



ADVANCING SCIENCE

in the Fast Growing Pharmaceutical and Biotechnology Sector

Q1 2021 Earnings Call | May 10, 2021

DISCLAIMER

Certain statements made in this Q1 2021 earnings call presentation, including responses to questions, may contain forward-looking statements within the meaning of the safe harbor provisions of Canadian provincial securities laws. Forward-looking statements involve risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements.

For additional information about factors that may cause actual results to differ materially from expectations, and about material factors or assumptions applied in making forward-looking statements, please consult the MD&A for this quarter, the Risk Factors section of the Annual Information Form and DRI Healthcare Trust's other filings with Canadian securities regulators. DRI Healthcare Trust does not undertake to update any forward-looking statements; such statements speak only as of the date made.

This earnings call presentation also makes reference to certain non-IFRS measures and industry metrics such as adjusted EBITDA, adjusted EBITDA margin, total cash royalty receipts, cash earnings per unit, free cash flow and debt to EBITDA. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of DRI Healthcare Trust's financial performance from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS

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Behzad Khosrowshahi

Chief Executive Officer

AGENDA

1. Review of our business
2. A look back on our IPO
3. Q1 financial results
4. Portfolio highlights
5. Balance sheet & liquidity
6. Growth strategy & outlook
7. Question & answer period

OUR BUSINESS

Focused on managing and **growing** a diversified portfolio of **pharmaceutical assets**

32-year track record in the business

Partner of choice in the fast-growing bio-pharmaceutical industry

Proprietary system to identify and select assets

ATTRACTIVE MARKET NICHE

**Growth-focused
accretive** small to
mid-sized
transactions of
\$25M to \$150M

- Medically necessary products
- Market leading products with strong growth potential
- Benefit from strong and long-lasting intellectual property
- Developed or marketed by industry leading, high-quality life sciences companies

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Chris Anastasopoulos

Chief Financial Officer

A LOOK BACK ON OUR IPO

Successfully completed
our Initial Public
Offering on
February 19, 2021

Terms of the Initial Public Offering

Issued an aggregate of 40,107,407 units for aggregate gross proceeds of US\$400 million

- US\$293 million to acquire an initial portfolio of 18 pharmaceutical royalty assets and working capital
- US\$100 million of cash after transaction costs and including cash acquired to fund future growth and operations
- US\$69.9 million assumed principal of secured notes

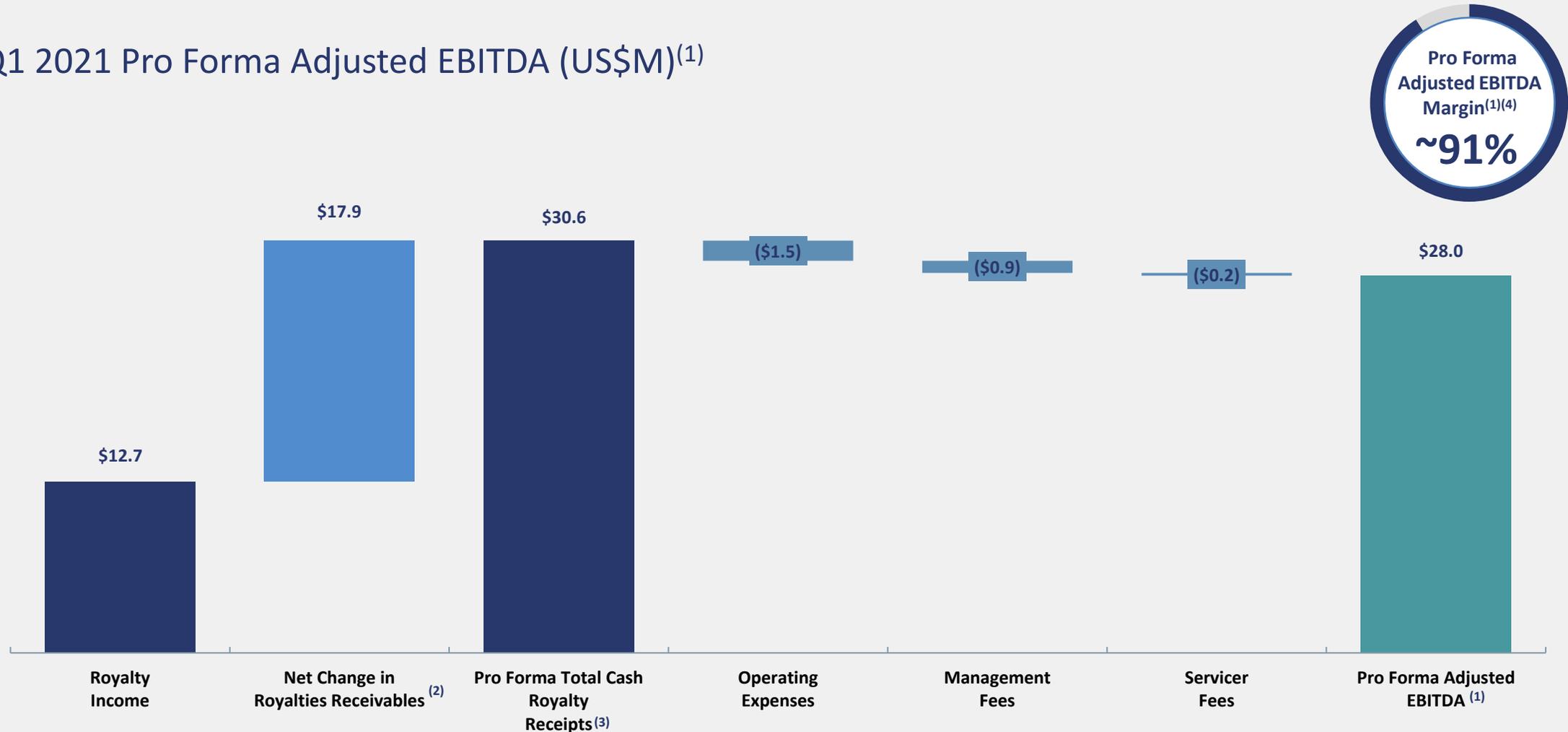
Q1 2021 FINANCIAL RESULTS - HIGHLIGHTS

Financial results include the results of operations of the acquired assets from **February 19, 2021, to March 31, 2021**, as required under IFRS

- Royalty income – US\$12.7 million
- Net earnings – US\$3.2 million
- Net earnings per unit – US\$0.17/unit
- Income earned by the acquired entities from January 1 to February 18, 2021, has been included as an adjustment to the purchase price
- Strong balance sheet and cash flows from royalty assets to support continued growth
 - *US\$30.6 million of Pro Forma Total Cash Royalty Receipts received in the first quarter⁽¹⁾*

STRONG CASH FLOW GENERATION

Q1 2021 Pro Forma Adjusted EBITDA (US\$M)⁽¹⁾



1. Adjusted EBITDA and Adjusted EBITDA Margin are non-IFRS measures for the 3-month period ended March 31, 2021, on a proforma basis.
 2. The Net Change in Royalties Receivable represents royalties receivable, beginning of period, less royalties receivable, end of period, plus acquired royalties receivable and acquired cash royalties received included in the purchase price of the assets on February 19, 2021.

3. Total Cash Royalty Receipts is a non-IFRS measure that has been presented on a pro forma basis. This includes cash royalties received from February 19, 2021 to March 31, 2021, as well as \$2.3M in cash royalties received prior to the acquisition from January 1, 2021 to February 18, 2021, which has been recorded as an increase in cash and cash equivalents as part of the purchase price of the assets indirectly acquired by the Trust following the IPO.
 4. Non-IFRS measure, calculated as Pro Forma Adjusted EBITDA / Pro Forma Total Cash Royalty Receipts.

Q1 2021 FINANCIAL RESULTS – PORTFOLIO HIGHLIGHTS

		Pro Forma Cash Royalty Receipts (US\$M) ⁽¹⁾ For the three months ended		
		March 31, 2021	March 31, 2020	% Change
Core Products	Spinraza	\$5.3	\$5.5	(4)%
	Eylea ⁽²⁾	\$4.4	\$4.2	4%
	Rydapt	\$2.6	\$2.7	(4)%
	Xolair	\$2.3	\$2.4	(5)%
	FluMist	\$2.2	\$1.2	91%
	Natpara	\$0.5	\$0.3	70%
	Zytiga	-	-	-%
Mature Products	HIV Portfolio (<i>Complera, Odefsey, Edurant, Juluca</i>)	\$8.5	\$8.1	5%
	Autoimmune Portfolio (<i>Stelara, Ilaris, Simponi</i>)	\$4.3	\$6.3	(31)%
Legacy Products	Various	\$0.5	\$2.4	(81)%
Pro Forma Total Cash Royalty Receipts⁽³⁾		\$30.6	\$33.1	(7)%

WELL-CAPITALIZED FOR GROWTH

- Strong cash position at March 31, 2021
- US\$106 million of cash and cash equivalents available to support acquisitions and operations
- US\$39.6 million of royalties receivable
- US\$285 million of royalty assets (net book value)
- US\$69.9 million of secured notes (principal value)
 - *US\$10.7 million principal payment made on April 15, 2021*
- Ability to increase leverage to 2x – 3x annualized Debt/EBITDA multiple

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Behzad Khosrowshahi

Chief Executive Officer

GROWTH STRATEGY



**Acquire existing
pharmaceutical royalties**

**Create new
synthetic royalty streams**

OUTLOOK AND SUMMARY

Target **sustainable**
compounded
growth in cash
royalty receipts

- US\$650 to US\$750 million five-year aggregate acquisition target
- Long duration assets: will seek to maintain and extend weighted average remaining duration for the portfolio
- Active and growing pipeline