



Diversified Royalty Corp. Announces First Quarter 2026 Results

Vancouver, BC, May 14, 2026 – Diversified Royalty Corp. (TSX: DIV, DIV.DB.A and DIV.DB.B) (the “Corporation” or “DIV”) is pleased to announce its financial results for the three months ended March 31, 2026 (“Q1 2026”).

Highlights

- The weighted average organic royalty growth¹ of DIV’s diversified royalty portfolio was 2.6% in Q1 2026, compared to 4.4% for the three months ended March 31, 2025 (“Q1 2025”). The weighted average organic royalty growth¹ on a consistent currency basis was 3.3% for both Q1 2026 and 2025, respectively.
- Revenue was \$17.5 million in Q1 2026, up 11.8%, compared to \$15.6 million in Q1 2025.
- Adjusted revenue¹ was \$18.8 million in Q1 2026, up 11.0%, compared to \$17.0 million in Q1 2025.
- Distributable cash¹ was \$12.0 million in Q1 2026, up 10.4%, compared to \$10.9 million in Q1 2025.
- Payout ratio¹ was 101.1% in Q1 2026 on dividends of \$0.0712 per share (\$0.2850 per share annualized), compared to 95.8% in Q1 2025 on dividends of \$0.0625 per share (\$0.2500 per share annualized).
- On January 26, 2026, the Corporation entered into an amendment agreement (the “AIR MILES Amendment”) with AIR MILES and the Bank of Montreal (“BMO”) to amend the terms of the AIR MILES® Licences pursuant to which the AIR MILES® Rights are licensed to AIR MILES (the “Licences”). The terms of the Licences have been amended to provide a 10-year, fixed annual royalty payment of \$3.9 million, paid quarterly, which grows at a rate of 2.42% per annum commencing February 1, 2027 and each February 1st thereafter during the 10-year term. The fixed royalty was effective February 1, 2026 and payments are guaranteed by BMO.
- On March 1, 2026, the BarBurrito Restaurants Inc. royalty pool was adjusted to add nine eligible restaurants to the royalty pool.

Subsequent Events

- On April 1, 2026, DIV purchased a US\$0.9 million annualized incremental royalty from Cheba Hut for US\$7.2 million.
- On April 21, 2026, the Canadian Franchise Association (“CFA”) announced that the Grand Prize winner of the 2026 CFA Awards of Excellence in Franchising (in the traditional brick-and-mortar category) was Oxford Learning Centres Inc.- a proud royalty partner of DIV.
- On May 14, 2026, Cheeb LP amended the terms of its credit agreement to increase its credit facility by US\$7.5 million from US\$5.0 million to US\$12.5 million.
- Cheba Hut transaction (DIV’s 9th royalty partner in June 2025) awarded Dealmakers of the Year 2026 award by Franchise Times, which recognizes the best in franchise M&A.
- DIV announces agreement to acquire Mr. Lube + Tires franchisor business. Please refer to the DIV May 14, 2026 news release.

First Quarter Commentary

Sean Morrison, Chief Executive Officer of DIV stated, “The first quarter of 2026 saw an overall positive performance. Our top royalty partner, Mr. Lube + Tires, continues to produce positive growth, generating SSSG⁶ of 3.0%, albeit at a reduced level compared to the comparable quarter. Oxford also produced positive SSSG of 4.4% while Mr. Mikes results were flat. DIV’s fixed royalty partners, Nurse Next Door, Stratus, BarBurrito and Cheba Hut made their fixed royalty payments. As previously announced, the 33.3% Sutton royalty relief that began in the fourth quarter of 2025 will continue throughout 2026. In addition, AIR MILES’s new 10-year fixed royalty payment began effective February 1, 2026.

We are excited to have completed incremental royalty transactions with BarBurrito and Cheba Hut effective March 1, 2026 and April 1, 2026, respectively. I would also like to congratulate Oxford on its impressive win at the recent CFA awards and congratulations to Cheba Hut as well for being awarded Dealmakers of the Year 2026!”



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.

First Quarter Results

(000's)	Three months ended March 31,	
	2026	2025
Mr. Lube + Tires	\$ 7,478	\$ 7,180
Stratus ^a	2,389	2,380
BarBurrito	2,247	2,129
Nurse Next Door ^b	1,376	1,349
Cheba Hut ^c	1,370	-
Oxford	1,269	1,249
Mr. Mikes	1,015	1,026
AIR MILES [®]	922	756
Sutton ^d	771	899
Adjusted revenue ^e	\$ 18,837	\$ 16,968

- a) Stratus adjusted revenue for the three months ended March 31, 2026 was US\$1.7 million translated at an average foreign exchange rate of \$1.3716 to US\$1 (three months ended March 31, 2025 - US\$1.7 million, translated at an average foreign exchange rate of \$1.4344 to US\$1).
- b) Represents the DIV Royalty Entitlement plus management fees received from Nurse Next Door.
- c) Cheba Hut adjusted revenue for the three months ended March 31, 2026 was US\$1.0 million, translated at an average foreign exchange rate of \$1.3716 to US\$1 (three months ended March 31, 2025 – US\$nil).
- d) Sutton royalty income for the three months ended March 31, 2026 is net of a 33.3% royalty relief. Sutton royalty income for the three months ended March 31, 2025 is net of a 20% royalty deferral. Management fees from Sutton are not subject to royalty relief or deferral.
- e) 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 Q1 2026, DIV generated \$17.5 million of revenue compared to \$15.6 million in Q1 2025. After taking into account the DIV Royalty Entitlement² (defined below) related to DIV’s royalty arrangements with Nurse Next Door, DIV’s adjusted revenue² was \$18.8 million in Q1 2026, compared to \$17.0 million in Q1 2025. Adjusted revenue increased primarily due to Mr. Lube + Tires’ and Oxford’s positive SSSG² (defined below), the annual contractual increases at Stratus, Nurse Next Door and BarBurrito, the new fixed higher AIR MILES[®] royalty effective February 1, 2026, incremental royalty revenue from the 9 new BarBurrito locations added to the BarBurrito royalty pool on March 1, 2026, incremental royalty revenue from the five net new Mr. Lube + Tires locations added to the Mr. Lube + Tires royalty pool on May 1, 2025 and the contractual royalty from Cheba Hut, partially offset by lower royalty income from Mr. Mikes and the 33.3% Sutton royalty relief, all as discussed in further detail below.

2. Adjusted revenue and DIV Royalty Entitlement are non-IFRS financial measures and SSSG is a supplementary financial measure – see “Non-IFRS Measures” below.

Royalty Partner Business Updates

Mr. Lube + Tires: Mr. Lube + Tires generated SSSG³ of 3.0% for the Mr. Lube + Tires stores in the royalty pool for Q1 2026, compared to SSSG of 9.5% in Q1 2025. SSSG remained positive, albeit at a reduced level compared to the same prior period due in large part to unseasonal weather patterns that impacted consumer behaviour.

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 \$2.4 million (US\$1.7 million translated at an average foreign exchange rate of \$1.3716 to US\$1.00) for Q1 2025. 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, 2025.

Nurse Next Door: The royalty entitlement to DIV (the “DIV Royalty Entitlement⁴”) from Nurse Next Door Professional Homecare Services Inc. (“Nurse Next Door”) was \$1.4 million in Q1 2026. 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, 2025.

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



Mr. Mikes: SSSG⁵ for the Mr. Mikes Restaurants Corporation (“Mr. Mikes”) restaurants in the Mr. Mikes royalty pool was 1.8% in Q1 2026, compared to SSSG of 1.5% in Q1 2025. Royalty income and management fees of \$1.0 million were generated from Mr. Mikes for both Q1 2026 and 2025, respectively. The Q1 2026 results were flat due to the positive SSSG being offset by lower royalty income as a result of recent store closures.

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 SSSG⁶ (on a constant currency basis) of 4.4% in Q1 2026 (after the impact of foreign currency translation, SSSG was 3.8%), compared to SSSG 5.5% in Q1 2025 (after the impact of foreign currency translation, SSSG was 6.4%). Oxford’s positive SSSG for the quarter is due to the solid performance of the Oxford system during the quarter.

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

AIR MILES®: In Q1 2026, royalty income of \$0.9 million was generated from the AIR MILES® Licenses compared to \$0.8 million generated in the first quarter of 2025, an increase of 22.0%. The increase is largely due to the AIR MILES Amendment effective February 1, 2026, compared to royalty income based on gross billings for the three months ended March 31, 2025.

Sutton: In Q1 2026, royalty income of \$0.7 million was generated from Sutton, which includes a 33.3% royalty relief for Q1, 2026, compared to \$0.9 million for Q1, 2025, which included a 20% royalty deferral. The fixed royalty payable by Sutton increases at a rate of 2% per year, with the most recent increase effective July 1, 2025.

BarBurrito: Royalty income from BarBurrito Restaurants Inc. (“BarBurrito”) was \$2.1 million for Q1 2026. The royalty payable by BarBurrito initially grows at a fixed rate of 4% per annum each March up 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.

On March 1, 2026, the BarBurrito royalty pool was adjusted to add nine eligible BarBurrito restaurants to the BarBurrito royalty pool, which will result in an increase of \$32,708 (\$392,496 annualized) to the monthly royalty payment payable by BarBurrito to DIV commencing with the royalty payment in respect of the month of March 2026. The consideration paid to BarBurrito for the incremental royalty revenue was \$3.3 million.

Cheba Hut: Royalty income from Cheba Hut Franchising, Inc. (“Cheba Hut”) was \$1.4 million for Q1 2026 (US\$1.0 million translated at an average foreign exchange rate of 1.3716 to US\$1.00). The fixed royalty payable by Cheba Hut increases each April at a rate equal to the greater of 3.5% and the U.S. Consumer Price Index (“U.S. CPI”) plus 1.5%.

On April 1, 2026, DIV purchased a US\$0.9 million annualized incremental royalty from Cheba Hut for US\$7.2 million. The incremental royalty acquired from Cheba Hut of US\$75,000 per month is effective April 1, 2026.

Distributable Cash and Dividends Declared

In Q1 2026, distributable cash⁷ increased to \$12.0 million (\$0.0705 per share), compared to \$10.9 million (\$0.0652 per share), in Q1 2025. The increase in distributable cash per share⁷ for the quarter was primarily due to an increase in distributable cash, partially offset by a higher weighted average number of common shares outstanding⁷.

In Q1 2026, the payout ratio⁷ was 101.1% on dividends of \$0.0712 per share, compared to the payout ratio of 95.8% on dividends of \$0.0625 per share for the same respective period in 2025. The decrease to the payout ratio was primarily due to higher distributable cash per share⁷, partially offset by higher dividends declared per share. Historically, first quarters have a higher payout ratio due to seasonality in certain of our royalty partners’ businesses, predominantly driven by seasonally lower Mr. Lube + Tires sales in the first quarter of the year.

7. Distributable cash is a non-IFRS financial measure and distributable cash per share and payout ratio are non-IFRS ratios – see “Non-IFRS Measures” below.

Net Income

Net income for Q1 2026 was \$7.6 million compared to net income of \$8.0 million for the three months ended March 31, 2025. The decrease in net income in Q1 2026, was primarily due to the higher general and administrative expenses, interest expenses, share-based compensation expenses, other finance costs and impairment loss due to the 10-year, fixed royalty payment period of the AIR MILES Amendment compared to the prior perpetual royalty structure, which is paid quarterly, partially offset by higher adjusted revenues⁸ and fair value adjustments on financial instruments.



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

Availability of Annual General and Special Meeting Materials

The proxy-related materials for DIV’s upcoming Annual General and Special meeting of shareholders (the “Meeting”) to be held on Wednesday, June 17, 2026 are now available and have been posted under DIV’s profile on SEDAR+ at www.sedarplus.ca and on DIV’s website at: <https://www.diversifiedroyaltycorp.com/investors/financial-and-regulatory-reports/financial-reports-2026/>.

At the Meeting, shareholders will be asked to: (i) receive the consolidated financial statements of DIV for the fiscal year ended December 31, 2025, together with the report of the auditors thereon, (ii) elect directors of the Corporation for the ensuing year, (iii) appoint KPMG LLP as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration, (iv) pass a resolution for the renewal and amendment and restatement of the Corporation’s Amended and Restated Stock Option Plan, and (v) pass a resolution for the renewal and amendment and restatement of the Corporation’s Amended and Restated Long Term Incentive Plan.

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” 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: the royalty relief being provided to Sutton for the remainder of 2026; the agreement to acquire the Mr. Lube + Tires franchisor business; the expected incremental royalty revenue from the addition of nine BarBurrito locations to the BarBurrito royalty pool on March 1, 2026; 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; 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 complete the acquisition of the Mr. Lube + Tires franchisor business in accordance with the expected timing, on the expected terms, or at all; DIV may not be able to make monthly dividend payments to the holders of its common shares; Sutton’s investment of the forgiven royalties may not achieve their intended effects; Sutton may require further royalty relief beyond that contemplated by the current relief 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 19, 2026 and in DIV's management's discussion and analysis for the three months ended March 31, 2026, copies of which are available under DIV's profile on SEDAR+ at www.sedarplus.ca.

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; all necessary approvals for the acquisition of the Mr. Lube + Tires franchisor business will be obtained and the acquisition will be completed in accordance with the timing currently expected and on the currently contemplated terms; 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 not require further royalty relief; Sutton's investment of the forgiven 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:

(000's)	Three months ended March 31,	
	2026	2025
Mr. Lube + Tires	\$ 7,417	\$ 7,120
Stratus	2,389	2,380
BarBurrito	2,225	2,108
Cheebe Hut	1,370	-
Oxford	1,258	1,238
Mr. Mikes	1,004	1,015
AIR MILES®	922	756
Sutton	741	871
Royalty income	\$ 17,326	\$ 15,488
DIV Royalty Entitlement	1,355	1,329
Adjusted royalty income	\$ 18,681	\$ 16,817
Management fees	156	151
Adjusted revenue	\$ 18,837	\$ 16,968

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 ended March 31, 2026, a copy of which is available on SEDAR+ at www.sedarplus.ca.

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 March 31,	
	2026	2025
Distributions received from NND LP	\$ 1,345	\$ 1,325
Add: NND Royalties LP expenses	10	4
DIV Royalty Entitlement	1,355	1,329
Less: NND Royalties LP expenses	(10)	(4)
DIV Royalty Entitlement, net of NND Royalties LP expenses	\$ 1,345	\$ 1,325

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 ended March 31, 2026, a copy of which is available on SEDAR+ at www.sedarplus.ca.

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 March 31,	
	2026	2025
Cash flows generated from operating activities	\$ 7,718	\$ 10,160
Current tax expense ¹	(1,762)	(1,957)
Accrued interest on convertible debentures	(1,350)	(788)
Accrued interest on bank loans	(260)	(374)
Distributions on MRM units earned in current periods	(21)	(48)
Payment of lease obligations	(28)	(28)
Transaction costs	1,198	-
NND LP expenses	(10)	(4)
Accrued DIV Royalty Entitlement, net of distributions	10	4
Foreign exchange and other	22	49
Changes in working capital	174	850
Taxes paid	3,066	3,036
Payment of contingent consideration	3,280	-
Distributable cash	\$ 12,037	\$ 10,900

1) Gross income tax before foreign tax credit and excluding US withholding taxes paid.

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 ended March 31, 2026, a copy of which is available on SEDAR+ at www.sedarplus.ca.

"Distributable cash" is a non-IFRS financial measure 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 is defined as Normalized EBITDA less interest expense on the credit facilities, less distributions on exchangeable partnership units, less gross current income tax expense (before foreign tax credit and excluding US withholding taxes paid), plus interest income. Management believes that distributable cash provides investors with useful information about the amount of cash the Corporation has generated to cover dividends on its common shares during the applicable period. Readers should be cautioned, however, that distributable cash should not be construed as an alternative to the statement of cash flows as a measure of liquidity and cash flows of the Company. The Company's method of calculating distributable cash may differ from that of other issuers and companies and, accordingly, distributable cash may not be comparable to similar measures used by other issuers or companies. Distributable cash was previously calculated in Q1 2025 as Normalized EBITDA less interest expense on the credit facilities, less distributions on exchangeable partnership units, less net current income tax expense (after foreign tax credit on US withholding taxes paid), plus interest income. The calculation has been revised as management believes the updated calculation provides a more



representative view of the distributable cash generated by DIV. Under the previous calculation method, distributable cash was previously reported by DIV in Q1 2025 as \$11,138 compared to \$10,900 for Q1 2025 under the current form of the calculation.

“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. Under the previous calculation method for distributable cash, distributable cash per share was previously reported by DIV in Q1 2025 as \$0.0666, compared to \$0.0652 per share under the current form of the calculation. The Company’s method of calculating distributable cash per share may differ from that of other issuers and companies and, accordingly, distributable cash per share may not be comparable to similar measures used by other issuers or companies. 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. Under the previous calculation method for distributable cash, payout ratio was previously reported by DIV in Q1 2025 as 93.8%, compared to 95.8% under the current form of the calculation. The Company’s method of calculating the payout ratio may differ from that of other issuers and companies and, accordingly, the payout ratio may not be comparable to similar measures used by other issuers or companies. 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 ended March 31, 2026, a copy of which is available on SEDAR+ at www.sedarplus.ca.

“Weighted average organic royalty growth” is the average same store royalty revenue growth percentage related to Mr. Lube + Tires, the average same store sales growth percentage related to Oxford and Mr. Mikes plus the average increase in adjusted royalty income from AIR MILES®, Sutton (less 33.3% royalty relief in Q1, 2026 and less 20% deferral in Q1, 2025), Nurse Next Door, BarBurrito 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 Cheba Hut as there was no adjusted royalty income generated from Cheba Hut 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. “Weighted average organic royalty growth” previously calculated in Q1 2025 using the average same store sales growth percentage related to Mr. Lube + Tires was 4.9% and 3.9% on a consistent currency basis. The calculation has been revised to use the average same store royalty revenue growth percentage related to Mr. Lube + Tires as management believes that royalty revenue growth related to Mr. Lube + Tires more accurately reflects the average organic royalty growth of DIV.

“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 ended March 31, 2026, a copy of which is available on SEDAR+ at www.sedarplus.ca.

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 ended March 31, 2026, which are available on SEDAR+ at www.sedarplus.ca.

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

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