



Diversified Royalty Corp. Announces Incremental Royalty Purchase from Cheba Hut

Vancouver, BC, April 1, 2026 – Diversified Royalty Corp. (TSX: DIV, DIV.DB.A and DIV.DB.B) (the “Corporation” or “DIV”) announced today that effective April 1, 2026, DIV has purchased a US\$0.9 million annualized incremental royalty from Cheba Hut Franchising, Inc. (“Cheba Hut”) for US\$7.2 million.

Sean Morrison, Chief Executive Officer of DIV, stated, “Cheba Hut has continued to grow since being first added to DIV’s portfolio of royalty partners in June 2025. Now, as a result of its superior store-level economics, expanding franchisee business and experience of its management team, DIV has the pleasure of acquiring the incremental royalty from Cheba Hut. We look forward to working with Scott and Cheba Hut’s management team to continue expanding the business across the U.S.”

Incremental Royalty

Pursuant to existing agreements between Cheba Hut, DIV and DIV’s wholly-owned subsidiary Cheeb Royalties Limited Partnership (“Cheeb LP”), on April 1st of each year (the “Adjustment Date”) Cheba Hut may increase the annual royalty payable to Cheeb LP subject to Cheba Hut satisfying certain royalty coverage tests. The amount of each royalty increase cannot be less than US\$500,000 per annum and must, in respect of amounts over that threshold, be in increments of US\$100,000 per annum. In consideration for a royalty increase, Cheeb LP pays an amount to Cheba Hut in cash, based on an agreed royalty multiple.

The incremental royalty acquired from Cheba Hut of US\$75,000 per month will be added to the regular monthly royalty payable by Cheba Hut commencing with the royalty payment in respect of the month of April 2026. In addition, on each Adjustment Date the royalty payable by Cheba Hut is automatically increased at a rate equal to the greater of 3.5% and the U.S. CPI + 1.5% per year without any further consideration payable by DIV or Cheeb LP.

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, Sutton, Mr. Mikes, Nurse Next Door, Oxford Learning Centres, Stratus Building Solutions, BarBurrito, Cheba Hut and AIR MILES® trademarks. Mr. Lube + Tires is the leading quick lube service business in Canada, with locations across Canada. 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 janitorial, building cleaning, and office cleaning services primarily in the United States.



BarBurrito is the largest quick service Mexican restaurant food chain in Canada. Cheba Hut is a fast casual toasted sub sandwich franchise with locations in the United States. AIR MILES® is a Canadian loyalty program.

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" or "financial outlook" 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 or financial outlook. 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 and financial outlook, although not all forward-looking information and financial outlook contains these identifying words. Specifically, forward-looking information and financial outlook in this news release includes, but is not limited to, statements made in relation to: the amount and timing of the incremental monthly royalty payable by Cheba Hut; DIV's belief of Cheba Hut's superior store-level economics, expanding franchisee business and experience of its management team; DIV looking forward to working with Cheba Hut to continue expanding Cheba Hut's business across the U.S.; the amount and timing of future increases of the royalty payable by Cheba Hut; 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. 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 and financial outlook.

DIV believes that the expectations reflected in the forward-looking information and financial outlook 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: Cheba Hut will continue to make royalty payments in the amounts and at the times required, or at all; that transactions completed with Cheba Hut for the incremental royalty will be accretive to DIV shareholders; Cheba Hut will realize any of the intended benefits of its growth strategy; that Cheba Hut will continue to have superior store-level economics and continue expanding its franchise business; DIV will be able to make monthly dividend payments to the holders of its common shares or increase the dividend over time; or DIV will achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking information and financial outlook included in this news release are not guarantees of future performance, and such forward-looking information and financial outlook 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 19, 2026 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.sedarplus.ca.

In formulating the forward-looking information and financial outlook contained herein, management has assumed that, among other things, Cheba Hut will be successful in meeting its stated corporate objectives, including its growth targets; the Cheba Hut business will not suffer any material adverse effect; DIV will generate sufficient cash flows from its royalties to service its debt and pay dividends to shareholders; the business and economic conditions affecting DIV, Cheba Hut and DIV's other 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.

To the extent any forward-looking information in this news release constitutes a "financial outlook" within the meaning of applicable securities laws, such information is being provided to provide investors with an estimate of the financial impact to DIV of transactions with Cheba Hut described in this news release.



All of the forward-looking information and financial outlook 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 they will have the expected consequences to, or effects on, DIV. The forward-looking information and financial outlook 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.sedarplus.ca.

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