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Diversified Royalty Corp. Announces Increase to Previously Announced Bought Deal Public Offering of Common Shares to \$47 Million

For Immediate Release

Vancouver, BC, February 15, 2024 – Diversified Royalty Corp. (TSX: DIV and DIV.DB.A) (the “**Corporation**” or “**DIV**”) is pleased to announce that, due to strong demand, it has entered into a revised agreement with a syndicate of investment dealers led by CIBC Capital Markets (collectively, the “**Underwriters**”) to increase the size of the previously announced bought deal treasury offering. Under the revised agreement, the Underwriters have agreed to purchase 17,670,000 Common Shares (the “**Common Shares**”) from the treasury of the Corporation, at a price of \$2.66 per Common Share (the “**Offering Price**”) for total gross proceeds of approximately \$47 million (the “**Offering**”).

In addition, the Corporation has granted the Underwriters an option (the “**Over-Allotment Option**”) to purchase up to an additional 2,650,500 Common Shares from the treasury of the Corporation at the Offering Price for additional gross proceeds of up to approximately \$7 million for market stabilization purposes and to cover over-allotments, if any. The Over-Allotment Option is exercisable, in whole or in part, by the Underwriters at any time up to 30 days following the closing of the Offering.

The net proceeds of the Offering will be used to partially repay outstanding amounts under DIV’s acquisition facility following DIV’s acquisition, on October 4, 2023, of trademarks and certain other intellectual property used by BarBurrito Restaurants Inc. in Canada in its business of franchising, licensing and operating quick service Mexican restaurants.

The Offering will be made by way of a prospectus supplement (the “**Prospectus Supplement**”) to the Corporation’s existing short form base shelf prospectus (the “**Base Shelf Prospectus**”) dated June 19, 2023. The Prospectus Supplement (together with the Base Shelf Prospectus, being the “**Offering Documents**”) will be filed with the securities commissions in all of the provinces and territories of Canada, except Quebec. The Offering Documents will contain important detailed information about the securities being offered. Copies of the underwriting agreement and the Offering Documents will be available by visiting the Corporation’s profile on the SEDAR+ website maintained by the Canadian Securities Administrators at www.sedarplus.ca.

Closing of the Offering is expected to occur on or about February 23, 2024 and is subject to regulatory approval including that of the TSX.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent registration under U.S. federal and state securities laws or compliance with an applicable exemption from such U.S. registration requirements.

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 + 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 environmentally friendly janitorial, 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.

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 intended use of proceeds from the Offering; the expected closing date for the Offering; the approval of the TSX in respect of the Offering; DIV's objective to continue to pay predictable and stable monthly dividends to shareholders and increase the dividend over time; and DIV's corporate objectives. The forward-looking information contained herein 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 therein. DIV believes that the expectations reflected in the forward-looking information 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 Offering will close in accordance with the expected timing, or at all; the actual use of proceeds will be consistent with current expectations; the TSX will approve the Offering; DIV will be able to make monthly dividend payments to the holders of Common Shares; or DIV will achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking information 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 9, 2023 and the "Risk Factors" section of its management's discussion and analysis for the three and nine months ended September 30, 2023 that are available under DIV's profile on SEDAR+ at www.sedarplus.ca.

In formulating the forward-looking information contained herein, management has assumed that, among other things, all necessary consents and approvals for the Offering will be obtained and the Offering will be completed in accordance with the timing currently expected and on the currently contemplated terms; 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 and financial outlook disclosed 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 contemplated thereby will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, DIV contemplated by such forward-looking information and financial outlook contained herein. The forward-looking information and financial outlook included 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.

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.sedarplus.ca.

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