

## DRI Healthcare Trust Reports Fourth Quarter and Fiscal 2023 Results

- 82% royalty income growth over prior year period underscores transformative year –
- Announcing 2024 royalty income guidance of US\$153 to US\$155 million, excluding milestone income and any new transactions –
- Increasing quarterly cash distribution –

**Toronto, Ontario – February 28, 2024** – DRI Healthcare Trust (TSX: DHT.UN/DHT.U) (“DRI” or the “Trust”), a global leader in providing financing to advance innovation in the life sciences industry, today announced its financial results for the fourth quarter and fiscal year ended December 31, 2023. The Trust’s annual 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.

“2023 marked a significant step forward for the growth of the Trust,” said Behzad Khosrowshahi, the Trust’s Chief Executive Officer. “Our solid performance resonated through all aspects of the business. We invested in strong new assets to complement our existing portfolio, which continues to perform at a high level; we expanded our shareholder base with several new investors; and we rounded out our capital structure to enhance our deployment capability moving forward. In addition to our recently announced updated deployment and royalty income CAGR guidance targets, we are excited to announce for the first time our 2024 royalty income guidance of US\$153 million to US\$155 million, excluding any new transactions. This figure also excludes milestone income, allowing for year-over-year comparability. Having deployed US\$500 million in the past twelve months coupled with these recently updated guidance targets, we believe we have laid a strong foundation upon which to continue delivering further accretive value for our unitholders.”

### **Fourth Quarter Highlights**

- Total Income of US\$75.8 million;
- Normalized Total Cash Receipts of US\$52.3 million<sup>1</sup>;
- Adjusted EBITDA of US\$46.5 million<sup>1</sup>;
- Comprehensive Earnings of US\$20.4 million;
- Basic and diluted Adjusted Cash Earnings per Unit of US\$1.03 and US\$1.02, respectively<sup>1,2</sup>;
- Net Earnings per Unit of US\$0.39 (basic and diluted)<sup>2</sup>;
- Increased total credit available under our credit facility to US\$500.0 million; and
- Declared a special cash distribution of US\$0.2662 per unit, a special unit distribution of US\$0.7640 per unit and a regular quarterly cash distribution of US\$0.075 per unit to unitholders of record as at December 31, 2023.

### **Fiscal 2023 Highlights**

- Deployed US\$384.7 million in 5 royalty transactions;
- Completed two follow-on public offerings of 18,653,000 units at US\$8.12<sup>3</sup> per unit for gross proceeds of US\$151.5 million;
- Total Income of US\$166.3 million;
- Normalized Total Cash Receipts of US\$131.2 million<sup>1</sup>;
- Adjusted EBITDA of US\$113.2 million<sup>1</sup>;
- Comprehensive Earnings of US\$91.2 million;
- Basic and diluted Adjusted Cash Earnings per Unit of US\$2.53 and US\$2.52, respectively<sup>1,4</sup>;
- Basic and diluted Net Earnings per Unit of US\$2.08 and US\$2.07, respectively<sup>4</sup>; and
- Declared total distributions of US\$92.1 million, comprised of cash distributions of US\$49.1 million and unit distributions of US\$43.0 million.

<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 December 31, 2023 were 56,332,607 units and 56,464,102 units, respectively.

<sup>3</sup> Represents the weighted average cost per unit issued.

<sup>4</sup> The weighted average number of basic and diluted units for the year ended December 31, 2023 were 44,479,802 units and 44,622,811 units, respectively.

### Subsequent to Quarter End

- Deployed US\$115.0 million to expand interest in Omidria royalties by replacing previously agreed-upon annual royalty caps with a 30% royalty on all U.S. net sales; and
- Declared a quarterly cash distribution of US\$0.085 per unit for the first quarter of 2024, payable on April 19, 2024 to unitholders of record on March 31, 2024.

### Financial Highlights

	Three months ended		Year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<i>(thousands of US dollars, except per unit amounts)</i>				
Total income	75,842	22,642	166,279	93,034
Management fees	3,426	2,055	22,335	6,532
Performance fees	5,918	—	24,534	—
Amortization of royalty assets	24,719	19,078	87,076	59,266
Impairment of royalty assets	9,216	—	9,216	—
Other expenses	10,388	6,316	40,570	15,638
Net gain from sale of royalty asset	—	—	109,756	—
Net earnings (loss)	22,175	(4,807)	92,304	11,598
Net unrealized gain (loss) on derivative instruments	(1,741)	—	(1,089)	—
Comprehensive earnings (loss)	20,434	(4,807)	91,215	11,598
Net earnings (loss) per unit – basic	0.39	(0.13)	2.08	0.30
Net earnings (loss) per unit – diluted	0.39	(0.13)	2.07	0.30
Normalized Total Cash Receipts <sup>5</sup>	52,253	31,150	131,181	96,232
Adjusted EBITDA <sup>1</sup>	46,450	27,371	113,209	82,439
Adjusted EBITDA Margin <sup>1</sup>	89 %	88 %	86 %	86 %
Adjusted Cash Earnings per Unit – Basic <sup>1</sup>	1.03	0.39	2.53	1.87
Adjusted Cash Earnings per Unit – Diluted <sup>1</sup>	1.02	0.39	2.52	1.87
Weighted average number of Units – Basic	56,332,607	38,231,059	44,479,802	38,570,499
Weighted average number of Units – Diluted	56,464,102	38,270,508	44,622,811	38,591,392

### Asset Performance

As at December 31, 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 December 31, 2023, the royalty asset portfolio had a book value, net of accumulated amortization, of US\$706.1 million, which generated Total Cash Royalty Receipts<sup>1</sup> of US\$52.3 million and US\$127.9 million during the three months and year ended December 31, 2023, respectively, and royalty income of US\$75.4 million and US\$158.9 million during the three months and year ended December 31, 2023, respectively.

<sup>5</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		Year ended	
			December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Empaveli/Syfovre <sup>1</sup>	Hematology/Ophthalmology	Apellis, Sobi	1,438	269	1,876	269
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	1,456	1,290	5,511	5,399
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	317	1,407	2,022	5,881
FluMist	Influenza	AstraZeneca	944	734	2,423	2,952
Natpara	Endocrinology	Takeda	635	575	2,441	2,625
Omidria	Ophthalmology	Rayner Surgical	3,250	1,670	13,000	1,670
Oracea	Dermatology	Galderma	2,267	1,845	8,319	7,662
Orserdu I <sup>2</sup>	Oncology	Menarini	8,633	—	12,086	—
Orserdu II <sup>2</sup>	Oncology	Menarini	14,521	—	14,521	—
Rydapt	Oncology	Novartis	1,698	2,226	8,242	10,102
Spinraza	Neurology	Biogen	4,426	3,879	16,784	16,466
Stelara, Simponi and Ilaris <sup>3</sup>	Immunology	Johnson & Johnson, Merck, Mitsubishi Tanabe, Novartis	278	597	1,300	3,704
Vonjo I	Hematology	Sobi	3,079	1,751	10,134	3,155
Vonjo II	Hematology	Sobi	642	—	1,038	—
Xenpozyme	Lysosomal Storage Disorder	Sanofi	427	—	674	—
Xolair	Immunology	Roche, Novartis	3,198	3,019	9,945	9,646
Zejula	Oncology	GSK	867	692	3,126	692
Zytiga	Oncology	Johnson & Johnson	3,691	9,101	12,234	18,059
Other Products <sup>4</sup>	Various	Various	486	562	2,241	2,563
<b>Total Cash Royalty Receipts<sup>5</sup></b>			<b>52,253</b>	<b>29,617</b>	<b>127,917</b>	<b>90,845</b>
Interest receipts from loan receivable <sup>6</sup>			—	1,533	3,264	5,387
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>7,8</sup>			—	—	210,000	—
<b>Total Cash Receipts<sup>5</sup></b>			<b>52,253</b>	<b>31,150</b>	<b>394,321</b>	<b>96,232</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>7,8</sup>			—	—	(210,000)	—
<b>Normalized Total Cash Receipts<sup>5</sup></b>			<b>52,253</b>	<b>31,150</b>	<b>131,181</b>	<b>96,232</b>

<sup>1</sup> Per the royalty agreement, Empaveli/Syfovre royalty cash receipts are to be received on a three-quarter lag. During the fourth quarter of 2023, the Trust received royalty cash receipts related to sales from the first quarter of 2023, on a three-quarter lag. Prior to the fourth quarter, royalties had been received on a two-quarter lag.

<sup>2</sup> Includes milestone royalty receipts of US\$4,013 from Orserdu I and US\$11,364 from Orserdu II.

<sup>3</sup> Stelara, Simponi and Ilaris include two royalty streams on each product, for a total of six royalty streams.

<sup>4</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>5</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>6</sup> Interest receipts from loan receivable relates to the loan receivable, 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>7</sup> This item represents cash received by the Trust in the quarter 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>8</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 December 31, 2023, the Trust had cash and cash equivalents of US\$62.8 million. The Trust's credit facility had an outstanding principal balance of US\$148.3 million on December 31, 2023.

The Trust had 56,358,240 units issued and outstanding on December 31, 2023.

### **Distributions**

On November 13, 2023, the board of trustees approved a quarterly cash distribution of US\$0.075 per unit to unitholders of record as of December 31, 2023, which was paid on January 19, 2024. On December 20, 2023, the board of trustees approved a special cash distribution of US\$0.2662 per unit and a special unit distribution of US\$0.7640 per unit to unitholders of record as of December 31, 2023. The special cash distribution was paid on January 19, 2024. The special unit distribution was issued to unitholders of record on December 31, 2023 and the units were immediately consolidated such that the total number of units outstanding did not change.

The Trust also announced today that its board of trustees has declared an increased quarterly cash distribution in the amount of US\$0.085 per unit for the first quarter of 2024, payable on April 19, 2024, to unitholders of record as of March 31, 2024.

### **Normal Course Issuer Bid**

During the year, the Trust repurchased and cancelled 325,653 of its own units under its normal course issuer bid ("NCIB") for an aggregate amount of US\$1.8 million at a weighted average price of C\$7.44 per unit (US\$5.43). As previously announced, the Trust received approval on November 13, 2023 from the Toronto Stock Exchange ("TSX") to acquire, from time to time, if considered advisable, up to an aggregate of 3,280,195 of its units for cancellation. Purchases will conclude on the earlier of the date on which the Trust has purchased the maximum number of units permitted under the NCIB and November 19, 2024.

### **Omidria Royalty Amendment**

On February 1, 2024, the Trust amended its existing royalty agreement with Omeros Corporation to expand its royalty interest on the U.S. net sales of Omidria for an upfront purchase price of US\$115.0 million. In accordance with the terms of the amended royalty agreement, Omeros Corporation may also be entitled to additional consideration of up to US\$55.0 million in the event that Omidria sales exceed certain thresholds within a predefined period of time. As a result of the amendment, the Trust will now be entitled to receive a 30% royalty on all U.S. net sales of Omidria until December 31, 2031, and all previously agreed-upon annual royalty caps have been eliminated. As part of the amendment, the Trust is no longer entitled to ex-U.S. royalties.

Omidria was approved by the U.S. Food and Drug Administration ("FDA") in May 2014 and the European Medicines Agency ("EMA") in July 2015 for intracameral use during cataract surgery or intraocular lens replacement to maintain pupil dilation and reduce postoperative pain. Omidria was launched in the United States in 2014 but has yet to be launched in the European Union. Omidria is marketed by Rayner Surgical, one of the world's leaders in the field of cataract surgery with operations in over 80 countries worldwide.

### **2023 Highlights**

In addition to the strong performance of the asset portfolio during the year, the Trust took a number of steps to execute on the strategy outlined to its unitholders since its initial public offering.

On March 8, 2023, the Trust bought royalties on the sales of Tziel for US\$100.0 million from MacroGenics, Inc. The transaction entitled the Trust to a single digit royalty on worldwide net sales of Tziel. On April 27, 2023, the Trust sold its interest and milestone obligations in the worldwide sales of Tziel to a subsidiary of Sanofi S.A. for US\$210.0 million. In connection with the sale, the Trust announced a special cash distribution of US\$20.0 million to unitholders of record as of June 30, 2023. The proceeds were partially used to fund the special cash distribution, and partially used to pay down the amount outstanding under the Trust's revolving acquisition credit facility and pay management and performance fees to the Trust's manager.

On June 29, 2023, the Trust bought royalties on the sales of Orserdu for US\$85.0 million from Eisai Co., Ltd ("Orserdu I"). The transaction entitles the Trust to a mid-single digit tiered royalty on the worldwide net sales of Orserdu. In addition to the running royalties, the Trust is also entitled to receive milestones based on the achievement of regulatory approvals and sales performance thresholds. During the year ended December 31,



2023, the Trust recorded milestone royalty income of US\$6.1 million upon EMA approval of Orserdu and the achievement of certain sale performance thresholds.

On July 7, 2023, the Trust bought an additional royalty interest in the worldwide sales of Vonjo for US\$66.0 million from S\*Bio Pte Ltd ("Vonjo II"). 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. The Trust received its first payment in Q3 2023. The Trust is also entitled to receive milestone payments based on the achievement of regulatory approvals and sales performance thresholds. During the year ended December 31, 2023, the Trust recorded milestone royalty income of US\$5.0 million upon the achievement of certain sales performance thresholds.

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.

On August 14, 2023, the Trust bought an additional royalty interest on the sales of Orserdu for US\$130.0 million from Radius Health, Inc ("Orserdu II"). 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. In addition, the Trust is also entitled to receive milestone royalty payments on the achievement of sales performance thresholds. During the year ended December 31, 2023, the Trust recorded milestone royalty income of US\$30.3 million upon the achievement of certain sales performance thresholds.

Our manager is entitled to performance fees determined on a portfolio-by-portfolio basis pursuant to the terms of a management agreement. As a result of the Trust selling its royalty interest in Tzield for US\$210.0 million and overall strong asset performance including significant milestone royalty income earned, the conditions for performance fee payments to the manager have been met. For the year ended December 31, 2023, the Trust recorded total performance fees of US\$24.5 million.

Throughout 2023, the Trust declared and subsequently paid cash distributions totaling US\$1.10 per unit, for aggregate cash distributions of US\$49.1 million.

#### **Fourth Quarter and Fiscal 2023 Conference Call & Webcast**

As previously announced, management will hold a conference call on Thursday, February 29, 2024, at 8:00 a.m. (ET) to review the Trust's 2023 annual 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 <https://app.webinar.net/09MwQ3j7DLE>. 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 date.

## Non-GAAP Financial Measures

The reconciliations of non-GAAP financial measures and non-GAAP ratios for the three months and years ended December 31, 2023 and 2022 to the most directly comparable measures calculated in accordance with IFRS 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 Tziold 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.

(thousands of US dollars)	Three months ended		Year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Total income	75,842	22,642	166,279	93,034
[-] Other interest income	(393)	(50)	(861)	(83)
[+] Royalties receivable, beginning of period	40,886	36,386	27,748	30,148
[-] Royalties receivable, end of period	(64,082)	(27,748)	(64,082)	(27,748)
[+] Acquired royalties receivable <sup>1</sup>	—	—	5,343	1,366
[-] Non-cash royalty income <sup>2</sup>	—	(4)	(4)	(194)
[-] Non-cash interest and other income on loan receivable <sup>3</sup>	—	(76)	(1,102)	(291)
[+] 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>52,253</b>	<b>31,150</b>	<b>394,321</b>	<b>96,232</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>52,253</b>	<b>31,150</b>	<b>131,181</b>	<b>96,232</b>
[-] Interest and other income on loan receivable	—	(1,609)	(6,506)	(5,678)
[+] Non-cash interest and other income on loan receivable <sup>3</sup>	—	76	1,102	291
[+] Premiums for prepayment of loan receivable <sup>4</sup>	—	—	2,140	—
<b>Total Cash Royalty Receipts</b>	<b>52,253</b>	<b>29,617</b>	<b>127,917</b>	<b>90,845</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 Tziold 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 months and year ended December 31, 2022 of nil and US\$334, respectively, were used to reduce the obligation for excess royalty payments received in connection with Ilaris. There is no remaining obligation as at December 31, 2023 (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 months and year ended December 31, 2023 (2022 – US\$4 and US\$15, respectively). 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 months and year ended December 31, 2023, non-cash interest and other income on loan receivable represents the amortization of commitment fees of nil and US\$368, respectively (2022 – US\$25 and US\$97, respectively) and the accretion of exit fees receivable of nil and US\$734, respectively (2022 – US\$51 and US\$194). 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 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 and comprehensive earnings. 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.

(thousands of US dollars)	Three months ended		Year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Comprehensive earnings (loss)	20,434	(4,807)	91,215	11,598
[+] Amortization or royalty assets	24,719	19,078	87,076	59,266
[+] Amortization of other current assets <sup>1</sup>	—	146	240	260
[+] Impairment of royalty assets	9,216	—	9,216	—
[-] Other interest income	(393)	(50)	(861)	(83)
[+] Interest expense	6,336	4,013	26,503	6,630
<b>EBITDA</b>	<b>60,312</b>	<b>18,380</b>	<b>213,389</b>	<b>77,671</b>
[+] Royalties receivable, beginning of period	40,886	36,386	27,748	30,148
[-] Royalties receivable, end of period	(64,082)	(27,748)	(64,082)	(27,748)
[-] Performance fees payable, beginning of period	—	—	—	—
[+] Performance fees payable, end of period	5,918	—	5,918	—
[+] Acquired royalties receivable <sup>2</sup>	—	—	5,343	1,366
[+] Unit-based compensation <sup>3</sup>	1,379	342	3,731	1,191
[+] Board of trustees unit-based compensation <sup>4</sup>	296	91	809	296
[-] Non-cash royalty income <sup>5</sup>	—	(4)	(4)	(194)
[-] Non-cash interest and other income on loan receivable <sup>6</sup>	—	(76)	(1,102)	(291)
[-] Premiums for prepayment of loan receivable <sup>7</sup>	—	—	(2,140)	—
[-] Net gain on sale of royalty asset <sup>8</sup>	—	—	(109,756)	—
[-] Net unrealized gain on derivative instruments	1,741	—	1,089	—
[+] 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>46,450</b>	<b>27,371</b>	<b>113,209</b>	<b>82,439</b>
[÷] Normalized Total Cash Receipts	52,253	31,150	131,181	96,232
<b>Adjusted EBITDA Margin</b>	<b>89 %</b>	<b>88 %</b>	<b>86 %</b>	<b>86 %</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 year ended December 31, 2023, unit-based compensation expense was US\$5,079 (2022 – US\$1,191), which includes US\$1,348 paid in cash in the third quarter of 2023 (2022 – nil).

<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 months and year ended December 31, 2022 of nil and US\$334, respectively, were used to reduce the obligation for excess royalty payments received in connection with Ilaris. There is no remaining obligation as at December 31, 2023 (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 months and year ended December 31, 2023 (2022 – US\$4 and US\$15, 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 months and year ended December 31, 2023, non-cash interest and other income on loan receivable represents the amortization of commitment fees of nil and US\$368, respectively (2022 – US\$25 and US\$97, respectively) and the accretion of exit fees receivable of nil and US\$734, respectively (2022 – US\$51 and US\$194).

<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 year ended December 31, 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 investment management agreement, as described in note 2(n) to the Trust's 2023 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.

(thousands of US dollars, except per unit amounts)	Three months ended		Year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Comprehensive earnings (loss)	20,434	(4,807)	91,215	11,598
[+] Amortization or royalty assets	24,719	19,078	87,076	59,266
[+] Amortization of other current assets <sup>1</sup>	—	146	240	260
[+] Impairment of royalty assets	9,216	—	9,216	—
[+] Unit-based compensation <sup>2</sup>	1,379	342	3,731	1,191
[+] Board of trustees unit-based compensation <sup>3</sup>	296	91	809	296
[-] Non-cash royalty income <sup>4</sup>	—	(4)	(4)	(194)
[-] Non-cash interest and other income on loan receivable <sup>5</sup>	—	(76)	(1,102)	(291)
[-] Premiums for prepayment of loan receivable <sup>6</sup>	—	—	(2,140)	—
[-] Net gain on sale of royalty assets <sup>7</sup>	—	—	(109,756)	—
[-] Net unrealized gain on derivative instruments	1,741	—	1,089	—
[+] 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>57,785</b>	<b>14,770</b>	<b>112,640</b>	<b>72,126</b>
<b>Adjusted Cash Earnings per Basic Unit</b>	<b>1.03</b>	<b>0.39</b>	<b>2.53</b>	<b>1.87</b>
<b>Adjusted Cash Earnings per Fully Diluted Unit</b>	<b>1.02</b>	<b>0.39</b>	<b>2.52</b>	<b>1.87</b>
Weighted average number of Units – Basic	56,332,607	38,231,059	44,479,802	38,570,499
Weighted average number of Units – Diluted	56,464,102	38,270,508	44,622,811	38,591,392

<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 year ended December 31, 2023, unit-based compensation expense was US\$5,079 (2022 – US\$1,191), which includes US\$1,348 paid in cash in the third quarter of 2023 (2022 – nil).

<sup>3</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>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 months and year ended December 31, 2022 of nil and US\$334, respectively, were used to reduce the obligation for excess royalty payments received in connection with Ilaris. There is no remaining obligation as at December 31, 2023 (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 months and year ended December 31, 2023 (2022 – US\$4 and US\$15, respectively). Royalty income earned in future periods related to other royalty assets will be used to repay the remaining obligation of US\$136.

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## **About DRI Healthcare Trust**

DRI Healthcare Trust is managed by DRI Capital Inc. (“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\$3.0 billion, acquiring more than 70 royalties on 45-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](https://www.linkedin.com/company/drihealthcare).

## **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”, “guidance” 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 deployment target and capacity available for deployment, portfolio, royalty cash receipts, the timing of royalty payments, growth in royalty income, anticipated royalty income, anticipated sales of the products underlying our royalties and our ability to execute on our strategy and reach our targets. Forward-looking information is based on a number of assumptions, including, but not limited to: statements regarding potential royalty transactions which we reasonably expect to complete are based on our historical track record, statements regarding the terms and conditions of our transactions are based on the transaction documentation, statements with respect to royalty income, total income and future sales of the products underlying our existing royalties are based on assumptions with respect to timing of generic drugs entering the market, competitor drugs receiving approval and entering the market, and regulatory measures under the Inflation Reduction Act. 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. 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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