



Diversified Royalty Corp. Confirms Details of Partial Redemption of its 5.25% Convertible Unsecured Subordinated Debentures

Vancouver, BC, May 4, 2022 – Diversified Royalty Corp. (TSX: DIV; DIV.DB and DIV.DB.A) (the “Corporation” or “DIV”) confirmed today that further to its news release dated March 30, 2022 and the redemption notice issued to the registered holder of DIV’s 5.25% convertible unsecured subordinated debentures (the “2022 Debentures”) on March 31, 2021 (the “Notice of Partial Redemption”), DIV will redeem an aggregate principal amount of \$52.5 million of 2022 Debentures today, being approximately 91% of the aggregate principal amount of 2022 Debentures outstanding. The record date for determining which holders of 2022 Debentures shall be entitled to receive proceeds of the partial redemption was set as the close of trading on May 3, 2022. The redemption price will be approximately \$1,017.9375 for each \$1,000 principal amount of Debentures redeemed comprised of: (i) a payment of \$1,000 of principal amount; and (ii) approximately \$17.9375, being the accrued and unpaid interest up to but excluding May 4, 2022.

In accordance with the trust indenture between DIV and Computershare Trust Company of Canada (the “Debenture Trustee”) dated November 7, 2017, DIV has provided the Debenture Trustee with the funds necessary to complete the partial redemption. The Debenture Trustee is expected to make payment of the redemption amount to CDS Clearing and Depository Services Inc. (“CDS”), the sole registered holder of the 2022 Debentures later today. CDS is, in turn, expected to make payment to its participants on or after May 5, 2022, being two trading days following the record date. Accordingly, beneficial holders of the 2022 Debentures that are redeemed should not expect to receive payment of the redemption amount until after May 5, 2022.

The remaining 2022 Debentures are expected to commence trading on the Toronto Stock Exchange today on a “post redemption basis” under the present stock symbol DIV.DB and the present CUSIP number 255331AA8.

About Diversified Royalty Corp.

DIV is a multi-royalty corporation, engaged in the business of acquiring top-line royalties from well-managed multi-location businesses and franchisors in North America. DIV’s objective is to acquire predictable, growing royalty streams from a diverse group of multi-location businesses and franchisors.

DIV currently owns the Mr. Lube, AIR MILES[®], Sutton, Mr. Mikes, Nurse Next Door and Oxford Learning Centres trademarks. Mr. Lube is the leading quick lube service business in Canada, with locations across Canada. AIR MILES[®] is Canada’s largest coalition loyalty program with approximately two-thirds of Canadian households actively participating in the AIR MILES[®] Program. Sutton is among the leading residential real estate brokerage franchisor businesses in Canada. Mr. Mikes operates casual steakhouse restaurants primarily in western Canadian communities. Nurse Next Door is one of North America’s fastest growing home care providers with locations across Canada and the United States as well as in Australia. Oxford Learning Centres is one of Canada’s leading franchised supplemental education services in Canada and the United States.

DIV intends to increase cash flow per share by making accretive royalty purchases and through the growth of purchased royalties. DIV intends to pay a monthly dividend to shareholders and increase the dividend as cash flow per share increases allow.

Forward Looking Statements

Certain statements contained in this news release may constitute “forward-looking information” within the meaning of applicable securities laws that involve known and unknown risks, uncertainties and other factors which may cause



the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “intend”, “may”, “will”, “project”, “should”, “believe”, “confident”, “plan” and “intends” and similar expressions are intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Specifically, forward-looking information in this news release includes, but is not limited to, statements made in relation to: the amount and timing of the redemption of the 2022 Debentures; the redemption price for each 2022 Debenture; the payment by the Debenture Trustee to CDS and timing thereof; the payment by CDS to its participants and the timing thereof; the receipt of payment by beneficial holders of the 2022 Debentures and timing thereof; the commencement of trading of the remaining 2022 Debentures and details thereof; DIV’s intention to pay monthly dividends to shareholders; and DIV’s corporate objectives. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events, performance, or achievements of DIV to differ materially from those anticipated or implied by such forward-looking information. DIV believes that the expectations reflected in the forward-looking information included in this news release are reasonable but no assurance can be given that these expectations will prove to be correct. In particular there can be no assurance that: the Debenture Trustee and/or CDS will make the payments as expected, including the amount(s) and timing thereof; beneficial holders of the 2022 Debentures that are redeemed will receive payment as expected, or the timing thereof; the remaining 2022 Debentures will commence trading as expected or at all; each beneficial holder of 2022 Debentures will have some or all of their 2022 Debentures redeemed pursuant to the Notice of Partial Redemption; DIV will be able to make monthly dividend payments to the holders of its common shares; or DIV will achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking information included in this news release are not guarantees of future performance, and such forward-looking information should not be unduly relied upon. More information about the risks and uncertainties affecting DIV’s business and the businesses of its royalty partners can be found in the “Risk Factors” section of its Annual Information Form dated March 10, 2022 and in its most recent Management’s Discussion and Analysis, copies of each of which are available under DIV’s profile on SEDAR at www.sedar.com.

In formulating the forward-looking information contained herein, management has assumed that: the Debenture Trustee and/or CDS will make payments in the amounts and on the dates as anticipated; the remaining 2022 Debentures will commence trading as expected, including the details thereof; DIV will generate sufficient cash flows from its royalties to service its debt and pay dividends to shareholders; lenders will provide any necessary waivers required in order to allow DIV to continue to pay dividends; the impacts of COVID-19 on DIV and its royalty partners will be consistent with DIV’s expectations and the expectations of management of each of its Royalty Partners, both in extent and duration; DIV and its royalty partners will be able to reasonably manage the impacts of the COVID-19 pandemic on their respective businesses. These assumptions, although considered reasonable by management at the time of preparation, may prove to be incorrect.

All of the forward-looking statements made in this news release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, DIV. The forward-looking information included in this news release is presented as of the date of this news release and DIV assumes no obligation to publicly update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR THE ACCURACY OF THIS RELEASE.

Additional Information

Additional information relating to the Corporation and other public filings, is available on SEDAR at www.sedar.com.

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