

DRI Healthcare Trust Reports First Quarter 2025 Results and Announces Internalization of Manager

- *Definitive agreements for internalization transaction entered into with manager, estimated to deliver \$200 million in cumulative savings over 10 years¹*
- *Portfolio assets generate second highest cash receipts and Adjusted EBITDA since IPO*
- *Normal course issuer bid reactivated with ability to purchase over 3 million units*

Toronto, Ontario – May 12, 2025 – DRI Healthcare Trust (TSX: DHT.UN/DHT.U) (the “Trust”) today announced its financial results for the quarter ended March 31, 2025. The Trust’s first quarter 2025 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.

“We are excited to announce that we have entered into definitive agreements for a transaction that will terminate the existing management agreement with our manager, and allow the Trust to internalize the investment management function,” said Gary Collins, the Trust’s Chief Executive Officer and Chairman. “We believe this evolutionary step forward will create alignment of interests and transparency for all stakeholders, and is intended to generate value for unitholders. We have a robust pipeline backed by a portfolio that continues to increase and produce significant returns. At the same time, we will opportunistically allocate capital towards unit buybacks via our renewed normal course issuer bid to ensure accretive value generation on a per unit basis.”

Internalization Transaction

In accordance with the definitive management agreement termination agreement and asset purchase agreement entered into by the Trust and DRI Capital Inc. (the “manager” or “DRI Capital”) on the date hereof, the Trust will pay an aggregate of \$49 million in cash to DRI Capital to extinguish the management agreement, along with all management and performance fee obligations (with expenses payable in connection with the pre-closing period payable by the Trust), and to acquire all the relevant assets of DRI Capital. As a result of this transaction, employees of the manager will also transition over to a Trust subsidiary. This simplified structure is intended to generate strategic, financial, and operational benefits and accretive value over the long term. Furthermore, the manager will indemnify the Trust and its affiliates for any damages relating to the events of last summer.

The internalization transaction was recommended for approval by a special committee of the Trust's board composed of independent trustees. The amount paid reflects an approximately 4x multiple of trailing twelve month management fees and compares favourably to precedent transactions. Subject to the satisfaction of customary closing conditions, the transaction is expected to close before the beginning of the fourth quarter of 2025.

Q1 Highlights

- Completed the funding of the Orserdu II milestone payment of \$10 million.
- Total Income of \$44.0 million;
- Normalized Total Cash Receipts of \$62.0 million²;
- Adjusted EBITDA of \$51.7 million²;
- Comprehensive Loss of \$1.8 million;

¹ Based on the manager’s current estimate of management fees and performance fees payable over the next 10 years assuming the existing management agreement would be renewed in accordance with its terms after the initial December 31, 2030 term, and with projected capital deployment into deals at comparable historical returns using organically generated cash from the royalties and credit capacity consistent with current debt terms.

² 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.

- Adjusted Cash Earnings per Unit of \$0.43 (basic and diluted)^{1,2};
- Paid a quarterly cash distribution of US\$0.10 per Unit on April 17, 2025.

Subsequent to Quarter End

- Received Toronto Stock Exchange ("TSX") approval for normal course issuer bid to allow the Trust to acquire up to 3,148,536 of its Trust units between May 20, 2025 and May 19, 2026.
- Declared a quarterly cash distribution of US\$0.10 per unit for the second quarter of 2025, payable on July 18, 2025 to unitholders of record on June 30, 2025.
- Received lender consent for internalization and amended the credit agreement to reallocate \$25 million of the acquisition credit facility to the working capital credit facility and lower the interest rate margin.
- Definitive agreements for the Trust to internalize its manager, DRI Capital, by terminating the management agreement and acquiring all of the assets of DRI Capital Inc. relating to the Trust's business, were entered into with DRI Capital.

Financial Highlights

	Three months ended	
	March 31, 2025	March 31, 2024
<i>(thousands of US dollars, except per unit amounts)</i>		
Total income	44,028	42,067
Management fees	4,076	4,164
Performance fees	533	231
Amortization of royalty assets	24,745	25,046
Impairment of royalty assets	—	4,380
Other expenses	16,426	13,975
Other loss	—	(811)
Net earnings (loss)	(1,752)	(6,540)
Net unrealized gain (loss) on derivative instruments	(80)	1,197
Comprehensive earnings (loss)	(1,832)	(5,343)
Net earnings (loss) per unit – basic	(0.03)	(0.12)
Net earnings (loss) per unit – diluted	(0.03)	(0.12)
Normalized Total Cash Receipts ²	61,990	63,517
Adjusted EBITDA ²	51,659	55,464
Adjusted EBITDA Margin ²	83 %	87 %
Adjusted Cash Earnings per Unit – Basic ²	0.43	0.47
Adjusted Cash Earnings per Unit – Diluted ²	0.43	0.47
Weighted average number of Units – Basic	56,307,817	56,358,240
Weighted average number of Units – Diluted	56,307,817	56,358,240

¹ The weighted average number of basic and diluted units for the purposes of calculating Earnings per Unit for the three months ended March 31, 2025 were 56,307,817 units.

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.

Asset Performance

As at March 31, 2025, the Trust's portfolio included 28 royalty streams on 21 products that address a variety of therapeutic areas, such as oncology, neurology, ophthalmology, endocrinology, hematology, dermatology, lysosomal storage disorders and immunology. On March 31, 2025, the royalty asset portfolio had a book value, net of accumulated amortization, of \$799.2 million, which during the three months ended March 31, 2025 generated Total Cash Royalty Receipts¹ of \$62.0 million and royalty income of \$39.6 million. On March 31, 2025, the financial royalty asset had a book value of \$55.1 million and generated a gain on the change in its fair value of \$2.6 million during the three months ended March 31, 2025.

Portfolio

(thousands of US dollars)

Royalty Asset	Therapeutic Area	Marketer(s)	Cash Receipts	
			Three months ended	
			March 31, 2025	March 31, 2024
Casgevvy	Hematology	Vertex Pharmaceuticals	5,000	—
Empaveli/Syfovre ¹	Hematology/Ophthalmology	Apellis, Sobi	1,125	23
Eylea I	Ophthalmology	Regeneron, Bayer, Santen	1,522	1,407
Eylea II	Ophthalmology	Regeneron, Bayer, Santen	331	305
Natpara	Endocrinology	Takeda	279	568
Omidria	Ophthalmology	Rayner Surgical	7,994	8,560
Oracea	Dermatology	Galderma	1,534	2,450
Orserdu I ²	Oncology	Menarini	8,510	8,020
Orserdu II ²	Oncology	Menarini	22,920	23,538
Rydapt ³	Oncology	Novartis	1,159	2,223
Spinraza	Neurology	Biogen	3,962	3,843
Vonjo I	Hematology	Sobi	3,095	2,902
Vonjo II ²	Hematology	Sobi	775	5,605
Xenpozyme ⁴	Lysosomal Storage Disorder	Sanofi	—	—
Xolair	Immunology	Roche, Novartis	2,373	2,446
Zejula	Oncology	GSK	949	962
Zytiga ⁴	Oncology	Johnson & Johnson	—	—
Other Products ⁵	Various	Various	462	665
Total Cash Royalty Receipts⁶			61,990	63,517

¹ Per the royalty agreement, Empaveli/Syfovre royalty cash receipts are to be received on a three-quarter lag. During the first quarter of 2024, a small portion of the royalty cash receipts expected to be received on a three-quarter lag were received on a two-quarter lag. The remaining royalty receipts were received on a three-quarter lag and were received in the second quarter of 2024.

² Cash receipts for Orserdu II and Orserdu I for the three months ended March 31, 2025 include \$17,593 and \$633, respectively, for reclamation of previous royalty deductions. Cash receipts for the three months ended March 31, 2024 include milestone royalty receipts of \$2,104 from Orserdu I, \$18,939 from Orserdu II and \$5,000 from Vonjo II received in Q1 2024.

³ Cash receipts for the three months ended March 31, 2025 includes \$1,000 in additional cash receipts related to a one-time payment received in Q1 2024.

⁴ Cash receipts from Xenpozyme and Zytiga are received on a semi-annual basis during the second and fourth quarters of each year.

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. Comparative figures for royalty assets Simponi, Stelara and Ilaris are included in Other products.

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.

Liquidity and Capital

On March 31, 2025, the Trust had cash and cash equivalents of \$55.7 million. The Trust's credit facility had an outstanding principal balance of \$309.9 million on March 31, 2025.

Subsequent to March 31, 2025, the Trust revised the credit facility to obtain lender consent for internalization. In addition, \$25 million of the acquisition credit facility was reallocated to the working capital credit facility, increasing it to \$50 million. Furthermore, the interest rate on the amended credit agreement was revised to SOFR plus (i) a margin which may vary from 1.75% to 2.50% based on the Trust's leverage ratio; and (ii) a margin of 0.10%.

The Trust had 56,310,920 units issued and outstanding on March 31, 2025.

Distributions

On March 3, 2025, the board of trustees approved a quarterly cash distribution of \$0.10 per Unit to unitholders of record as of March 31, 2025, which was paid on April 17, 2025. The Trust also announced today that its board of trustees has declared a quarterly cash distribution in the amount of \$0.10 per Unit for the second quarter of 2025, payable on July 18, 2025, to unitholders of record as of June 30, 2025.

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 3,148,536 of its trust units, being 10% of its 31,485,368 public float of units as of May 5, 2025, through the facilities of the TSX and/or through various eligible alternative Canadian trading systems at the market price at the time of purchase. The Trust had 56,310,920 units issued and outstanding as of such date. Purchases may commence on May 20, 2025 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 May 19, 2026. The average daily trading volume of the units over the most recently completed six calendar months was 43,352 units. Accordingly, for purposes of the TSX rules, the Trust is entitled to purchase, on any trading day, up to 10,838 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 20, 2023 and concluded on November 19, 2024 (the "Prior NCIB"), the Trust obtained approval from the TSX to purchase 3,280,195 units. The Trust purchased 406,346 units under the Prior NCIB through the facilities of the TSX and alternative Canadian trading systems at a volume weighted average price of \$9.64 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 will establish 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 will constitute an automatic plan for purposes of applicable Canadian securities legislation and has been pre-cleared by the TSX.

First Quarter 2025 Conference Call & Webcast

As previously announced, management will hold a conference call on Tuesday, May 13, 2025 at 8:00 a.m. (ET) to review the Trust's 2025 first 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/4lgQeY1>. 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 ended March 31, 2025 and 2024 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 refer to Total Cash Royalty Receipts plus cash receipts from all products. Total Cash Receipts include cash receipts from interest as well as non-recurring cash receipts. Total Cash Royalty Receipts refers to aggregate cash royalty receipts and milestone 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 and milestones, 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 our 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 include cash receipts generated by royalties and other amounts payable pursuant to the terms of the Trust's royalty assets. There were no adjustments required to normalize cash receipts for the three months ended March 31, 2025 and 2024.

	Three months ended	
	March 31, 2025	March 31, 2024
<i>(thousands of US dollars)</i>		
Total income	44,028	42,067
[-] Other interest income	(298)	(722)
[-] Unrealized gain on marketable securities	(1,535)	—
[+] Royalties receivable, beginning of period	62,362	64,082
[-] Royalties receivable, end of period	(45,006)	(45,470)
[+] Financial royalty asset, beginning of period	57,527	—
[-] Financial royalty asset, end of period	(55,088)	—
[+] Acquired royalties receivable ¹	—	3,560
Total Cash Royalty Receipts, Royalty Cash Receipts and Normalized Cash Receipts	61,990	63,517

¹ Acquired royalties receivable represent the Trust's royalty entitlements prior to the completion of the royalty transactions they relate to.

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.

	Three months ended	
	March 31, 2025	March 31, 2024
<i>(thousands of US dollars)</i>		
Comprehensive earnings (loss)	(1,832)	(5,343)
[+] Amortization or royalty assets	24,745	25,046
[+] Impairment of royalty assets	—	4,380
[-] Other interest income	(298)	(722)
[+] Interest expense	9,607	8,398
EBITDA	32,222	31,759
[+] Royalties receivable, beginning of period	62,362	64,082
[-] Royalties receivable, end of period	(45,006)	(45,470)
[-] Performance fees payable, beginning of period	(1,665)	(5,918)
[+] Performance fees payable, end of period	2,198	4,916
[+] Financial royalty assets, beginning of period	57,527	—
[-] Financial royalty assets, end of period	(55,088)	—
[+] Unrealized loss (gain) on marketable securities	(1,535)	—
[+] Acquired royalties receivable ¹	—	3,560
[+] Unit-based compensation ²	460	2,567
[+] Board of trustees unit-based compensation	104	354
[-] Other loss	—	811
[-] Net unrealized loss (gain) on derivative instruments	80	(1,197)
Adjusted EBITDA	51,659	55,464
[÷] Normalized Total Cash Receipts	61,990	63,517
Adjusted EBITDA Margin	83 %	87 %

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.

² 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.

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	
	March 31, 2025	March 31, 2024
<i>(thousands of US dollars, except per unit amounts)</i>		
Comprehensive earnings (loss)	(1,832)	(5,343)
[+] Amortization or royalty assets	24,745	25,046
[+] Impairment of royalty assets	—	4,380
[+] Unrealized loss (gain) on marketable securities	(1,535)	—
[+] Unit-based compensation	460	2,567
[+] Board of trustees unit-based compensation ¹	104	354
[-] Change in fair value of financial royalty assets	(2,561)	—
[+] Cash receipts on financial royalty assets	5,000	—
[-] Other loss	—	811
[-] Net unrealized loss (gain) on derivative instruments	80	(1,197)
Adjusted Cash Earnings	24,461	26,618
Adjusted Cash Earnings per Basic Unit	0.43	0.47
Adjusted Cash Earnings per Fully Diluted Unit	0.43	0.47
Weighted average number of Units – Basic	56,307,817	56,358,240
Weighted average number of Units – Diluted	56,307,817	56,358,240

¹ Certain members of the board of trustees elected to be compensated fully or partially in DUs under the Trust's Omnibus Equity Incentive Plan.



About DRI Healthcare Trust

The Trust is managed by DRI Capital Inc., a pioneer in global pharmaceutical royalty monetization. Since its initial public offering in 2021, the Trust has deployed more than \$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 internalization of the Trust's manager and the terms and conditions, benefits and expected timing thereof, the value to be provided to unitholders, the potential and timing of royalty payments, the anticipated royalty income and anticipated sales of the products underlying such royalties, and the Trust's normal course issuer bid. 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, the risk that the conditions to closing of the internalization of the Trust's manager will not be satisfied or waived on the timeframe required by the management agreement termination agreement and asset purchase agreement, or at all, the risk that the internalization of the Trust's manager will not generate the levels of anticipated benefits for the Trust and its unitholders, and those additional risks and uncertainties that are disclosed in the Trust's most recent annual information form and under "Risk Factors" in the Trust's Management's Discussion and Analysis. 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 during the period prior to the completion of the internalization transaction; the ability of the Trust and the manager to satisfy the conditions to closing of the internalization transaction; 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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