

The logo features a teal plus sign to the left of the word "DRIHEALTHCARE" in a bold, dark blue, sans-serif font.

DRIHEALTHCARE

The background is a light blue gradient with a pattern of hexagons and circles. Several circular icons are overlaid, including a plus sign, a test tube, a caduceus, and a pill.

ADVANCING SCIENCE

in the Fast-Growing Pharmaceutical and Biotechnology Sector

Q4 and FY 2022 Earnings Call | March 2, 2023

Disclaimer

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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.

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, 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 presentation also makes reference to certain non-GAAP financial measures including Total Cash Receipts and Adjusted EBITDA, 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.

Our competitive advantages

1 Seasoned team

of specialized investment professionals with life science backgrounds and advanced business and scientific degrees

2 Disciplined capital allocation

based on robust investment criteria that has resulted in 18% net IRRs over 16 years¹

3 Proactive sourcing

proprietary database tracking royalties on more than 2,000 drugs worldwide combined with deep industry relationships developed over our 30-year history

3 Exceptional execution

fundamental ground-up diligence on opportunities to execute high quality transactions

1. Based on results of funds managed by DRI Healthcare Trust's manager.

2022 highlights

1 Accretive growth

Deployed \$281 million in 5 royalty transactions¹

2 Poised to execute

Robust and active pipeline

Recently completed preferred security offering providing additional capacity

3 Unitholder returns

\$18.8 million cash returned to unitholders²

2022 financial highlights

\$96.2 million

Total Cash Receipts¹

\$93.0 million

Total Income

\$82.4 million

Adjusted EBITDA¹

86%

Adjusted EBITDA Margin¹

\$1.87

Adjusted Cash Earnings per
Unit¹

\$0.30

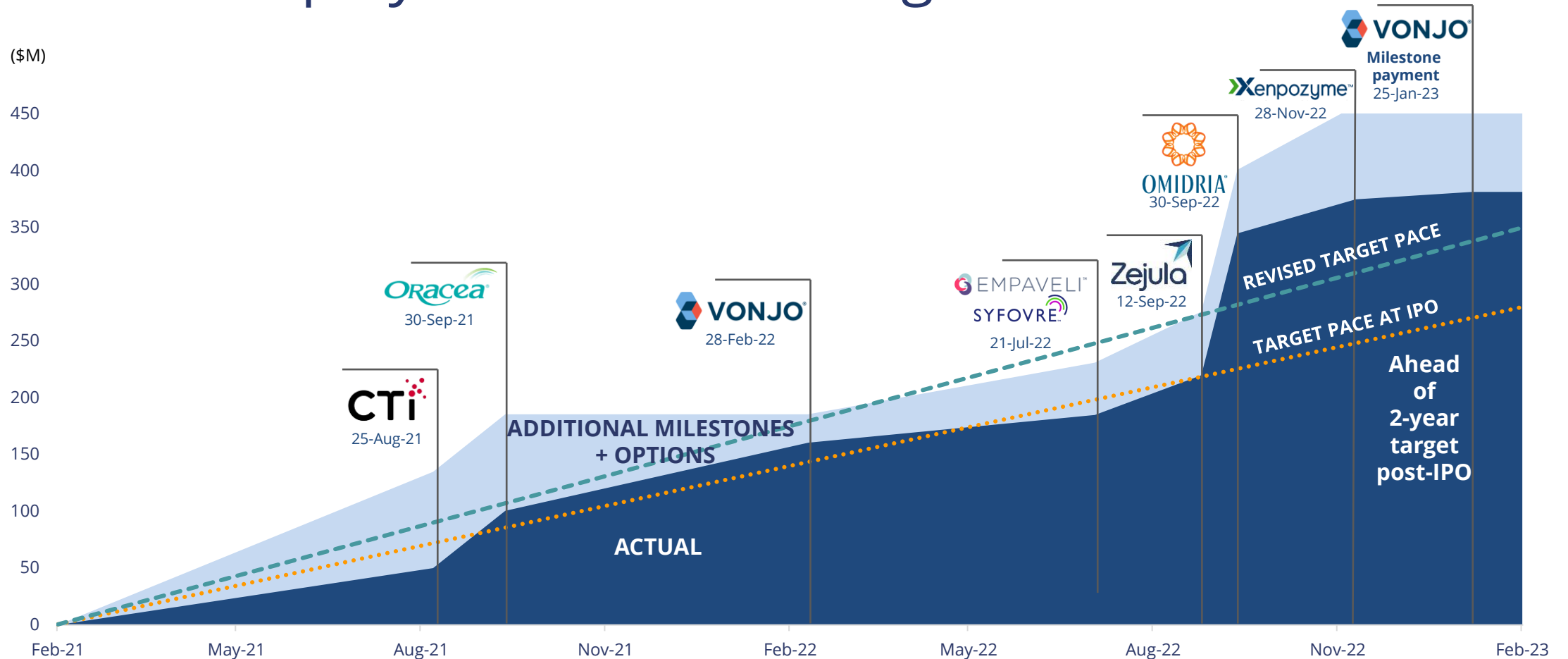
Declared Cash Distributions
per Unit

Delivering on our long-term strategy

	At IPO	Today	2025 target
Capital deployment	\$650 – 750 million over 5 years	\$381.5 million deployed to date + \$76 million in milestones and options	Revised deployment target of \$850 – 900 million
Sustainable cash generation	Declining cash curve due to expected asset expiries	Flat to slightly growing cash flows from 2022 through 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	Expanded credit facilities with compounding effect of cash flows

Focus on building long-term and sustainable strategic growth

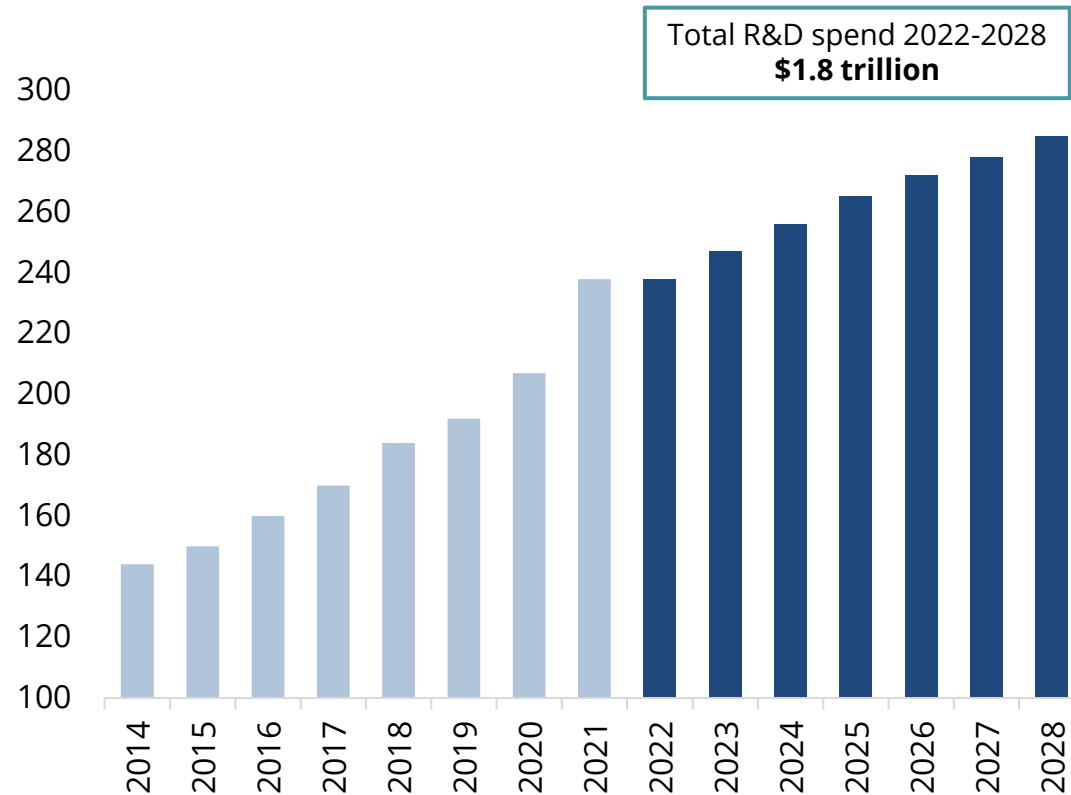
Current deployment exceeds targets



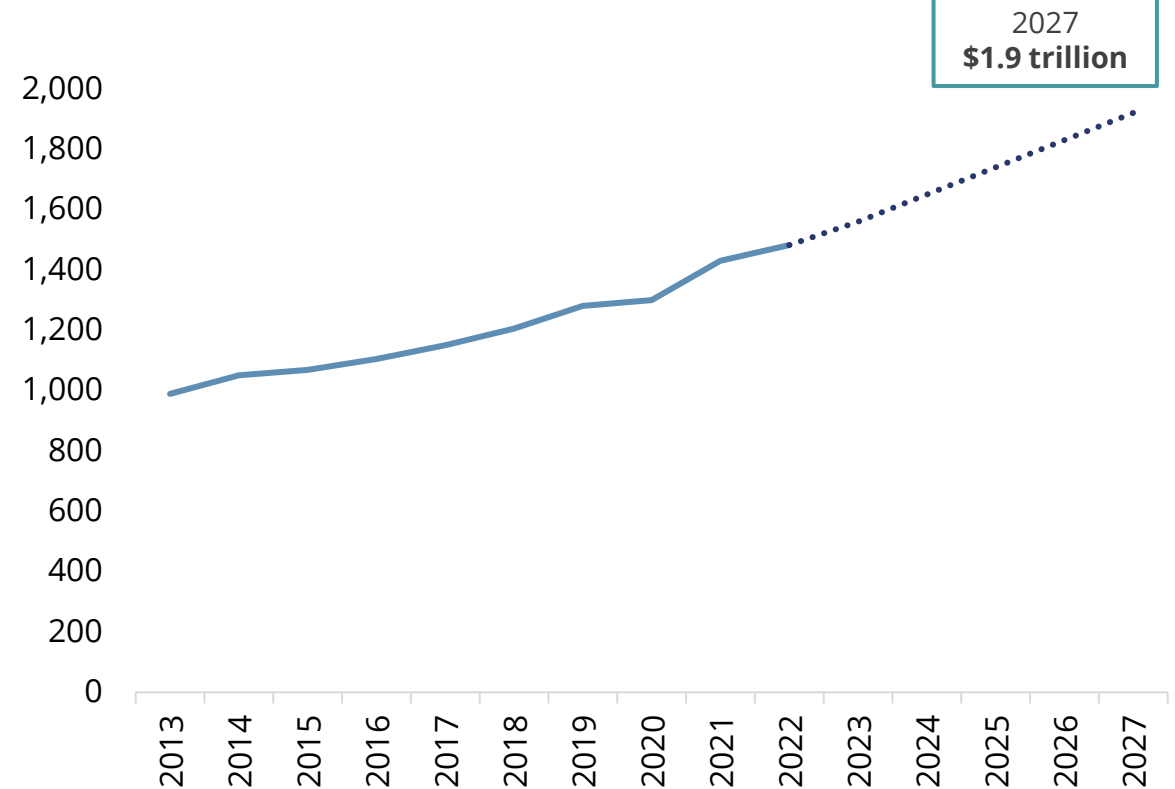
Deployment pace and need for capital by counterparties → 5 year deployment target increased to \$850 – 900 million

Industry R&D spending is propelling innovation

Worldwide Total Pharmaceutical R&D Spend (\$B)¹



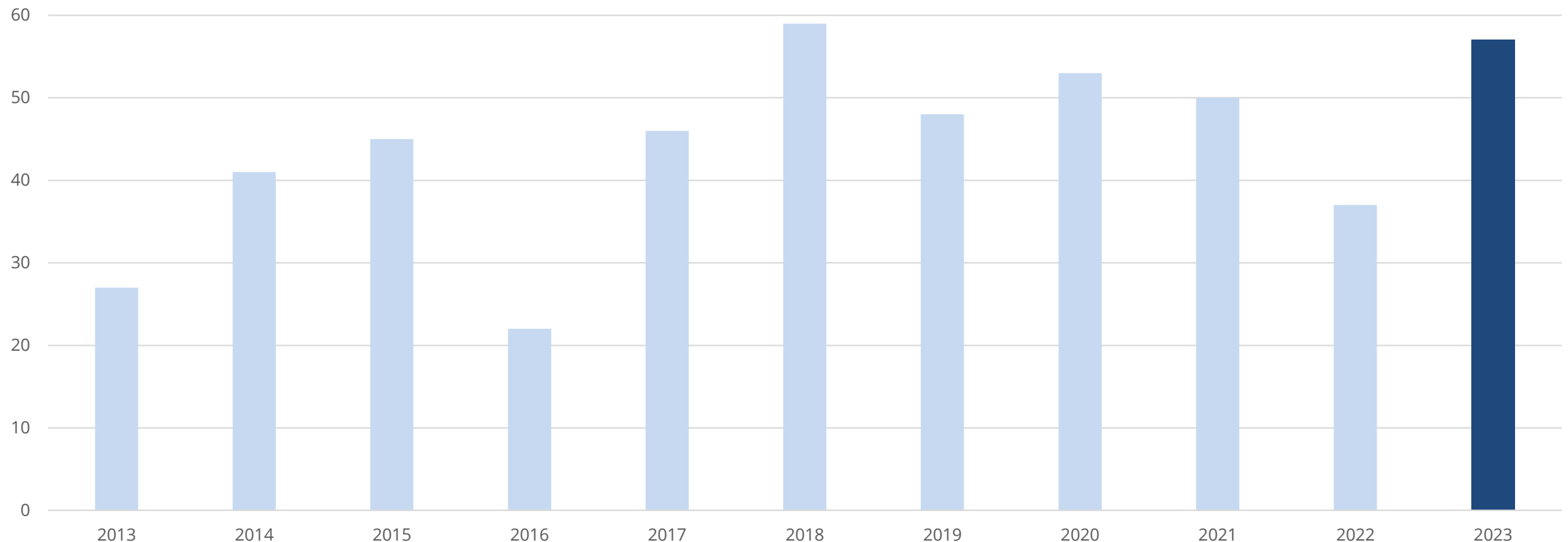
Worldwide Medicine Spending (\$B)²



Growing R&D increases our future opportunity set, while current cash needs bolster our pipeline

R&D spending has resulted in many innovative products

Novel Drug Approvals by the FDA¹

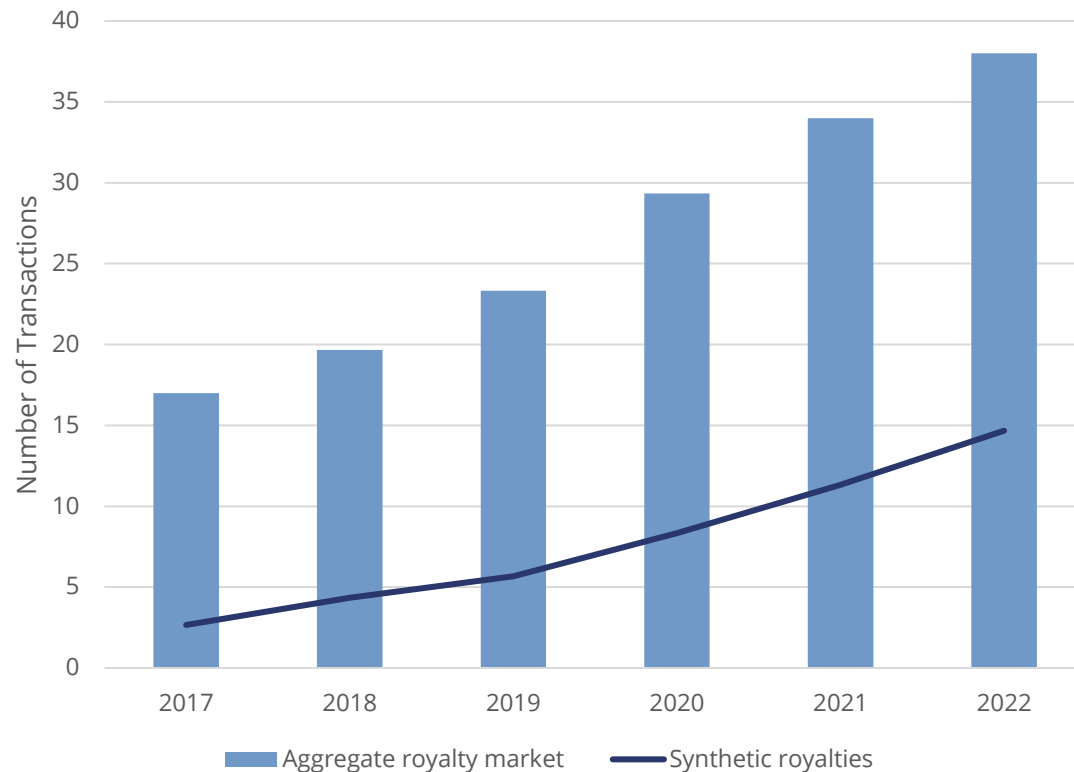


FDA approval of novel drugs opens the door to abundant royalty acquisition opportunities

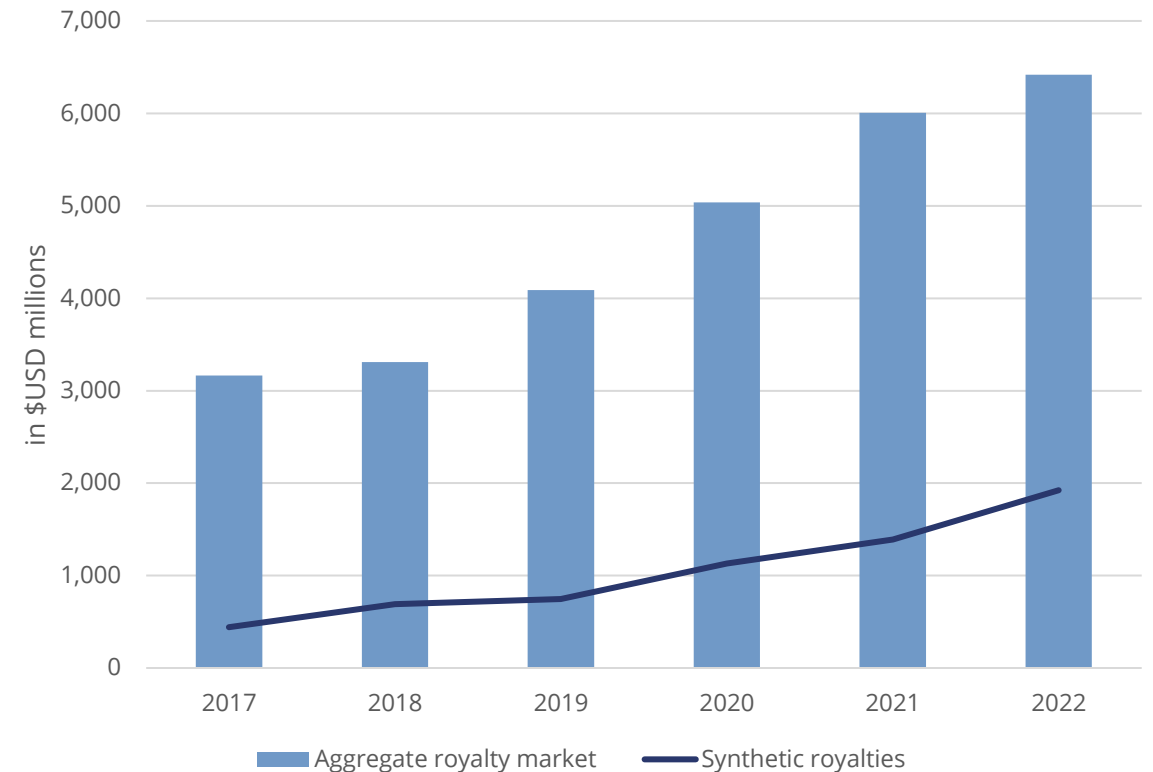
1. Source: Historic: FDA.gov, 2023 Forecast: Evaluate Vantage 2023 Preview, December 2022

Royalty transaction activity is expanding with strong industry tailwinds

Trailing three-year average number of transactions¹



Trailing three-year average value of transactions¹



Royalty financing's unique appeal has propelled it to mainstream adoption

Source: Internal database. Includes royalty related monetization transactions across the ecosystem (inventor, academic/non-profit, biotech and pharma)






2022 pipeline funnel



The demand for capital in the life sciences ecosystem combined with a challenging financing environment has created a uniquely robust pipeline of high-quality transaction opportunities

Significant number of opportunities in 2022 with ongoing evaluation of attractive potential transactions

2022 Transactions

	Investment Thesis	Transaction Size
	High-quality oncology product with strong growth potential	\$66.5 million¹ + \$18.5 million in potential milestone
	Hematology and ophthalmology product with long-term horizon and attractive growth prospects	\$24.5 million + \$21.0 million option
	High-quality oncology product with multiple pipeline indications	\$35.0 million + \$10.0 million in potential milestone
	Structured transaction on established product providing immediate cash accretion	\$125 million
	Only approved product for ASMD with strong IP and long duration	\$30.0 million + \$26.5 million in potential milestones

Completed five transactions in 2022 deploying \$281 million¹

1. Includes \$6.5 million milestone payment for Vonjo paid on January 25, 2023.

Preferred security offering

Gross Proceeds	<ul style="list-style-type: none"> • \$95 million
Preferred Securities	<ul style="list-style-type: none"> • Series A Preferred Security ("Pref A") with principal amount of \$95 million • Series B Preferred Security ("Pref B") with principal amount of \$19.76 million
Maturity	<ul style="list-style-type: none"> • Pref A – February 9, 2073 • Pref B – December 27, 2027
Redemption	<ul style="list-style-type: none"> • Pref A – redeemable at DHT's option at par at any time after December 27, 2027 <ul style="list-style-type: none"> • Not redeemable at holder's option at any time • Pref B – not redeemable at any time prior to maturity
Coupon	<ul style="list-style-type: none"> • Pref A and Pref B – cash coupon equal to 7.04% of principal amount • Pref A coupon escalates if not redeemed at December 27, 2027
Warrants	<ul style="list-style-type: none"> • 6,369,180 exercisable at any time prior to expiry on February 8, 2028
Warrant Exercise Price	<ul style="list-style-type: none"> • \$11.62 per trust unit

Portfolio performance

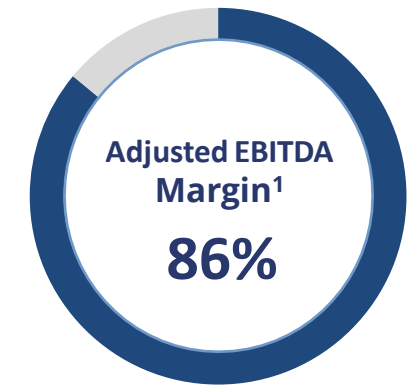
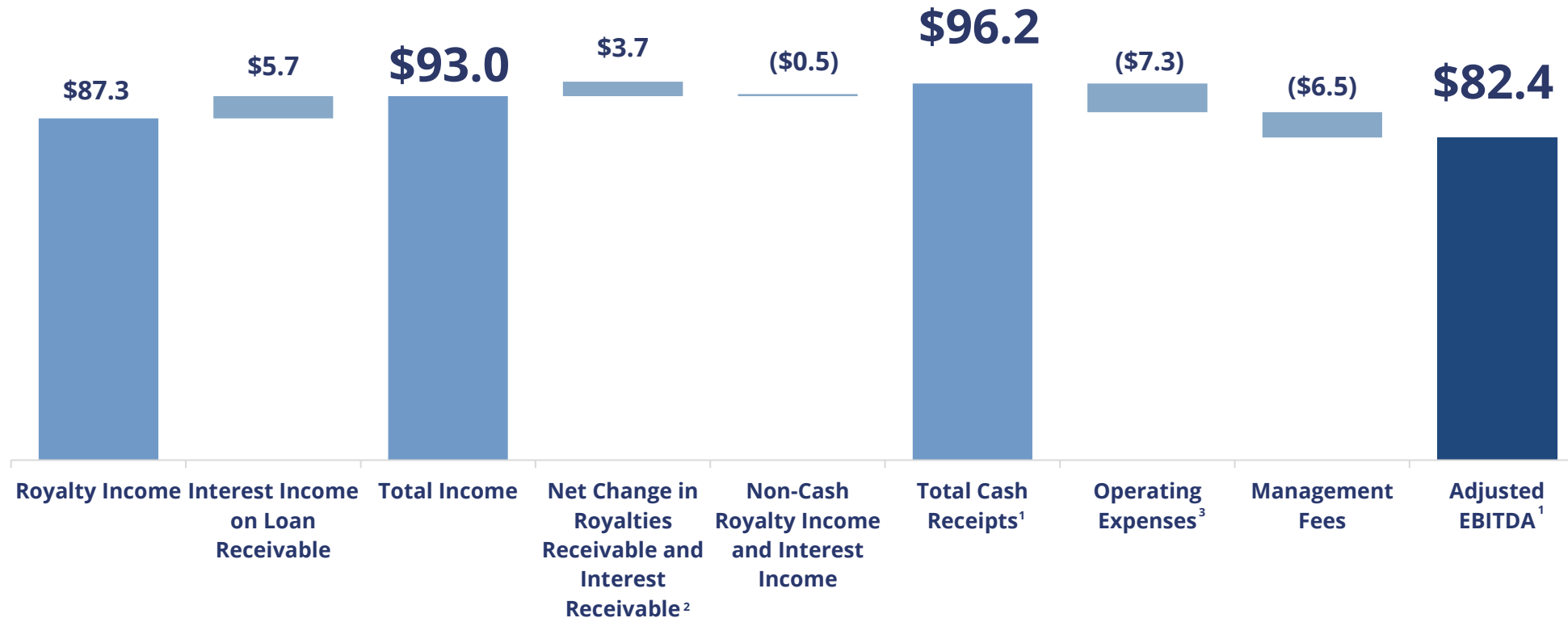
(US\$ thousands)

Primary Marketer(s)	Therapeutic Area	Q4 2022	Q4 2021	% Change	Total Cash Royalty Receipts ¹		
					2022	Pro forma 2021 ²	% Change
Apellis	Hematology / Ophthalmology	269	-	n/a	269	-	n/a
	Ophthalmology	2,697	9,682 ³	(72%)	11,280	18,406	(39%)
	Influenza	734	910	(19%)	2,952	3,179	(7%)
	Endocrinology	575	634	(9%)	2,625	2,208	19%
	Ophthalmology	1,670	-	n/a	1,670	-	n/a
	Dermatology	1,845	2,303	(20%)	7,662	6,014	27%
	Oncology	2,226	2,527	(12%)	10,102	11,297	(11%)
	Spinal Muscular Atrophy	3,879	4,382	(11%)	16,466	19,631	(16%)
	Oncology	1,751	-	n/a	3,155	-	n/a
	Acid Sphingomyelinase Deficiency	-	-	n/a	-	-	n/a
	Respiratory	3,019	2,703	12%	9,646	8,744	10%
	Oncology	692	-	n/a	692	-	n/a
	Oncology	9,101	9,020	1%	18,059	18,518	(2%)
	Autoimmune Diseases	597	1,786	(67%)	3,704	9,387	(61%)
	HIV	-	-	n/a	-	14,368	(100%)
Other	Various	562	540	4%	2,563	2,101	22%

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

Strong cash generation

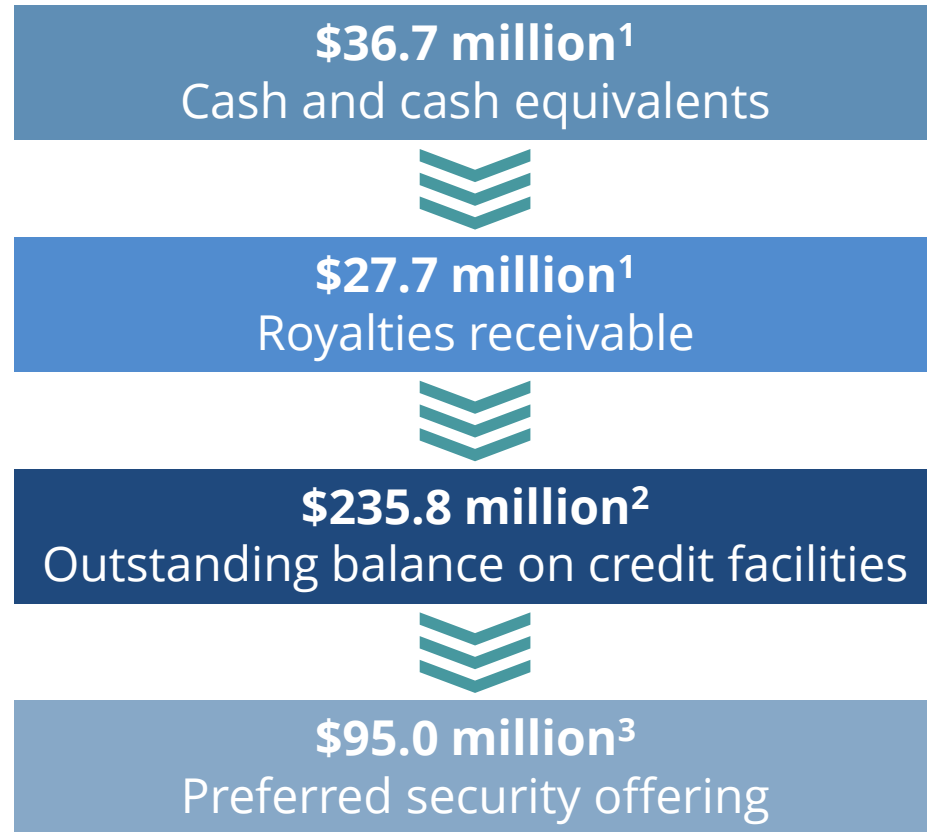
Adjusted EBITDA for the Year Ended December 31, 2022 (\$M)¹



Cash available to drive portfolio growth and maintain distributions to unitholders

1. Adjusted EBITDA and Total Cash Receipts are non-GAAP financial measures. Adjusted EBITDA Margin is a non-GAAP ratio calculated as Adjusted EBITDA / Total Cash Receipts. See note 1 on page 4 of this presentation.
 2. The Net Change in Royalties Receivable and Interest Receivable represents royalties and interest receivable at the beginning of period, less royalties and interest receivable at the end of period, plus acquired royalties receivable and acquired cash royalty receipts included in the purchase price of the assets.
 3. Operating expenses are net of \$0.3 million related to board of trustee unit-based compensation and \$0.3 million related to amortization of other current assets.
 4. Adjusted Cash Earnings per Unit is a non-GAAP ratio, and is the sum of Adjusted Cash Earnings per Unit in each of the last four quarters, calculated as net earnings and other comprehensive earnings, plus: (i) amortization of royalty assets, (ii) impairment of royalty assets, (iii) amortization of other current assets, (iv) unit-based compensation, and (v) board of trustees unit-based compensation, and less: (i) net gain (loss) on interest rate derivative, (ii) net gain (loss) on foreign exchange derivatives, (iii) non-cash royalty income, and (iv) non-cash interest income on loan receivable, divided by fully-diluted weighted average units outstanding. See note 1 on page 4 of this presentation.

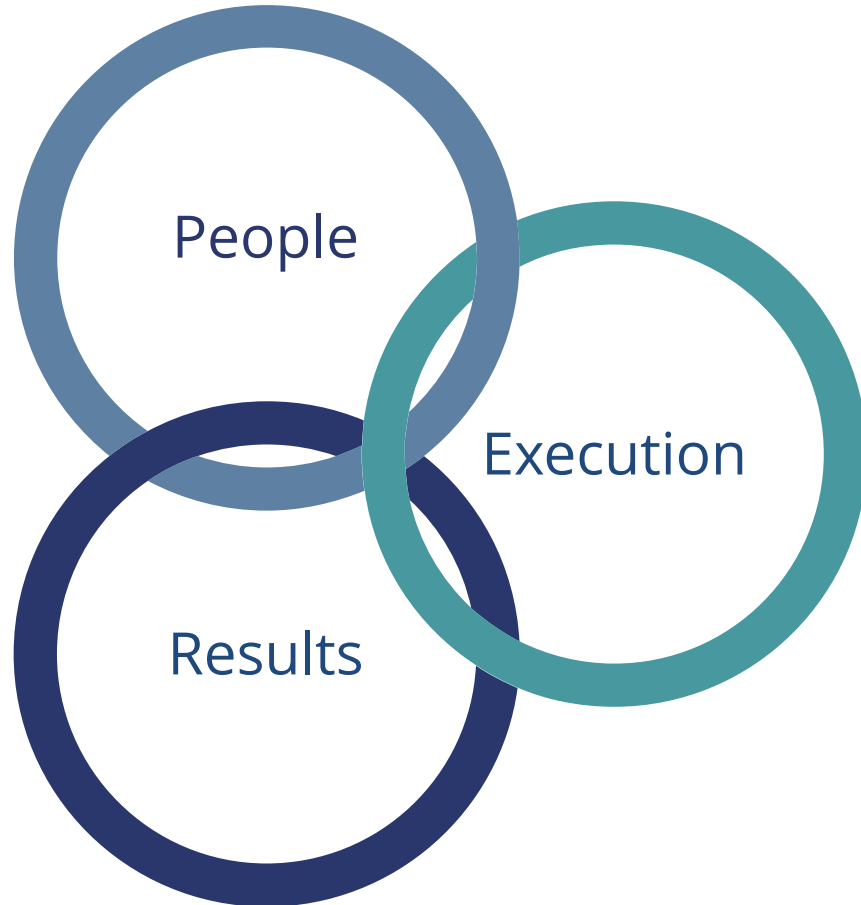
Well capitalized for growth



**Significant
capacity for
further
growth**

Significant capital available for deployment

Our key priorities



Invest in our people and build the industry leading royalty investment team

Execute on strong pipeline and operate at peak performance in all aspects of our business

Focus on long-term, sustainable growth generating strong unitholder returns

DRIHEALTHCARE



Contact Us

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