CTI BioPharma and DRI Healthcare Trust Announce up to $135 Million Debt and Royalty Transaction

August 25, 2021

- Transaction to Fund Launch and Commercialization of Pacritinib in the United States This Year Pending FDA Approval, and Future Commercialization -

SEATTLE and TORONTO, Aug. 25, 2021 /PRNewswire/ -- CTI BioPharma Corp. (Nasdaq: CTIC) (CTI) and DRI Healthcare Trust (TSX: DHT.UN) (TSX: DHT.U) (DRI) today announced transactions totaling up to $135 million in funding for CTI, with $50 million in secured debt to be funded at closing and $60 million to purchase a tiered royalty on sales of pacrinitib upon product approval of pacrinitib by the U.S. Food and Drug Administration (FDA). The proceeds of the transactions will be used by CTI to fund the commercialization of pacritinib for the treatment of myelofibrosis patients with severe thrombocytopenia. CTI has a New Drug Application (NDA) under priority review by FDA with a Prescription Drug User Fee Act (PDUFA) target action date of November 30, 2021, and is preparing for a potential commercial launch by end of year.

"CTI is in a strong position to deliver a meaningful new treatment option for patients with myelofibrosis with thrombocytopenia who are in urgent need of new therapies. If we achieve our sales goals in the first two years of launch, we anticipate that this transaction will put us on a clear path to profitability," said Adam R. Craig, M.D., Ph.D., President and Chief Executive Officer of CTI Biopharma. "We thank DRI for their support of CTI and for their partnership during the launch and commercialization of pacritinib."

"We are excited to announce DRI's partnership with CTI," said Behzad Khosrowshahi, Chief Executive Officer of DRI Healthcare Trust. "Pacritinib is a great addition to our portfolio as a new therapy that addresses a high unmet medical need for patients with myelofibrosis with severe thrombocytopenia."

"This transaction highlights our ability to offer flexible deal structures that provide DRI with excellent assets and strong cash flow, while providing for the objectives of our partners such as CTI," continued Mr. Khosrowshahi.

About the Transaction

DRI Healthcare will provide a $50 million credit facility at closing. The credit facility bears interest at LIBOR + 8.25% (with a LIBOR floor of 1.75%) and is interest-only for the loan term of 5 years, with the outstanding principal due at maturity. The company will be subject to one financial covenant, which is maintaining minimum liquidity of at least $10 million during the term of the loan.

DRI Healthcare will also provide CTI with $60 million upon receiving accelerated approval of pactritinib, and will receive royalties on annual pacrinitib net sales in the United States of 9.6% for the first $125 million of annual U.S. net sales, 4.5% between $125 million and $175 million of annual U.S. net sales, 0.5 % between $175 million and $400 million of annual U.S. net sales, with no entitlement above $400 million of annual U.S. net sales. CTI will be entitled up to an additional $25 million on achievement of certain sales milestones.

Cowen acted as financial advisor to CTI on this transaction.

About Myelofibrosis and Severe Thrombocytopenia

Myelofibrosis is bone marrow cancer that results in formation of fibrous scar tissue and can lead to severe thrombocytopenia and anemia, weakness, fatigue and enlarged spleen and liver. Patients with severe thrombocytopenia are estimated to make up more than one-third of patients treated for myelofibrosis, or approximately 17,000 people in the United States and Europe. Severe thrombocytopenia, defined as blood platelet counts of less than 50,000 per microliter, has been shown to result in overall survival rates of just 15 months. Thrombocytopenia in patients with myelofibrosis is associated with the underlying disease but has also been shown to correlate with treatment with ruxolitinib, which can lead to dose reductions, and as a result, may potentially reduce clinical benefit. Survival in patients who have discontinued ruxolitinib therapy is further compromised, with an average overall survival of seven to 14 months. Myelofibrosis patients with severe thrombocytopenia have limited treatment options, creating a significant area of unmet medical need.

About Pacritinib

Pacritinib is an investigational oral kinase inhibitor with specificity for JAK2, IRAK1, and CSF1R, but not JAK1. The JAK family of enzymes is a central component in signal transduction pathways, which are critical to normal blood cell growth and development, as well as inflammatory cytokine expression and immune responses. Mutations in these kinases have been shown to be directly related to the development of a variety of blood-related cancers, including myeloproliferative neoplasms, leukemia, and lymphoma. In addition to myelofibrosis, the kinase profile of pacritinib suggests its

potential therapeutic utility in conditions such as acute myeloid leukemia (AML), myelodysplastic syndrome (MDS), chronic myelomonocytic leukemia (CMML), and chronic lymphocytic leukemia (CLL), due to its inhibition of c-fms, IRAK1, JAK2 and FLT.

About CTI BioPharma Corp.
We are a biopharmaceutical company focused on the acquisition, development and commercialization of novel targeted therapies for blood-related cancers that offer a unique benefit to patients and their healthcare providers. We concentrate our efforts on treatments that target blood-related cancers where there is an unmet medical need. In particular, we are focused on developing and commercializing pacritinib, our product candidate currently in active late-stage development, for the treatment of adult patients with myelofibrosis, and in response to the COVID pandemic, severe COVID-19 disease. We are headquartered in Seattle, Washington.

About DRI Healthcare Trust
DRI Healthcare Trust provides unitholders with differentiated exposure to the anticipated growth in the global pharmaceuticals and biotechnology markets. Our business model is focused on managing and growing a diversified portfolio of pharmaceutical royalties with the aim to deliver attractive growth in cash royalty receipts over the long term. DRI Healthcare Trust is an unincorporated open-ended trust governed by the laws of the Province of Ontario, externally managed by its manager, DRI Capital Inc. DRI Healthcare 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".

CTI BioPharma Forward-Looking Statements
Statements included in this press release that are not historical in nature are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current assumptions that involve risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: our ability to conduct and complete clinical trials in our currently anticipated timeframes; our ability to successfully demonstrate the safety and efficacy of pacritinib; our expectations regarding the completion and outcome of our PACIFICA Phase 3 trial and our PRE-VENT Phase 3 trial; the risk that the FDA may determine that the benefit/risk profile of pacritinib at the dose selected for the PACIFICA Phase 3 trial does not support approval; the risk that the FDA may determine that the benefit/risk profile of pacritinib in the PRE-VENT Phase 3 trial does not support approval or requires additional clinical data for approval; the risk that pacritinib may fail in its development through our PACIFICA and PRE-VENT trials; our ability to receive regulatory approval for pacritinib pursuant to the accelerated approval pathway or at all; the risk that pacritinib may be delayed to a point where it is not commercially viable; the accuracy of our assumptions regarding our planned expenditures and sufficiency of our cash to fund operations; risks relating to our ability to achieve funding milestones under our funding agreement with DRI Capital and loan repayment risks if we do not receive FDA approval of pacritinib within specified timelines; risks and uncertainties related to the COVID-19 pandemic as it relates to our operations and ongoing clinical trials; and those risks more fully discussed in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent quarterly reports on Form 10-Q. These forward-looking statements speak only as of the date hereof and we assume no obligation to update these forward-looking statements, and readers are cautioned not to place undue reliance on such forward-looking statements. "CTI BioPharma" and the CTI BioPharma logo are registered trademarks or trademarks of CTI BioPharma Corp. in various jurisdictions. All other trademarks belong to their respective owner.

DRI 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 forward-looking 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 that CTI has an NDA under priority review by FDA with PDUFA target action data of November 30, 2021, and is preparing for a commercial launch by end of year, and that DRI expects pacrinitib will have a positive impact on those patients whom it treats. 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, with respect to pacritinib, those that are disclosed above under "CTI BioPharma 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; and, with respect to pacritinib, that regulatory clearance will be obtained on the anticipated timeline and consistent with our expectations, and that the efficacy of pacritinib will be consistent with our expectations. 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 dricapital.com.

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