Diversified Royalty Corp. Announces Fourth Quarter and Year End 2024 Results

Vancouver, BC, March 24, 2025 – Diversified Royalty Corp. (TSX: DIV and DIV.DB.A) (the "Corporation" or "DIV") is pleased to announce its financial results for the three months ("Q4 2024") and year ended December 31, 2024.

Highlights

- The weighted average organic royalty growth[1] of DIV's diversified royalty portfolio was 5.9% in Q4 2024 and 5.0% for the year ended December 31, 2024, compared to 6.8% for the three months ended December 31, 2023 ("Q4 2023") and 8.4% for the year ended December 31, 2023. The weighted average organic royalty growth[1] on a constant currency basis was 5.4% in Q4 2024 and 4.8% for the year ended December 31, 2024.
- Revenue was $17.0 million in Q4 2024 and $65.0 million for the year ended December 31, 2024, up 3.9% and 15.0%, respectively, compared to the same periods in 2023.
- Adjusted revenue[1] was $18.4 million in Q4 2024 and $70.2 million for the year ended December 31, 2024, up 3.8% and 14.0%, respectively, compared to the same periods in 2023.
- Distributable cash[1] was $12.6 million in Q4 2024 and $44.8 million for the year ended December 31, 2024, up 21.5% and 17.5%, respectively, compared to the same periods in 2023.
- Payout ratio[1] was 82.3% in Q4 2024 based on dividends of $0.0625 per share for the quarter, compared to 84.2% in Q4 2023 based on dividends of $0.0609 per share for the comparable quarter and 90.0% for the year ended December 31, 2024 based on dividends of $0.2487 per share for the year, compared to 90.2% based on dividends of $0.2415 per share for the comparable year.
- In celebration of DIV's 10-year anniversary, we are proud to recognize the following:
  - On October 6, 2014, we announced our name change to "Diversified Royalty Corp."
  - DIV's very first dividend was $0.0157 per share, paid on November 28, 2014
  - The total dividends paid to shareholders since then is $269.1 million, or $2.25 per share

Fourth Quarter Commentary

Sean Morrison, President and Chief Executive Officer of DIV stated, "Overall, DIV is pleased with how its royalty partners performed with weighted average organic royalty growth of 5.9% in Q4 2024 and 5.0% for the year ended December 31, 2024. As with all portfolios, there are varying degrees of performance within the portfolio. Mr. Lube, our largest royalty partner, continued to see strong double-digit growth, generating SSSG[1] (defined below) of 12.0% for the three-month period ended December 31, 2024, and 10.5% for the year ended December 31, 2024. This exceptional performance is the result of Mr. Lube's management team working with their franchisees to share best practices and optimize the performance of each location. DIV's other variable royalty partners generated mixed results with Oxford generating positive SSSG and Mr. Mikes generating negative SSSG in Q4. DIV's fixed royalty partners, Nurse Next Door, Stratus and BarBurrito made their fixed royalty payments. DIV is deferring 20% of Sutton's royalties to help them invest in the business and build on the positive momentum in Q4. DIV continues to see a decrease in royalty income from AIR MILES® because of the loss of Metro as a loyalty partner and continued softness across the AIR MILES® Rewards Program."

1. Adjusted revenue and distributable cash are non-IFRS financial measures, payout ratio is a non-IFRS ratio and weighted average organic royalty growth and Same-store-sales growth or SSSG are supplementary financial measures – see "Non-IFRS Measures" below.

Fourth Quarter Results

(000's)	Three months ended December 31, 2024	2023	Year ended December 31, 2024	2023
Mr. Lube + Tires	$ 8,602	$ 7,810	$ 31,190	$ 28,429
Stratus[a]	2,268	2,099	8,714	8,171
BarBurrito	2,101	2,032	8,403	2,032
Nurse Next Door[b]	1,341	1,316	5,309	5,207
Oxford	1,206	1,162	4,530	4,521
Sutton	899	1,095	4,206	4,339
Mr. Mikes	1,040	1,130	4,226	4,570
AIR MILES®	896	1,044	3,640	4,352
Adjusted revenue[c]	$ 18,352	$ 17,688	$ 70,218	$ 61,621

a) Stratus royalty income for the three months and year ended December 31, 2024, was US$1.6 million and US$6.4 million, respectively, translated at an average foreign exchange rate of $1.4000 and $1.3703 to US$1, respectively (three months and year ended December 31, 2023 – royalty income of US$1.5 million and US$6.1 million, respectively, translated at an average foreign exchange rate of $1.3610 and $1.3493 to US$1, respectively).

b) Represents the DIV Royalty Entitlement plus management fees received from Nurse Next Door.

c) DIV Royalty Entitlement and adjusted revenue are non-IFRS financial measures and as such, do not have standardized meanings under IFRS. For additional information, refer to "Non-IFRS Measures" in this news release.

In Q4 2024, DIV generated $17.0 million of revenue compared to $16.4 million in Q4 2023. After considering the DIV Royalty Entitlement[2] (defined below) related to DIV's royalty arrangements with Nurse Next Door, DIV's adjusted revenue[2] was $18.4 million in Q4 2024, compared to $17.7 million in Q4 2023. Adjusted revenue increased primarily due to incremental revenue received through the acquisition of the BarBurrito rights on October 4, 2023, positive SSSG[2] at Mr. Lube + Tires and Oxford, the annual contractual royalty increases at Stratus and Nurse Next Door, partially offset by negative SSSG from Mr. Mikes and lower royalty income from AIR MILES® and the 20% deferral of the Sutton royalties, all as discussed in further detail below.

2. Adjusted revenue and DIV Royalty Entitlement are non-IFRS financial measures and SSSG are supplementary financial measures – see "Non-IFRS Measures" below.

Royalty Partner Business Updates

Mr. Lube + Tires: Mr. Lube Canada Limited Partnership ("Mr. Lube + Tires") generated SSSG[3] of 12.0% for the Mr. Lube + Tires stores in the royalty pool for Q4 2024 and 10.5% for the year ended December 31, 2024, compared to SSSG of 14.0% and 17.1%, for the same respective prior periods in 2023.

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

Stratus: Royalty income from SBS Franchising LLC ("Stratus") was $2.3 million (US$1.6 million translated at an average foreign exchange rate of $1.4000 to US$1.00) for Q4 2024 and $8.7 million (US$6.4 million translated at an average foreign exchange rate of $1.3703 to US$1.00) for the year ended December 31, 2024. The fixed royalty payable by Stratus increases each November at a rate of 5% until and including November 2026 and 4% each November thereafter during the term of the license, with the most recent increase effective November 15, 2024.

Nurse Next Door: The royalty entitlement to DIV (the "DIV Royalty Entitlement[4]") from Nurse Next Door Professional Homecare Services Inc. ("Nurse Next Door") was $1.3 million in Q4 2024 and $5.2 million for the year ended December 31, 2024. 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, 2024.

4. DIV Royalty Entitlement is a non-IFRS measure – see "Non-IFRS Measures" below.

Mr. Mikes: SSSG[5] for the Mr. Mikes Restaurants Corporation ("Mr. Mikes") restaurants in the Mr. Mikes royalty pool was -4.7% in Q4 2024 and -3.4% for the year ended December 31, 2024, compared to SSSG of 7.3% and 10.1%, for the same respective prior periods in 2023. The lower SSSG percentage in the current period is primarily due to lower restaurant guest traffic. In addition, in the comparable period, SSSG was measured against quarters that included the impact from COVID-19 related government regulations, including vaccine mandates.

Royalty income and management fees of $1.0 million were generated by Mr. Mikes in Q4 2024, compared to $1.2 million in Q4 2023, which excludes approximately $0.05 million from the partial payment of deferred contractual royalty fees and accrued management fees. Royalty income and management fees of $4.2 million were generated for the year ended December 31, 2024, compared to $4.4 million generated for the year ended December 31, 2023, excluding approximately $0.18 million from the partial payment of deferred contractual royalty fees and accrued management fees.

5. Same-store-sales growth or SSSG is a supplementary financial measure – see “Non-IFRS Measures” below.

Oxford: The Oxford Learning Centres, Inc. (“Oxford”) locations in the Oxford royalty pool generated SSSG[6] (on a constant currency basis) of 4.0% in Q4 2024 and 0.2% for the year ended December 31, 2024, compared to SSSG of -0.2% and 5.9%, for the same respective prior periods in 2023. Oxford’s SSSG has returned to being positive after lapping the completion of the Ontario Government funding of student learning support, which included private tutoring, which funding completed in the first half of 2023.

6. Same-store-sales growth or SSSG is a supplementary financial measure – see “Non-IFRS Measures” below.

AIR MILES®: In Q4 2024, royalty income of $0.9 million was generated from the AIR MILES® Licenses compared to $1.0 million generated in Q4 2023, a decrease of 14.2% from the comparable quarter. For the year ended December 31, 2024, royalty income of $3.6 million was generated compared to $4.4 million generated in the comparable year, a decrease of 16.4%. The decrease is largely due to the loss of AIR MILES® sponsor Metro and continued softness in the AIR MILES® Rewards Program.

Sutton: In Q4 2024, royalty income of $0.9 million was generated by Sutton, which is net of a 20% royalty deferral, compared to $1.1 million generated in Q4 2023. For the year ended December 31, 2024, royalty income of $4.1 million was generated, which includes a 20% royalty deferral for Q4, 2024, compared to $4.3 million generated in the comparable year. DIV and Sutton entered into a royalty deferral agreement during Q4 2024, which provides Sutton with a 20% deferral of royalties from October 1, 2024 to December 31, 2025. The deferred royalties do not accrue interest and are due in full on December 31, 2027. Sutton finished 2024 on a strong note, opening two new franchise locations in Q4 and has a growing pipeline of franchise opportunities across Canada. Sutton intends to invest the deferred royalties to complete the rebuild of its management team, increase investment in marketing, roll out its rebranded logo across Canada, increase business development, and build on the positive momentum that began in the back half of 2024.

BarBurrito: Royalty income from BarBurrito Restaurants Inc. (“BarBurrito”) was $2.1 million for Q4 2024 and $8.3 million for the year ended December 31, 2024. The royalty payable by BarBurrito initially grows at a fixed rate of 4% per annum each March from and including March 2025 to and including March 2030 and, commencing on January 1, 2031, will fluctuate based on the gross sales of the BarBurrito locations in the royalty pool.

Distributable Cash and Dividends Declared

In Q4 2024 and for the year ended December 31, 2024, distributable cash[7] increased to $12.6 million ($0.0759 per share) and $44.8 million ($0.2762 per share), respectively, compared to $10.4 million ($0.0723 per share) and $38.1 million ($0.2671 per share), in the respective periods in 2023.

The increase in distributable cash[7] for the quarter was primarily due to higher adjusted revenue[7], lower general and administrative expenses, lower professional fees, lower interest expense, and lower salaries and benefits. The increase in distributable cash[7] for the year was primarily due to higher adjusted revenue[7], lower general and administrative expenses, and lower professional fees, partially offset by higher interest expense and higher and salaries and benefits.

The increase in distributable cash per share[7] for the quarter and year end were primarily due to an increase in distributable cash, partially offset by a higher weighted average number of common shares outstanding.

In Q4 2024 and for the year ended December 31, 2024, the payout ratio[7] was 82.3% on dividends of $0.0625 per share and 90.0% on dividends of $0.2487 per share, respectively, compared to the payout ratio of 84.2% on dividends of $0.0609 per share and 90.2% on dividends of $0.2410 per share for the same respective periods in

2023. The decrease in payout ratio for the quarter and year end were primarily due to higher distributable cash per share[7], partially offset by higher dividends declared per share.

7. Adjusted revenue and distributable cash are non-IFRS financial measures and distributable cash per share and payout ratio are non-IFRS ratios – see "Non-IFRS Measures" below.

Net Income

Net income for Q4 2024 and for the year ended December 31, 2024, was $4.0 million and $26.6 million, respectively, compared to net income of $9.1 million and $31.7 million for the same respective periods in 2023. The decrease in net income in Q4 2024 was primarily due to impairment loss on intangible assets and higher share-based compensation expense, partially offset by higher adjusted revenue[8] and lower general and administrative expenses, interest expense on credit facilities, and income tax expense. The decrease in net income for the year was primarily due to impairment loss on intangible assets, higher share-based compensation expense, salaries and benefits, and interest expense on credit facilities, partially offset by higher adjusted revenue[8] and lower general and administrative expenses, and income tax expense.

8. Adjusted revenue is a non-IFRS financial measure – see "Non-IFRS Measures" below.

<u>About Diversified Royalty Corp.</u>

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 + Tires, AIR MILES®, Sutton, Mr. Mikes, Nurse Next Door, Oxford Learning Centres, Stratus Building Solutions and BarBurrito trademarks. Mr. Lube + Tires 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 a home care provider with locations across Canada and the United States as well as in Australia. Oxford Learning Centres is one of Canada's leading franchisee supplemental education services. Stratus Building Solutions is a leading commercial cleaning service franchise company providing comprehensive building cleaning, and office cleaning services primarily in the United States. BarBurrito is the largest quick service Mexican restaurant food chain in Canada.

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.

<u>Forward-Looking Statements</u>

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: Sutton having a growing pipeline of franchise opportunities across Canada; Sutton intends to invest the deferred royalties to complete the rebuild of its management team, increase investment in marketing, roll out its rebranded logo across Canada, increase business development and build on the positive momentum that began in the back half of 2024; 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; the decline in royalties received under the AIR MILES® licenses could cause AM Royalties Limited Partnership ("AM LP") to be required to make partial or full repayment of the outstanding principal amount under its credit agreement, or cause AM LP to be in default under its credit agreement; current positive trends being experienced by certain of DIV's royalty partners (and their respective franchisees) may not continue and may regress, and current negative trends experienced by certain of DIV's royalty partners (including their respective franchisees) may continue and may regress; DIV and its royalty partners performance may not meet management's expectations; DIV may not be able to make monthly dividend payments to the holders of its common shares; Sutton may not pay all deferred royalties in accordance with the timing required or at all; Sutton's investment of the deferred royalties may not achieve their intended effects; Sutton may require further deferrals of royalties beyond those contemplated by the current deferral agreement; 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 is not a guarantee 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 24, 2025 and in DIV's management's discussion and analysis for the three months and year ended December 31, 2024, copies of which are available under DIV's profile on SEDAR+ at www.sedarplus.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; lenders will provide any other necessary covenant waivers to DIV and its royalty partners; 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; current negative trends experienced by certain of DIV's royalty partners (including their respective franchisees) will not materially regress; Sutton will pay all deferred royalties in accordance with the required timing in full and will not require further deferrals; Sutton's investment of the deferred royalties will achieve its intended effects; the businesses of DIV's respective royalty partners will not suffer any material adverse effect; and the business and economic conditions affecting DIV and its royalty partners will continue substantially in the ordinary course, including without limitation with respect to general industry conditions, general levels of economic activity and regulations. 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 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 measures should not be construed as a substitute or an alternative to net income or cash flows from operating activities as determined in accordance with IFRS.

"Adjusted revenue", "adjusted royalty income", "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 and adjusted royalty income to royalty income, the most directly comparable IFRS measure disclosed in the financial statements:

	Three months ended December 31,		Year ended December 31,	
(000's)	**2024**	**2023**	**2024**	**2023**
Mr. Lube + Tires	$ 8,543	$ 7,750	$ 30,953	$ 28,196
Stratus	2,269	2,099	8,714	8,171
BarBurrito	2,080	2,013	8,320	2,013
Oxford	1,194	1,152	4,487	4,481
Sutton	872	1,068	4,096	4,229
Mr. Mikes	1,025	1,115	4,181	4,520
AIR MILES®	896	1,044	3,640	4,352
Royalty income	**$ 16,879**	**$ 16,241**	**$ 64,391**	**$ 55,962**
DIV Royalty Entitlement	1,320	1,295	5,228	5,126
Adjusted royalty income	**$ 18,199**	**$ 17,536**	**$ 69,619**	**$ 61,088**
Management fees	153	152	599	533
Adjusted revenue	**$ 18,352**	**$ 17,688**	**$ 70,218**	**$ 61,621**

For further details with respect to adjusted revenue and adjusted royalty income, refer to the subsection "Non-IFRS 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, 2024, a copy of which is available on SEDAR+ at www.sedarplus.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:

	Three months ended December 31,		Year ended December 31,	
(000's)	**2024**	**2023**	**2024**	**2023**
Distributions received from NND LP	$ 1,314	$ 1,284	$ 5,197	$ 5,095
Add: NND Royalties LP expenses	2	2	27	22
DIV Royalty Entitlement	1,316	1,286	5,224	5,117
Less: NND Royalties LP expenses	(2)	(2)	(27)	(22)
DIV Royalty Entitlement, net of NND Royalties LP expenses	**$ 1,314**	**$ 1,284**	**$ 5,197**	**$ 5,095**

For further details with respect to DIV Royalty Entitlement, refer to the subsection "Non-IFRS 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, 2024, a copy of which is available on SEDAR+ at www.sedarplus.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, 2024	Three months ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
Cash flows generated from operating activities	$ 11,724	$ 7,400	$ 46,491	$ 30,816
Current tax expense	(1,300)	(845)	(6,516)	(5,061)
Accrued interest on convertible debentures	788	788	-	-
Accrued interest on bank loans	(13)	-	(438)	-
Distributions on MRM units earned in current periods	(34)	(38)	(138)	(164)
Mandatory principal payments on credit facilities	-	(577)	(643)	(1,008)
Payment of lease obligations	(28)	(28)	(110)	(107)
NND LP expenses	(2)	(2)	(27)	(22)
Accrued DIV Royalty Entitlement, net of distributions	2	-	27	-
Foreign exchange and other	(13)	394	146	229
Changes in w orking capital	(33)	(527)	303	3,579
Transactions costs	-	32	-	32
Taxes paid	1,512	1,648	6,012	7,691
Note receivable	-	2,130	(305)	2,130
Distributable cash	**$ 12,603**	**$ 10,376**	**$ 44,802**	**$ 38,115**

For further details with respect to distributable cash, refer to the subsection "Non-IFRS 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, 2024, a copy of which is available on SEDAR+ at www.sedarplus.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, 2024, a copy of which is available on SEDAR+ at www.sedarplus.com.

"Weighted average organic royalty growth" is the average same store sales growth percentage related to Mr. Lube + Tires, Oxford and Mr. Mikes (excluding the collection of Mr. Mikes deferred royalty management fees) plus the average increase in adjusted royalty income from AIR MILES®, Sutton (less 20% deferral in Q4, 2024), Nurse Next Door and Stratus 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 BarBurrito as there was no full-period adjusted royalty income generated from BarBurrito in the prior period. Weighted average organic royalty growth is a supplementary financial measure and does not have a standardized meaning prescribed by IFRS. However, the Corporation believes that weighted average organic royalty 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 Corporation's method of calculating weighted average organic royalty growth may differ from those of other issuers or companies and, accordingly, weighted average organic royalty growth may not be comparable to similar measures used by other issuers or companies.

"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. SSSG and system sales figures are reported to DIV by its Royalty Partners – see "Third Party Information". 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, 2024, a copy of which is available on SEDAR+ at www.sedarplus.com.

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, 2024, which are available on SEDAR+ at www.sedarplus.com.

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

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