

DRI Healthcare Trust Reports Third Quarter 2024 Results

- 53% adjusted EBITDA growth over prior year period shows strong focus on cash generation
- Recent acquisitions and credit facility expansion highlight growth under new leadership

Toronto, Ontario – November 6, 2024 – DRI Healthcare Trust (TSX: DHT.UN/DHT.U) (“DRI” or “the Trust”) today announced its financial results for the quarter ended September 30, 2024. The Trust’s third quarter 2024 financial statements and Management’s Discussion & Analysis (“MD&A”) have been filed on SEDAR+ (www.sedarplus.ca). All dollar amounts are expressed in U.S. dollars unless otherwise indicated.

“The third quarter brought with it significant changes and the Trust ultimately emerged a much stronger organization,” said Gary Collins, the Trust’s Chairman and Chief Executive Officer. “We have worked tirelessly over the past four months improving our governance process and internal control systems. At the same time, we have pushed forward with deal execution, culminating in the closing of two transactions within a few short weeks subsequent to quarter end. We are excited about these deals, our robust pipeline, as well as the continued support from our banking partners, and how these positively position the growth of our portfolio for years to come.”

Third Quarter Highlights

- Total Income of \$41.6 million;
- Normalized Total Cash Receipts of \$38.9 million¹;
- Adjusted EBITDA of \$31.3 million¹;
- Comprehensive Loss of \$3.3 million;
- Adjusted Cash Earnings per Unit of \$0.45 (basic and diluted)^{1,2};
- Net Loss per Unit of \$0.03 (basic and diluted)²;
- Repurchased 198,746 Units under its Normal Course Issuer Bid (“NCIB”) at an average price of \$8.72, totaling \$ 1.7 million, under the Automated Purchase Plan (“AUPP”).
- Paid a quarterly cash distribution of US\$0.085 per unit on October 18, 2024.

Subsequent to Quarter End

- Deployed \$57.0 million in a royalty interest in Casgev.
- Deployed \$100.0 million in a royalty interest in sebetralstat and \$5.0 million in a private placement transaction equity investment.
- Increased total credit available under the credit facility to \$631.6 million.
- Declared a quarterly cash distribution of US\$0.085 per unit for the fourth quarter of 2024, payable on January 20, 2025 to unitholders of record on December 31, 2024.

¹ 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.

² The weighted average number of basic and diluted units for the purposes of calculating Earnings per Unit for the three months ended September 30, 2024 were 56,293,275 units.

Financial Highlights

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<i>(thousands of US dollars, except per unit amounts)</i>				
Total income	41,555	34,143	125,226	90,437
Management fees	1,470	1,673	8,459	18,909
Performance fees	—	—	231	18,616
Amortization of royalty assets ¹	26,098	23,564	76,823	62,295
Impairment of royalty assets	901	—	6,101	—
Other expenses ¹	14,778	12,593	44,578	29,380
Net gain from sale of royalty asset	—	150	—	110,122
Net gain on debt refinancing	—	—	2,176	—
Other loss ¹	—	(791)	(1,575)	(1,786)
Net earnings (loss) ¹	(1,692)	(4,328)	(10,365)	69,573
Net unrealized gain (loss) on derivative instruments	(1,632)	652	(207)	652
Comprehensive earnings (loss) ¹	(3,324)	(3,676)	(10,572)	70,225
Net earnings (loss) per unit – basic ¹	(0.03)	(0.09)	(0.18)	1.72
Net earnings (loss) per unit – diluted ¹	(0.03)	(0.09)	(0.18)	1.71
Normalized Total Cash Receipts ²	38,921	25,249	145,393	78,928
Adjusted EBITDA ²	31,310	20,473	119,677	67,561
Adjusted EBITDA Margin ²	80 %	81 %	82 %	86 %
Adjusted Cash Earnings per Unit – Basic ^{1,2}	0.45	0.47	1.42	1.37
Adjusted Cash Earnings per Unit – Diluted ^{1,2}	0.45	0.47	1.42	1.37
Weighted average number of Units – Basic	56,293,275	46,115,848	56,359,017	40,485,450
Weighted average number of Units – Diluted	56,293,275	46,205,568	56,359,017	40,664,366

Asset Performance

As at September 30, 2024, the Trust's portfolio included 26 royalty streams on 19 products that address a variety of therapeutic areas, such as oncology, neurology, ophthalmology, endocrinology, hematology, dermatology, lysosomal storage disorders, immunology. On September 30, 2024, the royalty asset portfolio had a book value, net of accumulated amortization, of \$747.8 million, which during the three and nine months ended September 30, 2024 generated Total Cash Royalty Receipts² of \$38.9 million and \$145.4 million, respectively, and royalty income of \$41.0 million and \$123.3 million, respectively.

¹ Comparative figures have been restated as a result of a retrospective reclassification of certain expenses and capitalized costs.

² 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, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Empaveli/Syfovre	Hematology/Ophthalmology	Apellis, Sobi	1,716	—	4,291	438
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	1,442	1,331	4,170	4,055
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	312	289	902	1,705
FluMist	Influenza	AstraZeneca	—	4	—	1,479
Natpara	Endocrinology	Takeda	439	585	1,702	1,806
Omidria	Ophthalmology	Rayner Surgical	9,580	3,250	29,401	9,750
Oracea	Dermatology	Galderma	1,463	2,770	5,799	6,052
Orserdu I ¹	Oncology	Menarini	6,462	3,453	19,797	3,453
Orserdu II ¹	Oncology	Menarini	4,742	—	31,913	—
Rydapt ²	Oncology	Novartis	603	1,694	4,779	6,544
Spinraza	Neurology	Biogen	3,954	4,319	11,069	12,358
Stelara, Simponi and Ilaris ³	Immunology	Johnson & Johnson, Merck, Mitsubishi Tanabe, Novartis	179	222	609	1,022
Vonjo I	Hematology	Sobi	3,053	2,716	8,842	7,055
Vonjo II ¹	Hematology	Sobi	650	396	6,870	396
Xenpozyme ⁴	Lysosomal Storage Disorder	Sanofi	—	247	662	247
Xolair	Immunology	Roche, Novartis	3,011	2,671	7,123	6,747
Zejula	Oncology	GSK	1,053	777	2,947	2,259
Zytiga ⁴	Oncology	Johnson & Johnson	—	—	3,546	8,543
Other Products ⁵	Various	Various	262	525	971	1,755
Total Cash Royalty Receipts⁶			38,921	25,249	145,393	75,664
Interest receipts from loan receivable ⁷			—	—	—	3,264
Principal repayment of loan receivable ^{7,8}			—	—	—	50,000
Exit fee received for loan receivable ^{7,8}			—	—	—	1,000
Premiums for prepayment ^{7,8}			—	—	—	2,140
Proceeds from sale of royalty assets ^{8,9}			—	—	—	210,000
Total Cash Receipts⁶			38,921	25,249	145,393	342,068
Principal repayment of loan receivable ^{7,8}			—	—	—	(50,000)
Exit fee received for loan receivable ^{7,8}			—	—	—	(1,000)
Premiums for prepayment ^{7,8}			—	—	—	(2,140)
Proceeds from sale of royalty assets ^{8,9}			—	—	—	(210,000)
Normalized Total Cash Receipts⁶			38,921	25,249	145,393	78,928

¹ Cash receipts for the nine months ended September 30, 2024 includes milestone royalty receipts of \$2,104 from Orserdu I, \$18,939 from Orserdu II and \$5,000 from Vonjo II received in Q1 2024.

² Cash receipts for the nine months ended September 30, 2024 includes \$1,000 in additional cash receipts related to a one-time payment received in Q1 2024.

³ Stelara, Simponi and Ilaris includes two royalty streams on each product, for a total of six royalty streams held directly and indirectly.

⁴ Cash receipts from Xenpozyme and Zytiga are received on a semi-annual basis during the second and fourth quarters of each year. Cash receipts from Xenpozyme was received during Q3 2023 as it was the first quarter the Trust was entitled to royalties from the product.

⁵ 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.

⁶ 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.

⁷ 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.

⁸ This item represents cash received by the Trust that is not expected to recur in the normal course of our operations. As such, these items are not included in Normalized Total Cash Receipts.

⁹ On April 27, 2023, the Trust sold the Tzield royalty asset.

Liquidity and Capital

On September 30, 2024, the Trust had cash and cash equivalents of US\$89.4 million. The Trust's credit facility had an outstanding principal balance of US\$233.4 million on September 30, 2024.

Subsequent to September 30, 2024, the Trust used existing cash and cash flows of \$57.0 million to fund the Casgevy transaction and drew \$105.0 million from its credit facility to fund the sebetralstat transaction.

Also subsequent to September 30, 2024, the Trust increased the total credit available under its credit facility to \$631.6 million. As part of the amendment, the interest rate on for drawings was reduced by 0.25% based on the Trust's leverage ratio. The facilities are secured by all of the assets of the Trust and most of its subsidiaries, and the maturity date has been extended to November 1, 2027, three years from the date of closing.

The Trust had 56,268,820 units issued and outstanding on September 30, 2024.

Distributions

On August 6, 2024, the board of trustees approved a quarterly cash distribution of US\$0.0850 per unit to unitholders of record as of September 30, 2024, which was paid on October 18, 2024. The Trust also announced today that its board of trustees has declared a quarterly cash distribution in the amount of US\$0.0850 per unit for the fourth quarter of 2024, payable on January 20, 2025, to unitholders of record as of December 31, 2024.

Normal Course Issuer Bid

During the quarter, the Trust repurchased and cancelled 198,746 of its own units under its NCIB for an aggregate amount of \$1.7 million at a weighted average price of C\$11.92 per unit (US\$8.72). 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 trust units for cancellation. Purchases 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. In connection with the NCIB, the Trust established an AUPP where by units of the Trust may be repurchased at the discretion of a dealer to the AUPP using commercially reasonable efforts and subject to trading parameters defined in the AUPP.

Casgevy Royalty Transaction

On October 3, 2024, the Trust acquired a share of payment rights on a Cas9 gene-editing technology for Casgevy for a purchase price of \$57.0 million. The transaction entitles us to a share of the annual license fees, which range from \$5.0 million to \$40.0 million, and include certain sales-based annual license fee increases. We are also entitled to receive a mid-double-digit percentage of a \$50.0 million contingent payment eligible under the license agreement. The first payment is expected to be received in January 2025 and the term of the payment streams runs until 2034.

Casgevy is the first treatment approved by the U.S. Food and Drug Administration ("FDA") to utilize CRISPR technology. Casgevy was approved by the FDA in December 2023 for the treatment of sickle cell disease ("SCD") and in January 2024 for the treatment of transfusion-dependent beta thalassemia ("TDT"), and by the European Medicines Agency for the treatment of both SCD and TDT in February 2024. Casgevy is the only approved gene-edited cell therapy for SCD and TDT. Casgevy is marketed worldwide by Vertex Pharmaceuticals Inc.



Sebetalstat Royalty Transaction

On November 4, 2024, the Trust acquired a royalty interest in the worldwide net sales of all formulations of sebetalstat from KalVista Pharmaceuticals ("KalVista") for an aggregate purchase price of up to \$179.0 million, comprised of a \$100.0 million upfront payment, up to \$57.0 million in sales-based milestone payment and a one-time \$22.0 million optional payment. Additionally, the Trust made a \$5.0 million investment in KalVista's common stock in a private placement transaction.

The transaction entitles the Trust to a tiered royalty of 5.0% on net sales up to and including \$500.0 million, 1.1% on net sales above \$500.0 million and up to and including \$750.0 million, and 0.25% on net sales above \$750.0 million. Royalty receipts will be collected quarterly on a one-quarter lag, with the first royalty receipt being paid to the Trust in the quarter immediately following the launch of sebetalstat. Royalty receipts are anticipated to be collected through at least 2041.

If approved, sebetalstat would be the first and only oral on-demand therapy for treating attacks associated with hereditary angioedema ("HAE"). HAE is a rare genetic disorder characterized by recurring episodes of severe swelling in various parts of the body, including the face, extremities, gastrointestinal tract, and airways. The FDA has accepted KalVista's New Drug Application submission for sebetalstat and the agency set a Prescription Drug User Fee Act date of June 17, 2025.

Third Quarter 2024 Conference Call & Webcast

As previously announced, management will hold a conference call on Thursday, November 7, 2024, at 8:00 a.m. (ET) to review the Trust's 2024 third quarter results. You can join the call by dialing 1-888-699-1199 or 416-945-7677 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://emportal.ink/3NgZED7>. 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 nine months ended September 30, 2024 and 2023 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 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.

(thousands of US dollars)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Total income	45,555	34,143	125,226	90,437
[-] Other interest income	(596)	(179)	(1,895)	(468)
[+] Royalties receivable, beginning of period	43,542	29,110	64,082	87,632
[-] Royalties receivable, end of period	(45,580)	(40,886)	(45,580)	(100,770)
[+] Acquired royalties receivable ¹	—	3,061	3,560	5,343
[-] Non-cash royalty income ²	—	—	—	(4)
[-] Non-cash interest and other income on loan receivable ³	—	—	—	(1,102)
[+] Principal repayment of loan receivable	—	—	—	50,000
[+] Exit fee ⁴	—	—	—	1,000
[+] Proceeds from sale of royalty assets	—	—	—	210,000
Total Cash Receipts	38,921	25,249	145,393	342,068
[-] Principal repayment of loan receivable ⁴	—	—	—	(50,000)
[-] Exit fee received for loan receivable ⁴	—	—	—	(1,000)
[-] Premiums for prepayment of loan receivable ⁴	—	—	—	(2,140)
[-] Proceeds from sale of royalty assets ⁴	—	—	—	(210,000)
Normalized Total Cash Receipts	38,921	25,249	145,393	78,928
[-] Interest and other income on loan receivable	—	—	—	(6,506)
[+] Non-cash interest and other income on loan receivable ³	—	—	—	1,102
[+] Premiums for prepayment of loan receivable ⁴	—	—	—	2,140
Total Cash Royalty Receipts	38,921	25,249	145,393	75,664

¹ 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 \$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.

² 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 of nil and nil, respectively, was used to reduce the obligation during three and nine months ended September 30, 2024 (2023 – nil and \$4, respectively). Royalty income earned in future periods related to other royalty assets will be used to repay the remaining obligation of \$136.

³ As the loan receivable was fully prepaid on June 26, 2023, there was no non-cash interest and other income for the three and nine months ended September 30, 2024. 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 \$368, respectively, and the accretion of exit fees receivable of nil and \$734, respectively.

⁴ 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 (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.

(thousands of US dollars)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Comprehensive earnings (loss) ¹	(3,324)	(3,676)	(10,572)	70,225
[+] Amortization or royalty assets ¹	26,098	23,564	76,823	62,295
[+] Impairment of royalty assets	901	—	6,101	—
[+] Amortization of other current assets ²	—	—	—	240
[-] Other interest income	(596)	(179)	(1,895)	(468)
[+] Interest expense	8,377	7,717	25,416	20,167
EBITDA	31,456	27,426	95,873	152,459
[+] Royalties receivable, beginning of period	43,542	29,110	64,082	27,748
[-] Royalties receivable, end of period	(45,580)	(40,886)	(45,580)	(40,886)
[-] Performance fees payable, beginning of period	—	—	(5,918)	—
[+] Performance fees payable, end of period	—	—	—	—
[+] Acquired royalties receivable ³	—	3,061	3,560	5,343
[+] Unit-based compensation ⁴	347	1,637	7,589	2,352
[+] Board of trustees' unit-based compensation ⁵	(87)	136	465	513
[-] Non-cash royalty income ⁶	—	—	—	(4)
[-] Non-cash interest and other income on loan receivable ⁷	—	—	—	(1,102)
[-] Premiums for prepayment of loan receivable ⁸	—	—	—	(2,140)
[-] Net gain on sale of royalty asset ^{1,9}	—	(150)	—	(110,122)
[+] Management fees on sale of royalty asset ¹⁰	—	—	—	13,650
[+] Performance fees on sale of royalty asset ¹⁰	—	—	—	18,616
[-] Net gain on debt refinancing ¹¹	—	—	(2,176)	—
[+] Other loss ¹	—	791	1,575	1,786
[+] Net unrealized (loss) gain on derivative instruments	1,632	(652)	207	(652)
Adjusted EBITDA	31,310	20,473	119,677	67,561
[÷] Normalized Total Cash Receipts	38,921	25,249	145,393	78,928
Adjusted EBITDA Margin	80 %	81 %	82 %	86 %

¹ Comparative figures have been restated as a result of a retrospective reclassification of certain expenses and capitalized costs.

² In connection with the Empaveli/Syfovre transaction completed in 2022, the Trust acquired other current assets. The related amortization expense is recorded in other operating expenses.

³ 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 \$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.

⁴ For the nine months ended September 30, 2024, unit-based compensation expense were \$347 and \$7,589, respectively (2023 – \$2,843 and \$3,700, respectively, which includes \$1,206 and \$1,348, respectively, paid in cash).

⁵ 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.

⁶ 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 of nil and nil, respectively, was used to reduce the obligation during three and nine months ended September 30, 2024 (2023 – nil and \$4, respectively). Royalty income earned in future periods related to other royalty assets will be used to repay the remaining obligation of \$136.

⁷ As the loan receivable was fully prepaid on June 26, 2023, there was no non-cash interest and other income for the three months ended September 30, 2024. 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 \$368, respectively, and the accretion of exit fees receivable of nil and \$734, respectively.

⁸ The Trust received a prepayment premium for prepayment of the loan receivable, as described under the Loan receivable section of the MD&A.

⁹ 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.

¹⁰ During the nine months ended September 30, 2024, the Trust paid management fees of \$13,650 and performance fees of \$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 amended and restated annual consolidated financial statements.

¹¹ During the second quarter of 2024, the Trust refinanced its 2023 Preferred Securities and 2023 Warrants, as result of the refinancing an accounting gain was recorded.

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, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<i>(thousands of US dollars, except per unit amounts)</i>				
Comprehensive earnings (loss) ¹	(3,324)	(3,676)	(10,572)	70,225
[+] Amortization or royalty assets ¹	26,098	23,564	76,823	62,295
[+] Impairment of royalty assets	901	—	6,101	—
[+] Amortization of other current assets ²	—	—	—	240
[+] Unit-based compensation ³	347	1,637	7,589	2,352
[+] Board of trustees' unit-based compensation ⁴	(87)	136	465	513
[-] Non-cash royalty income ⁵	—	—	—	(4)
[-] Non-cash interest and other income on loan receivable ⁶	—	—	—	(1,102)
[-] Premiums for prepayment of loan receivable ⁷	—	—	—	(2,140)
[-] Net gain on sale of royalty assets ⁸	—	(150)	—	(110,122)
[+] Management fee on sale of royalty asset ⁹	—	—	—	13,650
[+] Performance fee on sale of royalty asset ⁹	—	—	—	18,616
[-] Net gain on debt refinancing ¹⁰	—	—	(2,176)	—
[+] Other loss ¹	—	791	1,575	1,786
[+] Net unrealized loss (gain) on derivative instruments	1,632	(652)	207	(652)
Adjusted Cash Earnings	25,567	21,650	80,012	55,657
Adjusted Cash Earnings per Basic Unit	0.45	0.47	1.42	1.37
Adjusted Cash Earnings per Fully Diluted Unit	0.45	0.47	1.42	1.37
Weighted average number of Units – Basic	56,293,275	46,115,848	56,359,017	40,485,450
Weighted average number of Units – Diluted	56,293,275	46,205,568	56,359,017	40,664,366

¹ Comparative figures have been restated as a result of a retrospective reclassification of certain expenses and capitalized costs.

² In connection with the Empaveli/Syfovre Transaction completed in 2022, the Trust acquired other current assets. The related amortization expense is recorded in other operating expenses.

³ For the nine months ended September 30, 2024, unit-based compensation expense were \$347 and \$7,589, respectively (2023 – \$2,843 and \$3,700, respectively, of which \$1,206 and \$1,348, respectively was paid in cash).

⁴ 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.

⁵ 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 of nil and nil, respectively, was used to reduce the obligation during three and nine months ended September 30, 2024 (2023 – nil and \$4, respectively). Royalty income earned in future periods related to other royalty assets will be used to repay the remaining obligation of \$136.

⁶ As the loan receivable was fully prepaid on June 26, 2023, there was no non-cash interest and other income for the three and nine months ended September 30, 2024. 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 \$368, respectively, and the accretion of exit fees receivable of nil and \$734, respectively.

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

⁸ 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.

⁹ During the nine months ended September 30, 2024, the Trust paid management fees of \$13,650 and performance fees of \$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.

¹⁰ During the second quarter of 2024, the Trust refinanced its 2023 Preferred Securities and 2023 Warrants, as result of the refinancing an accounting gain was recorded.



About DRI Healthcare Trust

The Trust is managed by DRI Capital Inc. ("DRI Healthcare"), the pioneer in global pharmaceutical royalty monetization. Since its initial public offering in 2021, the Trust has deployed more than US\$1.0 billion, acquiring more than 25 royalties on 20-plus drugs, including Eylea, Orserdu, Omidria, Spinraza, Stelara, Vonjo, Zejula and Zytiga. The Trust's units are listed and trade on the Toronto Stock Exchange in Canadian dollars under the symbol "DHT.UN" and in U.S. dollars under the symbol "DHT.U". To learn more, visit 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 can generally 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, the value to be provided to unitholders, timing of royalty payments, statements that we expect to receive payments based on licensing in connection with CASGEVY®, the potential and timing of royalty payments, the timing of closing of the private placement transaction in KalVista's common stock, expectations regarding KalVista's regulatory submissions, and the anticipated royalty income and anticipated sales of the products underlying such royalties. 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 and under "Risk Factors" in the Trust's MD&A. 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.

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