other interest income	(179)	(28)	(468)	(33)
[+] Royalties receivable, beginning of period	29,110	27,498	27,748	30,148
[-] Royalties receivable, end of period	(40,886)	(36,386)	(40,886)	(36,386)
[+] Acquired royalties receivable <sup>1</sup>	3,061	1,366	5,343	1,366
[-] Non-cash royalty income <sup>2</sup>	—	(11)	(4)	(190)
[-] Non-cash interest income on loan receivable <sup>3</sup>	—	(66)	(1,102)	(215)
[+] Principal repayment of loan receivable	—	—	50,000	—
[+] Exit fee <sup>3</sup>	—	—	1,000	—
[+] Proceeds from sale of royalty assets	—	—	210,000	—
<b>Total Cash Receipts</b>	<b>25,249</b>	<b>18,844</b>	<b>342,068</b>	<b>65,082</b>
[-] Principal repayment of loan receivable <sup>4</sup>	—	—	(50,000)	—
[-] Exit fee received for loan receivable <sup>3,4</sup>	—	—	(1,000)	—
[-] Premiums for prepayment of loan receivable <sup>4</sup>	—	—	(2,140)	—
[-] Proceeds from sale of royalty assets <sup>4</sup>	—	—	(210,000)	—
<b>Normalized Total Cash Receipts</b>	<b>25,249</b>	<b>18,844</b>	<b>78,928</b>	<b>65,082</b>
[-] Interest income on loan receivable	—	(1,406)	(6,506)	(4,069)
[+] Non-cash interest and other income on loan receivable <sup>3</sup>	—	66	1,102	215
[+] Premiums for prepayment of loan receivable <sup>4</sup>	—	—	2,140	—
<b>Total Cash Royalty Receipts</b>	<b>25,249</b>	<b>17,504</b>	<b>75,664</b>	<b>61,228</b>

<sup>1</sup> Acquired royalties receivable represent the Trust's royalty entitlements prior to the completion of the royalty transactions they relate to, as described under the Transactions Completed section of the MD&A. Acquired royalties receivable of US\$96 previously recognized for the Tzield transaction were reversed during the second quarter of 2023 as the royalty asset and its associated royalty interest was sold.

<sup>2</sup> Non-cash royalty income is related to excess royalty payments received in prior periods in which the Trust has an obligation to the royalty payers. Royalty income for the three and nine months ended September 30, 2022 of nil and US\$334, respectively, was used to reduce the obligation for excess royalty payments received in connection with Ilaris. There is no remaining obligation as at September 30, 2023 (December 31, 2022 – nil) related to Ilaris. In the second quarter of 2022, the Trust recorded other current liabilities and a corresponding deduction to royalty income of US\$155 to reflect an additional obligation for excess royalty payments received related to other royalty assets. Royalty income of nil and US\$4, respectively, were used to reduce the obligation during the three and nine months ended September 30, 2023 (2022 – nil). Royalty income earned in future periods related to other royalty assets will be used to repay the remaining obligation of US\$136.

<sup>3</sup> For the three and nine months ended September 30, 2023, non-cash interest income on loan receivable represents the amortization of commitment fees of nil and US\$368, respectively (2022 – US\$22 and US\$72, respectively) and the accretion of exit fees receivable of nil and US\$734, respectively (2022 – US\$44 and US\$143). In accordance with the loan agreement, the Trust received an exit fee of US\$1,000 as the loan was fully repaid in the second quarter of 2023.

<sup>4</sup> This item represents cash received by the Trust in the quarter that is not expected to recur in the normal course of its operations. As such, this item is not included in Normalized Total Cash Receipts.

## Adjusted EBITDA and Adjusted EBITDA Margin

Management believes Adjusted EBITDA provides meaningful information about the Trust's operating cash flows as it eliminates the effects of other non-cash expenses and accruals and income and expenses that are not expected to recur, that have been recorded on the statement of net earnings (loss) and comprehensive earnings (loss). The Trust refers to EBITDA when reconciling its comprehensive earnings (loss) to Adjusted EBITDA but does not use EBITDA as a measure of its performance. Management believes that Adjusted EBITDA Margin is a useful supplemental measure to demonstrate the operating efficiency of the Trust's business on a cash basis. Due to a one-time charge, the Trust's Adjusted EBITDA margin for the quarter was below the historical average.

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<i>(thousands of US dollars)</i>				
Comprehensive earnings (loss)	(3,129)	7,614	70,781	16,405
[+] Amortization or royalty assets	23,589	13,992	62,357	40,188
[+] Amortization of other current assets <sup>1</sup>	—	114	240	114
[-] Other interest income	(179)	(28)	(468)	(33)
[+] Interest expense	7,717	1,351	20,167	2,617
<b>EBITDA</b>	<b>27,998</b>	<b>23,043</b>	<b>153,077</b>	<b>59,291</b>
[+] Royalties receivable, beginning of period	29,110	27,498	27,748	30,148
[-] Royalties receivable, end of period	(40,886)	(36,386)	(40,886)	(36,386)
[+] Acquired royalties receivable <sup>2</sup>	3,061	1,366	5,343	1,366
[+] Unit-based compensation <sup>3</sup>	1,637	298	2,352	849
[+] Board of trustees unit-based compensation <sup>4</sup>	136	72	513	205
[-] Non-cash royalty income <sup>5</sup>	—	(11)	(4)	(190)
[-] Non-cash interest and other income on loan receivable <sup>6</sup>	—	(66)	(1,102)	(215)
[-] Premiums for prepayment of loan receivable <sup>7</sup>	—	—	(2,140)	—
[-] Net gain on sale of royalty asset <sup>8</sup>	(150)	—	(109,756)	—
[-] Net unrealized gain on derivative asset	(652)	—	(652)	—
[+] Management fees on sale of royalty asset <sup>9</sup>	—	—	13,650	—
[+] Performance fees on sale of royalty asset <sup>9</sup>	—	—	18,616	—
<b>Adjusted EBITDA</b>	<b>20,254</b>	<b>15,814</b>	<b>66,759</b>	<b>55,068</b>
[÷] Normalized Total Cash Receipts	25,249	18,844	78,928	65,082
<b>Adjusted EBITDA Margin</b>	<b>80 %</b>	<b>84 %</b>	<b>85 %</b>	<b>85 %</b>

<sup>1</sup> In connection with the Empaveli/Syfovre transaction completed in 2022, the Trust acquired other current assets, as described under the Empaveli Transaction section of the MD&A. The related amortization expense is recorded in other operating expenses.

<sup>2</sup> Acquired royalties receivable represent the Trust's royalty entitlements prior to the completion of the royalty transactions they relate to, as described under the Transactions Completed section of the MD&A. Acquired royalties receivable of US\$96 previously recognized for the Tzield transaction were reversed during the second quarter of 2023 as the royalty asset and its associated royalty interest was sold.

<sup>3</sup> For the three and nine months ended September 30, 2023, the unit-based compensation expense was US\$2,843 and US\$3,700, respectively, (2022 – US\$298 and US\$849, respectively) of which US\$1,206 and US\$1,348, respectively, (2022 – nil and nil, respectively) were paid in cash.

<sup>4</sup> Certain members of the board of trustees elected to be compensated fully or partially in deferred units ("DUs") under the Trust's Omnibus Equity Incentive Plan.

<sup>5</sup> Non-cash royalty income is related to excess royalty payments received in prior periods in which the Trust has an obligation to the royalty payers. Royalty income for the three and nine months ended September 30, 2022 of nil and US\$334, respectively, was used to reduce the obligation for excess royalty payments received in connection with Ilaris. There is no remaining obligation as at September 30, 2023 (December 31, 2022 – nil) related to Ilaris. In the second quarter of 2022, the Trust recorded other current liabilities and a corresponding deduction to royalty income of US\$155 to reflect an additional obligation for excess royalty payments received related to other royalty assets. Royalty income of nil and US\$4 were used to reduce the obligation during the three and nine months ended September 30, 2023, respectively (2022 – US\$11 and US\$11, respectively). Royalty income earned in future periods related to other royalty assets will be used to repay the remaining obligation of US\$136.

<sup>6</sup> For the three and nine months ended September 30, 2023, non-cash interest and other income on loan receivable represents the amortization of commitment fees of nil and US\$368, respectively (2022 – US\$22 and US\$72, respectively) and the accretion of exit fees receivable of nil and US\$734, respectively (2022 – US\$44 and US\$143, respectively).

<sup>7</sup> The Trust received a prepayment premium for prepayment of the loan receivable, as described under the Loan receivable section of the MD&A.

<sup>8</sup> During the second quarter of 2023, the Trust sold its royalty interest in the worldwide sales of Tzield, as described under the Tzield Transactions section of the MD&A.

<sup>9</sup> During the nine months ended September 30, 2023, the Trust paid management fees of US\$13,650 and performance fees of US\$18,616 related to the sale of the Tzield royalty asset, pursuant to the management agreement, as described in note 2(n) to the Trust's 2022 annual consolidated financial statements.



## Adjusted Cash Earnings per Unit

Management believes that Adjusted Cash Earnings per Unit provides meaningful information about the Trust's performance as it provides a measure of the cash generated by the Trust's assets on a per unit basis, excluding cash earnings that are not expected to recur.

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<i>(thousands of US dollars, except per unit amounts)</i>				
Comprehensive earnings (loss)	(3,129)	7,614	70,781	16,405
[+] Amortization or royalty assets	23,589	13,992	62,357	40,188
[+] Amortization of other current assets <sup>1</sup>	—	114	240	114
[+] Unit-based compensation <sup>2</sup>	1,637	298	2,352	849
[+] Board of trustees unit-based compensation <sup>3</sup>	136	72	513	205
[-] Non-cash royalty income <sup>4</sup>	—	(11)	(4)	(190)
[-] Non-cash interest and other income on loan receivable <sup>5</sup>	—	(66)	(1,102)	(215)
[-] Premiums for prepayment of loan receivable <sup>6</sup>	—	—	(2,140)	—
[-] Net gain on sale of royalty assets <sup>7</sup>	(150)	—	(109,756)	—
[-] Net unrealized gain on derivative asset	(652)	—	(652)	—
[+] Management fee on sale of royalty asset <sup>8</sup>	—	—	13,650	—
[+] Performance fee on sale of royalty asset <sup>8</sup>	—	—	18,616	—
<b>Adjusted Cash Earnings</b>	<b>21,431</b>	<b>22,013</b>	<b>54,855</b>	<b>57,356</b>
<b>Adjusted Cash Earnings per Basic Unit</b>	<b>0.46</b>	<b>0.57</b>	<b>1.35</b>	<b>1.48</b>
<b>Adjusted Cash Earnings per Fully Diluted Unit</b>	<b>0.46</b>	<b>0.57</b>	<b>1.35</b>	<b>1.48</b>
Weighted average number of Units – Basic	46,115,848	38,657,266	40,485,450	38,684,889
Weighted average number of Units – Diluted	46,205,568	38,694,492	40,664,366	38,710,064

<sup>1</sup> In connection with the Empaveli/Syfovre transaction completed in 2022, the Trust acquired other current assets, as described under the Empaveli Transaction section of the MD&A. The related amortization expense is recorded in other operating expenses.

<sup>2</sup> For the three and nine months ended September 30, 2023, the unit-based compensation expense was US\$2,843 and US\$3,700, respectively, (2022 – US\$298 and US\$849, respectively) of which US\$1,206 and US\$1,348, respectively, (2022 – nil and nil, respectively) were paid in cash.

<sup>3</sup> Certain members of the board of trustees elected to be compensated fully or partially in DUs under the Trust's Omnibus Equity Incentive Plan.

<sup>4</sup> Non-cash royalty income is related to excess royalty payments received in prior periods in which the Trust has an obligation to the royalty payers. Royalty income for the three and nine months ended September 30, 2022 of nil and US\$334, respectively, was used to reduce the obligation for excess royalty payments received in connection with Ilaris. There is no remaining obligation as at September 30, 2023 (December 31, 2022 – nil) related to Ilaris. In the second quarter of 2022, the Trust recorded other current liabilities and a corresponding deduction to royalty income of US\$155 to reflect an additional obligation for excess royalty payments received related to other royalty assets. Royalty income of nil and US\$4 were used to reduce the obligation during the three and nine months ended September 30, 2023, respectively (2022 – US\$11 and US\$11, respectively). Royalty income earned in future periods related to other royalty assets will be used to repay the remaining obligation of US\$136.

<sup>5</sup> For the three and nine months ended September 30, 2023, non-cash interest and other income on loan receivable represents the amortization of commitment fees of nil and US\$368, respectively (2022 – US\$22 and US\$72, respectively) and the accretion of exit fees receivable of nil and US\$734, respectively (2022 – US\$44 and US\$143, respectively).

<sup>6</sup> The Trust received a prepayment premium for prepayment of the loan receivable, as described under the Loan receivable section of the MD&A.

<sup>7</sup> During the second quarter of 2023, the Trust sold its royalty interest in the worldwide sales of Tzield, as described under the Tzield Transactions section of the MD&A.

<sup>8</sup> During the nine months ended September 30, 2023, the Trust paid management fees of US\$13,650 and performance fees of US\$18,616 related to the sale of the Tzield royalty asset, pursuant to the management agreement, as described in note 2(n) to the Trust's 2022 annual consolidated financial statements.



### **About DRI Healthcare Trust**

DRI Healthcare Trust is managed by DRI Capital, the pioneer in global pharmaceutical royalty monetization with a more than 30-year history of accelerating innovation by providing capital to inventors, academic institutions and biopharma companies. Since its founding in 1989, DRI Capital has deployed more than US\$2.5 billion, acquiring more than 70 royalties on 40-plus drugs, including Eylea, Keytruda, Orserdu, Spinraza, Stelara, Vonjo, Zejula and Zytiga. DRI Healthcare Trust's units are listed and traded on the Toronto Stock Exchange in Canadian dollars under the symbol "DHT.UN" and in US dollars under the symbol "DHT.U". To learn more, visit [drihealthcare.com](http://drihealthcare.com) or follow us on [LinkedIn](#).

### **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 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 the Trust's ability to execute on its strategy and the value to be provided to unitholders and timing of royalty payments. 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. The anticipated royalty terms for products in our portfolio may be shorter than the period of patent protection for the applicable product, depending on many factors, including the entry of generic drugs into the marketplace and competition, all of which are outside our control. No assurance can be given that these are all the factors that could cause actual results to vary materially from the forward-looking statements in this press release. You should not put undue reliance on forward-looking statements. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do occur, the actual results, performance or achievements of the Trust could differ materially from the results expressed in, or implied by, any forward-looking statements. 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 [drihealthcare.com](http://drihealthcare.com).

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