



Diversified Royalty Corp. Announces Record Adjusted Revenue¹ Fourth Quarter and Year End 2022 Results

Vancouver, BC, March 9, 2023 – Diversified Royalty Corp. (TSX: DIV and DIV.DB.A) (the “Corporation” or “DIV”) is pleased to announce its financial results for the three months ended December 31, 2022 (“Q4 2022”) and year ended December 31, 2022.

Highlights

- The weighted average growth¹ of DIV’s diversified royalty portfolio was 8.6% in Q4 2022 and 11.6% for the year ended December 31, 2022.
- Revenue of \$12.7 million in Q4 2022 and \$45.2 million for the year ended December 31, 2022, up 19.6% compared to the three months ended December 31, 2021 (“Q4 2021”) and 21.2% compared to the year ended December 31, 2021.
- Adjusted revenue¹ of \$14.0 million in Q4 2022 and \$50.2 million for the year ended December 31, 2022, up 17.8% and 19.0%, respectively, compared to the same periods in 2021.
- Distributable cash¹ of \$9.3 million in Q4 2022 and \$32.3 million for the year ended December 31, 2022, up 17.3% and 15.7%, respectively, compared to the same periods in 2021.
- Payout ratio¹ of 82.2% in Q4 2022 on dividends of \$0.0582 per share and 86.8% for the year ended December 31, 2022, based on dividends of \$0.2233 per share, an improvement compared to 83.5% based on dividends of \$0.0542 per share and 89.8% based on dividends of \$0.2059 per share, respectively, compared to the same periods in 2021.
- On March 30, 2022, DIV closed its bought deal offering of \$52.5 million principal amount of 6% convertible debentures resulting in net proceeds of \$50.4 million. The net proceeds along with cash on hand were used to partially redeem the Company’s prior series of convertible debentures due on December 31, 2022 (“2022 Debentures”) on May 4, 2022.
- Effective May 1, 2022, 4 net new locations were added to the Mr. Lube royalty pool.
- On November 15, 2022, DIV closed a trademark acquisition and royalty agreement with SBS Franchising, LLC (“Stratus”, a US based company), to add its seventh royalty stream to DIV’s portfolio and DIV’s first royalty stream based primarily in the United States (the “Stratus Acquisition”).
- On November 23, 2022, DIV closed its bought deal public offering of 16,428,900 common shares for \$46.0 million, including 2,142,900 common shares issued pursuant to the full exercise of the over-allotment option, at a price of \$2.80 per common share. The net proceeds were used for the repayment of outstanding amounts under DIV’s acquisition credit facility, which funds were drawn by DIV to partially finance the Stratus Acquisition.
- On December 20, 2022, DIV completed the full redemption of the remaining \$5.0 million principal amount of 2022 Debentures then outstanding.

Fourth Quarter and Year End Results

(000's)	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Mr. Lube	\$ 6,748	\$ 5,752	\$ 23,935	\$ 19,459
AIR MILES®	1,453	1,772	6,497	6,570
Mr. Mikes ^a	1,223	1,047	5,136	3,350
Nurse Next Door	1,289	1,262	5,106	5,002
Sutton	1,076	1,055	4,256	4,175
Oxford	1,160	990	4,239	3,650
Stratus ^b	1,040	-	1,040	-
Adjusted revenue ^c	\$ 13,989	\$ 11,878	\$ 50,209	\$ 42,206

- a) For the three months and year ended December 31, 2022, Mr. Mikes adjusted revenue includes payments of \$0.18 million and \$1.34 million, respectively, representing partial payment of deferred contractual royalty fees and accrued management fees, which has been recognized as revenue upon collection.
- b) Stratus adjusted revenue for the period November 15, 2022 to December 31, 2022 was US\$0.8 million, translated at a foreign exchange rate of \$1.3521 to US\$1.
- c) Adjusted revenue is a non-IFRS financial measure and as such, does not have a standardized meaning under IFRS. For additional information, refer to "Non-IFRS Measures" in this news release.

In Q4 2022, DIV generated \$12.7 million of revenue compared to \$10.6 million in Q4 2021. After taking into account the DIV Royalty Entitlement¹ (defined below) related to DIV's royalty arrangements with Nurse Next Door Professional Homecare Services Inc. ("Nurse Next Door"), DIV's adjusted revenue was \$14.0 million in Q4 2022, compared to \$11.9 million in Q4 2021. Adjusted revenue increased primarily due to positive trends experienced by most of DIV's royalty partners, as discussed in further detail below. In addition, incremental revenue was generated from the inclusion of the 4 net stores added to the Mr. Lube royalty pool on May 1, 2022 and further incremental revenue was generated through the acquisition of the trademarks and certain other intellectual property rights utilized by Stratus in its business (the "Stratus Rights"), partially offset by lower royalty income from AIR MILES®.

For the year ended December 31, 2022, DIV generated \$45.2 million of revenue compared to \$37.3 million for the year ended December 31, 2021. After taking into account the DIV Royalty Entitlement¹ (defined below) related to DIV's royalty arrangement with Nurse Next Door, DIV's adjusted revenue was \$50.2 million for the year ended December 31, 2022, and \$42.2 million for the year ended December 31, 2021. The increase in adjusted revenue was primarily due to the positive trends experienced by DIV's royalty partners in the year ended December 31, 2022, the full period inclusion of both the 13 locations added to the Mr. Lube royalty pool and the 0.5% increase in the Mr. Lube royalty rate on May 1, 2021, the incremental revenue from the 4 net stores added to the Mr. Lube royalty pool on May 1, 2022, and the incremental revenue generated from Stratus following the Stratus Acquisition effective November 15, 2022, partially offset by lower royalty income from AIR MILES®. Overall, DIV's royalty partner revenues for the year ended December 31, 2022, were far less impacted by COVID-19 and the related government restrictions than in the year ended December 31, 2021.

1. *Adjusted revenue, distributable cash and DIV Royalty Entitlement are non-IFRS financial measures, weighted average growth is a supplementary financial measure, and payout ratio is a non-IFRS ratio, and as such, do not have a standardized meaning under IFRS. For additional information, refer to "Non-IFRS Measures" in this news release.*
2. *On a pro forma basis, if the dividends for the three months and year ended December 31, 2021, were paid out on an annualized basis of \$0.2233 per share, the payout ratio would have been 89.7% and 97.4%, respectively.*

Royalty Partner Business Updates

Mr. Lube: Mr. Lube generated SSSG³ of 17.0% for the Mr. Lube stores in the royalty pool for Q4 2022 and 17.9% for the year ended December 31, 2022, compared to SSSG of 20.7% and 15.8%, for the same respective prior periods in 2021, representing record results for Mr. Lube. The increase in 2022 compared to the prior year was primarily due to the resumption of consumer pre-pandemic activities and associated vehicle service intervals, price increases, the continued growth in Mr. Lube's maintenance, tire and mechanical service offerings, the increase in tire sales and the effectiveness of Mr. Lube's targeted multimedia campaigns.

3. *Same-store-sales growth or SSSG is a supplementary financial measure – see "Non-IFRS Measures" below.*

AIR MILES®: At the time of this news release, Loyalty Ventures Inc. ("Loyalty Ventures"), the parent company of LoyaltyOne Co. ("LoyaltyOne"), has not issued a news release regarding the Q4 2022 performance of the AIR



MILES® reward program. Royalty income from LoyaltyOne, which is generally reflective of the performance of the AIR MILES® reward program, decreased 18% or \$0.3 million for the Q4 2022 and 1.1% or \$0.1 million for the year ended December 31, 2022, compared to a decrease of 8.7% and 6.5%, for the same respective prior periods in 2021.

Sutton: During the year ended December 31, 2022, 100% of the fixed royalty was collected from Sutton. The fixed royalty payable by Sutton increases at a rate of 2% per year, with the most recent increase effective July 1, 2022.

Oxford: Oxford locations in the Oxford royalty pool generated SSSG (on a constant currency basis) of 16.1% in Q4 2022 and 15.3% for the year ended December 31, 2022, compared to SSSG of 14.0% and 9.5%, for the same respective periods in 2021. In 2022, Oxford saw a transition back to in-person tutoring for many locations in the first quarter, a trend that continued through the remainder of 2022 with system sales⁴ returning to pre-pandemic levels in the fourth quarter of 2022.

4. *Systems sales is a supplementary financial measure – see “Non-IFRS Measures” below.*

Mr. Mikes: SSSG for the Mr. Mikes restaurants in the Mr. Mikes royalty pool was 36.1% in Q4 2022 and 31.2% for the year ended December 31, 2022, compared to SSSG of 10.5% and 7.2% for the same respective periods in 2021, which included stores that were temporarily closed due to the COVID-19 pandemic in 2021. For the three months and year ended December 31, 2022, Mr. Mikes experienced a strong recovery post-pandemic restrictions with system sales for the Mr. Mikes royalty pool comparable to pre-pandemic levels. In Q4 2022, DIV and certain of its subsidiaries amended their royalty agreements with Mr. Mikes, pursuant to which Mr. Mikes now pays a royalty based on the actual system sales of the Mr. Mikes restaurants in the Mr. Mikes royalty pool rather than a fixed royalty. Those amendments had retroactive effect to June 13, 2022.

Nurse Next Door: The royalty entitlement to DIV (the “DIV Royalty Entitlement⁵⁾) from Nurse Next Door was \$1.3 million in Q4 2022. The DIV Royalty Entitlement from Nurse Next Door grows at a fixed rate of 2.0% per annum during the term of the license, with the most recent increase effective October 1, 2022. In Q4 2022, Nurse Next Door signed 13 new franchises and territory expansions primarily in major metropolitan markets (7 in the US and 6 in Australia). Nurse Next Door continues to make its fixed royalty payment to DIV in full, which DIV expects will continue.

5. *DIV Royalty Entitlement is a non-IFRS measure – see “Non-IFRS Financial Measures” below.*

Stratus: The contractual royalty income from Stratus was \$1.0 million (US\$0.8 million, translated at a foreign exchange rate of \$1.3521 to US\$1) for the period November 15, 2022 to December 31, 2022. The Company granted Stratus the licence to use the Stratus Rights in exchange for an annual royalty payment of US\$6.0 million increasing each November at a rate of 5% in 2023, 2024, 2025 and 2026 and 4% thereafter.

On March 7, 2023, Stratus claimed the #1 spot in Entrepreneur's Fastest-Growing Franchises list for 2023, adding more than 300 new franchise units in North America from July 2021 to July 2022.

Fourth Quarter Commentary and Outlook

Sean Morrison, President and Chief Executive Officer of DIV stated, “We are pleased to announce that Q4 2022 was another record quarter for DIV, our third consecutive record quarter in terms of adjusted revenues. The year ended December 31, 2022, was also a record year for DIV. The fourth quarter of 2022 once again saw strong performances across most of our royalty partners. Mr. Lube, our largest royalty partner, continues to produce record results, generating SSSG of 17.0% for the three-month period ended December 31, 2022, and SSSG of 17.9% for the year. Both Mr. Mikes and Oxford Learning achieved a full recovery to above pre-pandemic levels, while Sutton and Nurse Next Door continue to make their fixed-growth royalty payments. Further, the acquisition of Stratus' trademarks represents our first royalty stream based primarily in the United States and the seventh royalty stream in our portfolio. After an encouraging start to 2022, in July AIR MILES® announced the loss of Sobey's as a loyalty partner and the impact of that loss was felt in Q4. Overall, DIV's diversified portfolio produced record results in Q4 2022 with weighted average growth in its portfolio of 8.6% (excluding the collection of \$0.2 million in Mr. Mikes deferred contractual royalty and management fees).



DIV produced record results in fiscal 2022 and Mr. Lube, Oxford and Mr. Mikes are positioned for continued growth in fiscal 2023 with DIV's largest royalty partner, Mr. Lube, leading the way. Completion of our first US based royalty transaction was a significant positive development and DIV is focusing its acquisition efforts on the US market having made a meaningful sponsorship investment in the International Franchise Association to introduce DIV's unique trademark and royalty structure to the US market and retaining Ron Feldman, with 25+ years of US franchise finance experience, as a US focused business development consultant."

Distributable Cash and Dividends Declared

In Q4 2022 and for the year ended December 31, 2022, distributable cash increased to \$9.3 million (\$0.0707 per share) and \$32.3 million (\$0.2571 per share) respectively, compared to \$7.9 million (\$0.0649 per share) and \$27.9 million (\$0.2291 per share) for Q4 2021 and the year ended December 31, 2021, respectively. The increases in distributable cash for the three months and year ended December 31, 2022, were primarily due to higher adjusted revenue, partially offset by higher current tax expense, higher interest expense, salaries and benefits and professional fees. The increases in distributable cash per share⁶ for the quarter and year ended December 31, 2022, were primarily due to the increases in distributable cash, partially offset by a higher weighted average number of common shares outstanding.

In Q4 2022 and for the year ended December 31, 2022, the payout ratios were 82.2% and 86.8%, respectively, improvements compared to 83.5% and 89.8% for the same prior periods in 2021. The improvements in the payout ratio for the three months and year ended December 31, 2022, were primarily due to higher distributable cash, partially offset by higher dividends declared per share.

6. *Distributable cash per share is a non-IFRS ratio and as such, does not have a standardized meaning under IFRS. For additional information, refer to "Non-IFRS Measures" in this news release.*

Net Income (Loss)

Net loss for Q4 2022 was \$4.5 million compared to net income of \$8.2 million for the three months ended December 31, 2021. Net income for the year ended December 31, 2022, was \$15.6 million compared to \$23.5 million for the year ended December 31, 2021. The net loss in Q4 2022 and the decrease in net income for the year ended December 31, 2022, were primarily due to the non-cash impairment losses related to the AIR MILES® and Sutton intellectual property rights owned by DIV, fair value adjustments on financial instruments, higher income tax expenses and a higher interest expense, partially offset by higher adjusted revenues and the non-cash impairment reversals of the Mr. Mikes and Oxford intellectual property rights owned by DIV.

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, Oxford Learning Centres and Stratus Building Solutions 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. 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. Stratus Building Solutions is a leading commercial cleaning service franchise company providing comprehensive environmentally friendly janitorial, building cleaning, and office cleaning services primarily in the United States.

DIV's objective is to increase cash flow per share by making accretive royalty purchases and through the growth of purchased royalties. DIV intends to continue to pay a predictable and stable monthly dividend to shareholders and increase the dividend over time, in each case, as cash flow per share allows.



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 “intend” 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: DIV’s expectation that Nurse Next Door will continue to make its fixed royalty payments in full; DIV’s variable royalty partners being positioned for continued strong growth in fiscal 2023; DIV focussing its efforts on the US market; 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, risks and uncertainties include: DIV’s royalty partners may not make their respective royalty payments to DIV, in whole or in part; DIV’s royalty partners may request royalty relief; current positive trends being experienced by certain of DIV’s royalty partners (and their respective franchisees) may not continue and may regress; DIV and its royalty partners may not meet their respective growth targets; DIV may not be able to make monthly dividend payments to the holders of its common shares; dividends are not guaranteed and may be reduced, suspended or terminated at any time; or DIV may not 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 9, 2023 and in DIV’s management’s discussion and analysis for the three months and year ended December 31, 2022, copies 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 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 performance of DIV’s royalty partners will be consistent with DIV’s and its royalty partners’ respective expectations; recent positive trends for certain of DIV’s royalty partners (including their respective franchisees) will continue and not regress; and government mandated COVID-19 restrictions will not be re-imposed. These assumptions, although considered reasonable by management at the time of preparation, may prove to be incorrect.

All of the forward-looking information in this news release is 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 it will have the expected consequences to, or effects on, DIV. The forward-looking information in this news release is made 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.

Non-IFRS Measures

Management believes that disclosing certain non-IFRS financial measures, non-IFRS ratios and supplementary financial measures provides readers with important information regarding the Corporation’s financial performance and its ability to pay dividends and the performance of its royalty partners. By considering these measures in combination with the most closely comparable IFRS measure, management believes that investors are provided with additional and more useful information about the Corporation and its royalty partners than investors would have if they simply considered IFRS measures alone. The non-IFRS financial measures, non-IFRS ratios and supplementary financial measures used in this news release do not have standardized meanings prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS financial measures should not be construed as a substitute or an alternative to cash flows from operating activities as determined in accordance with IFRS.



“Adjusted revenue”, “DIV Royalty Entitlement” and “distributable cash” are used as non-IFRS financial measures in this news release.

Adjusted revenue is calculated as royalty income plus DIV Royalty Entitlement and management fees. The following table reconciles adjusted revenue to royalty income, the most directly comparable IFRS measure disclosed in the financial statements:

(000's)	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Mr. Lube	\$ 6,690	\$ 5,695	\$ 23,708	\$ 19,236
AIR MILES®	1,453	1,772	6,497	6,570
Mr. Mikes ^a	1,206	1,037	5,060	3,337
Oxford	1,150	980	4,199	3,610
Sutton	1,047	1,027	4,146	4,065
Stratus ^b	1,040	-	1,040	-
Royalty income	\$ 12,586	\$ 10,511	\$ 44,650	\$ 36,818
DIV Royalty Entitlement	1,269	1,242	5,026	4,925
Adjusted royalty income	\$ 13,855	\$ 11,753	\$ 49,676	\$ 41,743
Management fees	134	125	533	463
Adjusted revenue	\$ 13,989	\$ 11,878	\$ 50,209	\$ 42,206

a) For the three months and year ended December 31, 2022, Mr. Mikes adjusted revenue includes payments of \$0.18 million and \$1.30 million, respectively, representing partial payment of deferred contractual royalty fees and accrued management fees, which has been recognized as revenue upon collection.

b) Stratus adjusted revenue for the period November 15, 2022 to December 31, 2022 was US\$0.8 million, translated at a foreign exchange rate of \$1.3521 to US\$1.

For further details, refer to the section on Non-IFRS Financial Measures entitled “DIV Royalty Entitlement, Adjusted Royalty Income and Adjusted Revenue” in the Corporation’s management’s discussion and analysis for the three months and year ended December 31, 2022, a copy of which is available on SEDAR at www.sedar.com.

The most closely comparable IFRS measure to DIV Royalty Entitlement is “distributions received from NND LP”. DIV Royalty Entitlement is calculated as distributions received from NND LP, before any deduction for expenses incurred by NND Holdings Limited Partnership (“NND LP”), which expenses include legal, audit, tax and advisory services. Note that distributions received from NND LP is derived from the royalty paid by Nurse Next Door to NND LP. The following table reconciles DIV Royalty Entitlement to distributions received from NND LP in the financial statements:

(000's)	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Distributions received from NND LP	\$ 1,269	\$ 1,238	\$ 5,005	\$ 4,906
Add: NND Royalties LP expenses	-	4	21	19
DIV Royalty Entitlement	1,269	1,242	5,026	4,925
Less: NND Royalties LP expenses	-	(4)	(21)	(19)
DIV Royalty Entitlement, net of NND Royalties LP expenses	\$ 1,269	\$ 1,238	\$ 5,005	\$ 4,906

For further details, refer to the subsection entitled “Non-IFRS Measures” under “Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures” in the Corporation’s management’s discussion and analysis for the three months and year ended December 31, 2022, a copy of which is available on SEDAR at www.sedar.com.



The following table reconciles distributable cash to cash flows generated from operating activities, the most directly comparable IFRS measure disclosed in the financial statements:

(000's)	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Cash flows generated from operating activities	\$ 8,152	\$ 7,646	\$ 28,377	\$ 27,815
Accrued DIV Royalty Entitlement, net of distributions	-	3	21	18
Accrued interest on convertible debentures	853	756	-	-
Changes in working capital	207	293	2,917	1,331
Current tax expense	(1,139)	(1,363)	(5,515)	(4,084)
Distributions on exchangeable MRM units	49	-	327	-
Distributions on MRM units earned in current periods	(49)	-	(161)	-
Interest on \$52,500 of 2022 Debenture overlap	-	-	168	-
NND LP expenses	-	(4)	(21)	(19)
Payment of lease obligations	(26)	76	(105)	42
Transaction costs	36	-	36	104
Taxes paid	1,224	530	6,252	2,717
Distributable cash	\$ 9,307	\$ 7,937	\$ 32,296	\$ 27,924

For further details, refer to the subsection entitled “Non-IFRS Measures” under “Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures” in the Corporation’s management’s discussion and analysis for the three months and year ended December 31, 2022, a copy of which is available on SEDAR at www.sedar.com.

“Distributable cash per share” and “payout ratio” are non-IFRS ratios that do not have a standardized meaning prescribed by IFRS, and therefore may not be comparable to similar ratios presented by other issuers. Distributable cash per share is defined as distributable cash, a non-IFRS measure, divided by the weighted average number of common shares outstanding during the period. The payout ratio is calculated by dividing the dividends per share during the period by the distributable cash per share, a non-IFRS measure, generated in that period. For further details, refer to the subsection entitled “Non-IFRS Ratios” under “Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures” in the Corporation’s management’s discussion and analysis for the three months and year ended December 31, 2022, a copy of which is available on SEDAR at www.sedar.com.

“Same store sales growth” or “SSSG” and “system sales” are supplementary financial measures and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. For further details, refer to the subsection entitled “Supplementary Financial Measures” under “Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures” in the Corporation’s management’s discussion and analysis for the three months and year ended December 31, 2022 a copy of which is available on SEDAR at www.sedar.com.

“Weighted average growth” is the average percentage increase in adjusted royalty income from Mr. Lube, AIR MILES®, Sutton, Mr. Mikes, Nurse Next Door and Oxford over the prior comparable period taking into account the percentage weighting of each royalty partner’s adjusted royalty income in proportion of the total adjusted royalty income for the period, excluding Stratus as there was no adjusted royalty income generated from Stratus in the prior period. Weighted average growth is a supplementary financial measure and does not have a standardized meaning prescribed by IFRS. However, the Company believes that weighted average growth is a useful measure as it provides investors with an indication of the change in year-over-year growth of each royalty partner, taking into account the percentage weighting of royalty partner’s growth in proportion of total growth, as applicable. The Company’s method of calculating weighted average growth may differ from those of other issuers or companies and, accordingly, weighted average growth may not be comparable to similar measures used by other issuers or companies.



Third Party Information

This news release includes information obtained from third party company filings and reports and other publicly available sources as well as financial statements and other reports provided to DIV by its royalty partners. Although DIV believes these sources to be generally reliable, such information cannot be verified with complete certainty. Accordingly, the accuracy and completeness of this information is not guaranteed. DIV has not independently verified any of the information from third party sources referred to in this news release nor ascertained the underlying assumptions relied upon by such sources.

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

Additional Information

The information in this news release should be read in conjunction with DIV's consolidated financial statements and management's discussion and analysis ("MD&A") for the three months and year ended December 31, 2022, which are available on SEDAR at www.sedar.com.

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

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