



# ADVANCING SCIENCE

in the Fast-Growing Pharmaceutical and Biotechnology Sector

Bloom Burton & Co. Healthcare Investor Conference | May 2, 2022

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

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# ABOUT DRI HEALTHCARE TRUST

**DRI provides lower-risk exposure to the fast-growing, global pharmaceutical and biotech industry through the ownership and acquisition of pharmaceutical royalties**

- Managed by DRI Capital Inc., the pioneer in healthcare royalty monetization with a 33-year history
- IPO in February 2021  
(TSX: **DHT.UN**; **DHT.U**)

# INVESTMENT HIGHLIGHTS



Lower risk, diversified exposure to pharmaceutical industry through royalty model



High EBITDA margin and cash flow conversion



Strong industry tailwinds for royalty transaction opportunities

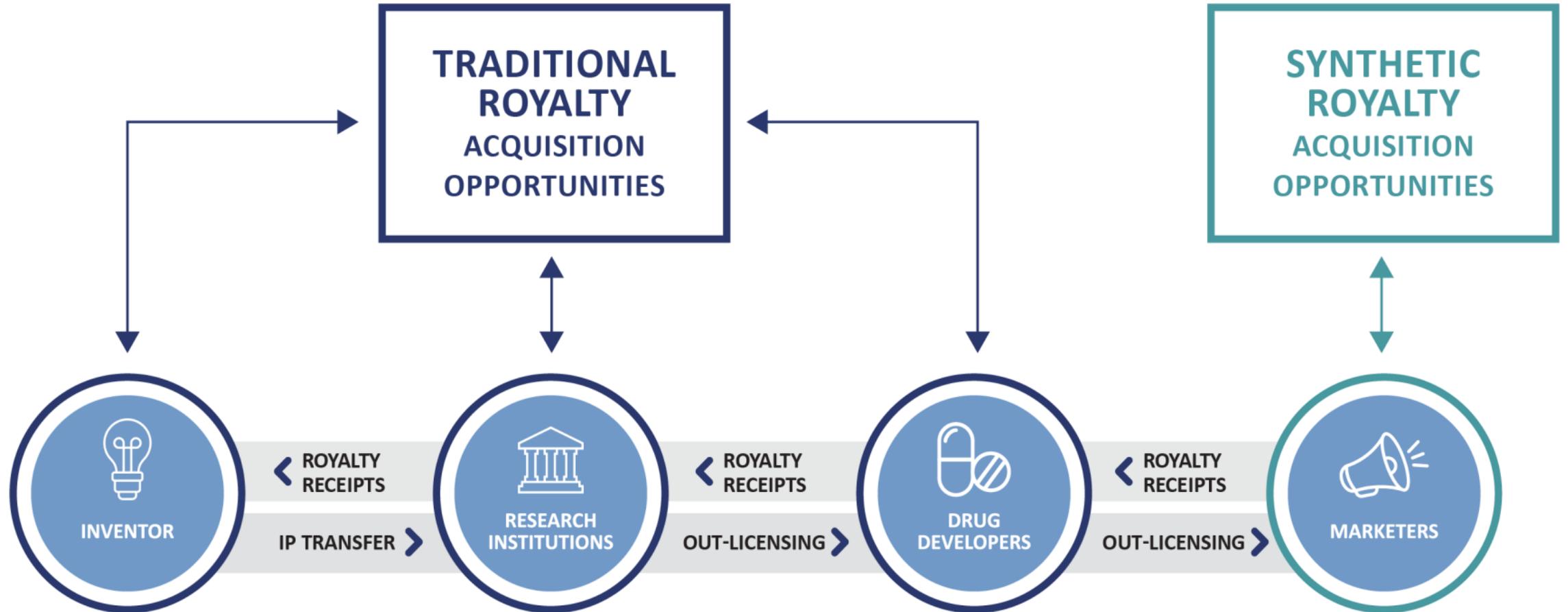


Focused growth strategy in attractive market niche

# KEY SUCCESS FACTORS

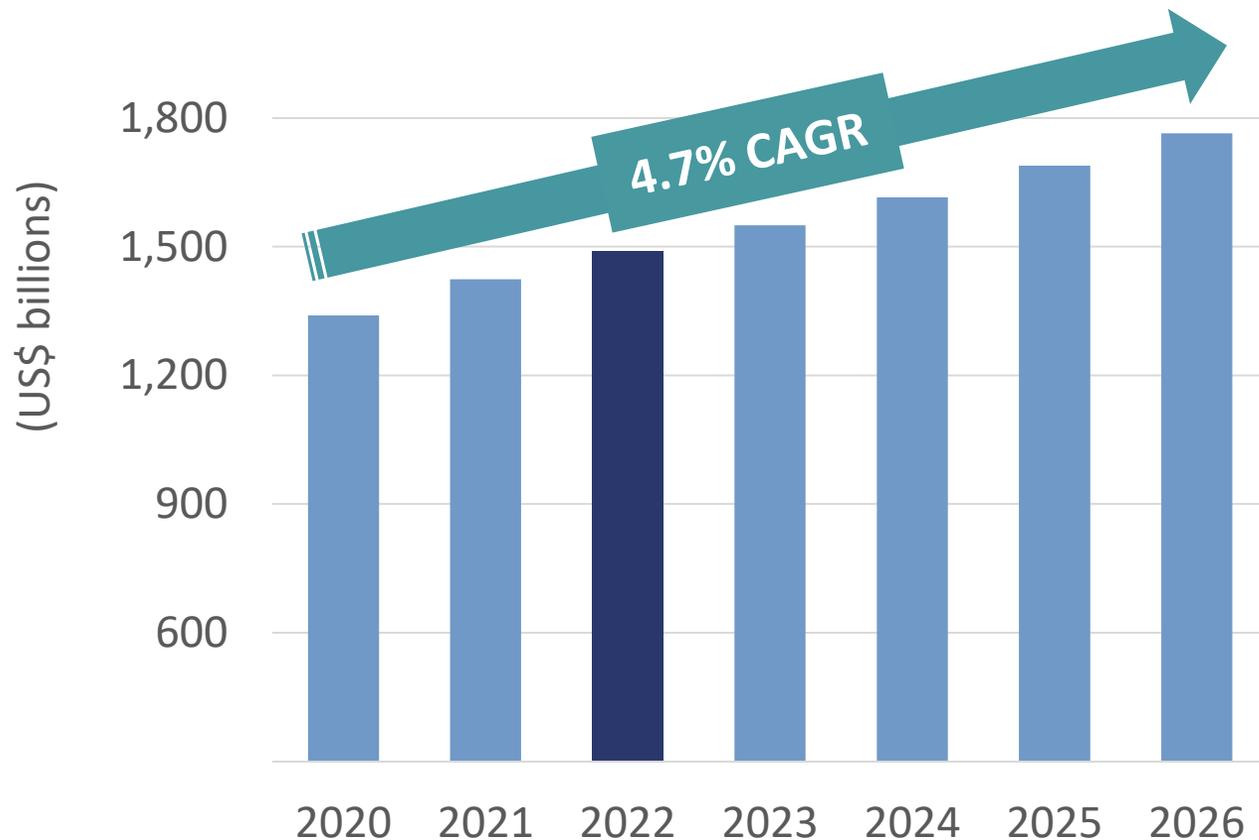
- Pioneer in the industry with a 33-year track record of success
  - *Strong track record of deal execution across a variety of counterparties and therapeutic areas*
- Deep institutional knowledge and market intelligence tools based on thousands of evaluated transactions
  - *Proprietary database and extensive industry relationships*
- Seasoned and highly specialized professional investing team
  - *Science backgrounds and advanced academic degrees*

# OUR BUSINESS MODEL



# FAST-GROWING GLOBAL PHARMACEUTICAL INDUSTRY

## Global Medicine Spending



Global spending expected to continue to show strong growth, driving R&D expenditure and **generating an unprecedented demand for external capital**

# LONG HISTORY OF VALUE CREATION

2006 - 2008

19 Royalties  
valued at  
**\$645M**



2009 - 2013

27 Royalties  
valued at  
**\$730M<sup>1</sup>**



2013 - 2018

15 Royalties  
valued at  
**\$586M**



2021 - present

4 Royalties &  
1 Loan  
valued at  
up to  
**\$186M**



1. Includes \$82 million in capital deployed via co-investments through RMF 2 Co-Investment Fund.

# RECENT ACCOMPLISHMENTS

## Strong 2021 performance

- \$116 million PF Total Cash Receipts<sup>1</sup>
- 87% Adjusted EBITDA Margin<sup>1</sup>
- \$1.85 Adjusted Cash Earnings per Unit<sup>1</sup>



## Accretive growth

- Two transactions deploying \$161 million (potential of up to \$186 million)
- Ahead of target pace of ~\$140 million per year



## Unitholder returns

- Returned \$21 million in cash to unitholders in distributions<sup>2</sup> and unit buybacks



1. Total Cash Receipts is a non-GAAP measure and Adjusted EBITDA Margin and Adjusted Cash Earnings per Unit are non-GAAP ratios.

2. Sum of cash distributions throughout 2021, including distributions declared for unitholders of record on December 31, 2021 and paid in January 2022 plus the total unit buybacks in 2021 under the Trust's normal course issuer bid.

# RECENT PORTFOLIO ADDITIONS

Completed two transactions totaling up to \$186 million, with \$161 million deployed to date (ahead of target pace of ~\$140 million per year)



High quality oncology product  
that meets DRI's acquisition  
criteria



Dermatology product with  
existing commercial track  
record

# PORTFOLIO METRICS

**18**

Royalty assets

**14**

Products

**~9 years**

Weighted average  
remaining duration

**8**

Therapeutic areas

**5 Products**

\$1B+ Annual Sales

# DIVERSIFIED PORTFOLIO



# FOCUSED GROWTH IN ATTRACTIVE MARKET NICHE

**Growth-focused  
accretive** small to  
mid-sized  
transactions

- Medically necessary, 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

# OUR PRIORITIES

## **Grow asset base**

Acquire royalties on  
high quality assets  
that meet  
investment criteria

## **Accretive cash flow growth**

Be in position to  
sustainably grow  
top line royalty  
receipts and cash  
flow per unit

## **Unitholder returns**

Continue focus on  
unitholder returns  
and appropriate  
distribution policy

# SUMMARY



[ir@drihealthcaretrust.com](mailto:ir@drihealthcaretrust.com)

[www.drihealthcaretrust.com](http://www.drihealthcaretrust.com)

Lower risk, diversified exposure to pharmaceutical industry through royalty model

High EBITDA margin and cash flow conversion

Strong industry tailwinds for royalty transaction opportunities

Focused growth strategy in attractive market niche