



**Diversified Royalty Corp. Announces Agreement to Acquire
Mr. Lube + Tires Franchisor Business**

For Immediate Release

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 that it, and its newly formed wholly owned subsidiary (the “**Purchaser**”), have entered into a definitive agreement (the “**Acquisition Agreement**”) with Mr. Lube Canada Limited Partnership and Mr. Lube Canada GP Inc. (collectively, “**Mr. Lube + Tires**”) for the strategic acquisition of the Mr. Lube + Tires franchisor business in Canada (the “**Acquisition**”) for an aggregate purchase price of \$235 million, subject to customary closing and post-closing adjustments (the “**Purchase Price**”).

Sean Morrison, Chief Executive Officer of DIV, stated, “DIV looks forward to completing the Acquisition and increasing its economic exposure to Mr. Lube + Tires, our largest and best performing royalty partner. DIV is keen to work with Mr. Lube + Tires’ management as part of DIV and as equity partners, to continue Mr. Lube + Tires’ impressive growth and build it into Canada’s leading automotive services franchise business. DIV intends to finance the Acquisition with a combination of cash, undrawn acquisition facility capacity, senior debt in the Purchaser, rolled DIV equity and rolled management equity in the Purchaser. As a result, for the second consecutive transaction, DIV will not need to raise equity to complete the Acquisition. DIV estimates that the Acquisition will increase its distributable cash per share¹ from \$0.3128 on a run-rate basis to \$0.3478 on a pro-forma basis. The Board has decided to take a conservative approach by maintaining the current \$0.285 per share annualized dividend, which will provide DIV with financial flexibility to deleverage following closing of the Acquisition.”

Pamela Lee, President and CEO of Mr. Lube + Tires, stated, “Over its 50-year history, Mr. Lube + Tires has delivered trusted, convenient automotive maintenance to millions of Canadians who visit its locations each year. Mr. Lube + Tires has been partners with DIV for over 11 years, and we are excited to continue our partnership with DIV and unlock new growth opportunities for our franchisees as we execute on our strategy to become the largest automotive services franchise business in Canada.”

Strategic Rationale

The Acquisition of Mr. Lube + Tires represents a unique opportunity for DIV to acquire one of Canada’s leading franchisor businesses. Mr. Lube + Tires economic model is superior – its franchisees are generating market leading economic returns and are keen to continue opening new locations across Canada. Since DIV’s initial transaction in 2015, DIV has benefited primarily from Mr. Lube + Tires’ strong same-store sales growth (“SSSG”)¹, which has averaged 7.2% over 10 years. Post Acquisition, DIV expects to benefit from both continued SSSG and the operating leverage of continued new store openings. In this regard, over the past 10 years, Mr. Lube + Tires has grown its Adjusted EBITDA¹ at an impressive compound annual growth rate of 14.7%.

DIV is a leading provider of royalty financing to owners of North American franchisors, and this will continue to be a primary focus.

1. Distributable cash per share, including the run-rate and pro-forma versions thereof, are Non-IFRS ratios, SSSG and system sales are supplementary financial measures and Adjusted EBITDA is a non-IFRS financial measure – see “Non-IFRS Measures”.



About Mr. Lube + Tires.

Mr. Lube + Tires is the leading Canadian automotive service chain specializing in fast, drive-in drive-through, no-appointment-needed vehicle maintenance.

Founded by Cliff Giese in Edmonton in 1976, the creation of Mr. Lube + Tires launched the quick lube service industry in Canada, and around the world. Conceived as a way to provide quick, no-appointment oil changes that appealed to the consumer's need for convenience, over time Mr. Lube + Tires expanded its offerings to include other light automotive services including tire sales and installations; such other services now representing the majority of system sales. As the chain grew, it also became one of the most successful franchising groups in Canada, with franchisees operating 186 of the 187 locations. For the past thirteen years Mr. Lube + Tires has been named one of Canada's Best Managed Companies, and it was recently recognized as having Canada's Most Admired Corporate Culture.

As the industry's market leader, Mr. Lube + Tires services over 2 million Canadians customers each year, generating over \$500 million in system sales¹.

Purchase Terms

The \$235 million Purchase Price plus estimated transaction costs of \$2.0 million will be funded by (i) \$34 million from DIV's cash on hand, (ii) \$41.1 million from DIV's existing undrawn acquisition facility capacity (the "**Acquisition Facility**"), (iii) \$212.5 million drawn from a new senior credit facility obtained by the Purchaser (the "**Purchaser Credit Facility**") (resulting in a net increase in senior debt of \$127.6 million as described further below), (iv) \$13.7 million in DIV shares issued at a price of \$3.98 per share on a private placement basis (3.4 million shares) to various equity holders of Mr. Lube + Tires (which shares will be subject to a statutory four-month hold period), and (v) \$20.6 million of rolled equity into the Purchaser issued to management of Mr. Lube + Tires resulting in a retained interest in the Purchaser of approximately 4%. Mr. Lube + Tires will also provide the Purchaser with a \$11.6 million non-interest-bearing loan to fund the GST related to the Acquisition, of which \$9.2 million will be payable by the Purchaser on the earlier of six months following closing of the Acquisition and the receipt by the Purchaser of a GST refund in respect of the Acquisition, and \$2.4 million, representing an indemnity holdback, will be payable by the Purchaser one year post closing.

DIV and its subsidiary ML Royalties Limited Partnership ("**ML LP**") received an aggregate of \$34.1 million of royalties and management fees from Mr. Lube + Tires in 2025, and DIV estimates that the combined Mr. Lube + Tires business in the Purchaser will generate approximately \$58.7 million of Adjusted EBITDA¹ in the 12 months following the closing of the Acquisition. Mr. Lube + Tires opened 16 new store locations in 2025 and has budgeted 18 new store locations in 2026 through a combination of new stand-alone stores and conversions of other automotive businesses, of which two have opened to date. Further, Mr. Lube + Tires is projecting an additional 16 new store locations in 2027. Driven by Mr. Lube's growing store count and growing system sales, its operating profitability is benefiting significantly from increased scale.

DIV, through its subsidiary ML LP, has owned the trademarks and intellectual property rights utilized by Mr. Lube + Tires in its business (collectively, the "**MLC IP Rights**") since 2015 and licenses these rights back to Mr. Lube + Tires in exchange for royalty payments. Pursuant to the Acquisition, DIV will acquire the remaining assets of Mr. Lube + Tires that it does not already own, including, most importantly, Mr. Lube + Tires' franchise agreements and supplier contracts. The Acquisition will not include the head leases to the franchised locations leased by Mr. Lube + Tires and the subleases of these locations which are subleased by Mr. Lube + Tires to its franchisees. These head leases and subleases will remain with Mr. Lube + Tires. Pursuant to a lease management agreement to be entered into at the closing of the Acquisition, Mr. Lube + Tires will appoint the Purchaser as Mr. Lube + Tires' exclusive manager to administer these head leases and subleases.

At closing, the Purchaser expects to employ all of the current employees of Mr. Lube + Tires to continue to manage the business of Mr. Lube + Tires, including the head leases and subleases pursuant to the lease management agreement. The existing leadership team of Mr. Lube + Tires, with more than a combined 100 years of experience, will be integral to the continued management and expansion of the Mr. Lube + Tires business. The management



team of Mr. Lube + Tires is fully supportive of the Acquisition, having agreed to roll \$20.6 million of equity into the Purchaser. DIV is excited to work closely with Mr. Lube + Tires' management team and will invite Pamela Lee to the board of directors of the Purchaser following the completion of the Acquisition.

Mr. Lube + Tires is required to continue to pay royalties and management fees to DIV and ML LP up to the closing of the Acquisition, upon which those arrangements will be terminated. In addition, pursuant to the Acquisition Agreement, Mr. Lube + Tires and DIV agreed to waive the annual adjustment to the Mr. Lube + Tires royalty pool in 2026, any adjustment to the Mr. Lube + Tires royalty rate and the true-up in respect of the 2025 adjustment to the Mr. Lube + Tires royalty pool provided the Acquisition completes in accordance with the Acquisition Agreement, failing which these transactions will be deferred to a later date in 2026.

Financing

The Purchaser entered into a credit agreement with a lending syndicate (the "**Purchaser Credit Agreement**") which will govern the \$212.5 million Purchaser Credit Facility to be drawn to fund a portion of the Purchase Price. In connection with the Acquisition, DIV intends to cause \$84.9 million of existing term loan indebtedness of ML LP to be repaid from the proceeds of the Purchaser Credit Facility, resulting in a net increase in consolidated senior debt in the Purchaser of \$127.6 million. The Purchaser Credit Agreement provides for a total indebtedness of up to \$222.5 million consisting of a revolving credit facility in the maximum amount of \$60 million to be used to finance working capital and general corporate requirements, including a portion which may be used to finance the Acquisition, and a non-revolving term facility of \$162.5 million (the "**Purchaser Term Loan Facility**"). The Purchaser Term Loan Facility has a term of approximately five years, bears interest at a floating rate based on CORRA plus a spread based on prevailing market rates, and amortizes on a scheduled basis following an initial six-month interest-only period. The Purchaser Credit Facility will be secured by the assets of the Purchaser and its subsidiaries and the Purchaser Credit Agreement has covenants customary for this type of credit facility. The advance of funds under the Purchaser Credit Agreement remains subject to customary closing conditions including completion of the Acquisition.

DIV also intends to finance \$41.1 million of the Purchase Price through a draw on its existing Acquisition Facility, as amended in connection with the Acquisition. The amount drawn under the Acquisition Facility will be interest-only for twelve months and thereafter will amortize over a 60-month period, and will have a floating interest rate based on CORRA plus a spread based on prevailing market rates. The Acquisition Facility is secured by a general security interest over the assets of the Corporation and has covenants customary for this type of credit facility.

Closing

Closing of the Acquisition is expected to occur on or before the end of Q2 2026 and is subject to customary closing conditions including the receipt of certain regulatory approvals.

Financial Advisors

PricewaterhouseCoopers Corporate Finance Inc. acted as exclusive financial adviser to Mr. Lube + Tires and its equity holders for the Acquisition.

Investor Conference Call.

Management of DIV will host a conference call Friday May 15th at 8:00 am Pacific Time (11:00 am Eastern Time). To participate by telephone across Canada, call toll free at (+1) 800 717 1738 or (+1) 289 514 5100 (conference ID 58367) (conference ID 58367). The management presentation for the conference call, which includes additional information about the Acquisition, will be available on DIV's website <https://www.diversifiedroyaltycorp.com/investors/investor-presentation/> and under DIV's profile on SEDAR+ at www.sedarplus.ca prior to the call. The presentation will be followed by a question-and-answer session. An archived telephone recording of the call will be available until August 15, 2026 by calling (+1) 888 660 6264 or (+1) 289 819



1325 (playback passcode: 58367 #). Alternatively, the link to the webcast of the conference call can be found here: <https://onlinexperiences.com/Launch/QReg/ShowUUID=EC15E1F9-8777-4DBC-9E74-2B339054AF2E>.

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 Information

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 contain 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: expectations relating to the timing, completion and financing of the Acquisition; expected impacts and benefits of the Acquisition, including without limitation, meaningfully growing DIV's distributable cash per share; the strategic direction and growth opportunities for the Mr. Lube + Tires franchisor business in the Purchaser following closing; budgeted and projected new store openings; growth in SSSG and operating leverage and profitability of continued new store openings; expectations that DIV's annual dividend will be maintained without change to provide DIV with the financial flexibility to deleverage following closing; expectations with respect to future operating and financial performance of the Mr. Lube + Tires franchisor business in the Purchaser; expectations with respect to the Purchaser hiring all current employees of Mr. Lube + Tires and the management of the head leases and sub leases for the franchisee locations following closing through a lease management agreement to be entered into at closing; DIV remaining focussed on being a leading provider of financing to owners of North American franchisors; Mr. Lube + Tires being required to continue to pay royalties and management fees to DIV and ML LP up to the closing of the Acquisition, upon which those arrangements will be terminated; closing conditions, including the receipt of certain regulatory approvals; DIV's objective to continue to pay a predictable and stable monthly dividend 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.

In formulating the forward-looking information and financial outlook contained herein, management has assumed that, among other things: all necessary approvals for the Acquisition will be obtained and the Acquisition will be



completed in accordance with the timing currently expected and on the currently contemplated terms; following completion of the Acquisition the Mr. Lube + Tires franchisor business in the Purchaser will be successful in executing its business strategies and pursuing its growth opportunities; new store openings will be consistent with budgets and projections; Mr. Lube + Tires' franchisees will continue to generate positive SSSG; DIV will generate sufficient cash flows from its royalties to pay dividends to shareholders; there are no material changes in competition or regulation impacting the Mr. Lube + Tires franchisor business; DIV's and its royalty partners' respective businesses will not suffer any material adverse effect; the continued availability of experienced management and other key personnel and hourly employees of Mr. Lube + Tires; 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.

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: the Acquisition will close in accordance with the expected timing, on the expected terms, or at all; all closing conditions, including receipt of all required regulatory approvals will be satisfied; there are not unknown or undisclosed risks or liabilities of Mr. Lube + Tires, that could materially and adversely affect Mr. Lube + Tires' franchisor business and for which the Purchaser would not be permitted to terminate the Acquisition Agreement and would not be indemnified by the existing equity holders of Mr. Lube + Tires following closing; the anticipated benefits of the Acquisition to DIV may be less than anticipated, may not occur on a timely basis or at all; the Mr. Lube + Tires franchisor business in the Purchaser may not be successful in executing its business strategies and pursuing its growth opportunities; new store openings may not be consistent with budgets and projections; Mr. Lube + Tires' franchisees may not continue to generate positive SSSG at estimated levels or at all; covenants contained in the Purchaser Credit Agreement may effect and could limit the manner in which the Purchaser operates the Mr. Lube + Tires franchisor business following closing and could limit the amount and timing of dividends paid by the Purchaser to DIV, which in turn may limit the amount and timing of dividends paid by DIV to its shareholders; DIV will be able to make monthly dividend payments to the holders of its common shares; 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, including Mr. Lube + Tires 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.

To the extent any forward-looking information in this news release constitute a "financial outlook" within the meaning of applicable securities laws, such information is being provided to assist investors in understanding the potential financial impact of the Acquisition and the Purchaser Credit Facility. In particular, estimated Adjusted EBITDA of Mr. Lube + Tires for the 12 months following closing of the Acquisition has been included herein to provide readers with an understanding of the estimated future performance of the combined business of ML LP and the franchisor business of Mr. Lube + Tires in the Purchaser following completion of the Acquisition, and estimated pro-forma distributable cash and estimated pro-forma distributable cash per share have been included herein to provide readers with an understanding of the estimated cash available for distribution following the completion of the Acquisition. Readers are cautioned that using this information for any other purposes may not be appropriate. Any financial outlook is based on management's current views and strategies, and information provided to DIV by Mr. Lube + Tires (see "Third Party Information"). It is subjective in many respects and based on numerous judgments, estimates, assumptions and expectations by management regarding, among other things, industry performance, general business, economic, regulatory, market and financial conditions, costs and expenses, as well as other future events, as well as the additional assumptions set out below under "Non-IFRS Measures". Management of DIV approved the financial outlook as of the date of 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.

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 DIV's financial performance and its ability to pay dividends and the performance of its royalty partners and the estimated financial impacts to DIV of the Acquisition. 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 DIV, its royalty partners and the Acquisition than investors would have if they simply considered IFRS measures alone. The non-IFRS financial measure used in this news release does not have a standardized meaning prescribed by IFRS and therefore is 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 net income or cash flows from operating activities as determined in accordance with IFRS.

The non-IFRS financial measures used in this news release is Adjusted EBITDA of Mr. Lube + Tires, distributable cash of DIV, including the run-rate and pro-forma versions thereof. Distributable cash per share of DIV, including the run-rate and pro-forma versions thereof, are used as a non-IFRS ratios in this news release. SSSG and system sales of Mr. Lube + Tires are used in this news release as supplementary financial measures.

The most closely comparable IFRS measure to Adjusted EBITDA is net earnings and comprehensive income of Mr. Lube + Tires. For a summary of how Mr. Lube + Tires calculates Adjusted EBITDA and a reconciliation to net earnings and comprehensive income of Mr. Lube + Tires, see the disclosure under the headings "Financial Highlights" and "Description of Non-IFRS Measures – EBITDA and Adjusted EBITDA" in Mr. Lube + Tires' management discussion and analysis for the year ended December 31, 2025, a copy of which is filed under DIV's profile on SEDAR+ at www.sedarplus.ca, which disclosure is incorporated by reference herein.

The most closely comparable measure to distributable cash, run-rate distributable cash and pro forma distributable cash is net income. For a summary of how DIV calculates distributable cash and a reconciliation to net income of DIV, see the disclosure under the headings "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures – Non-IFRS Ratios – Distributable Cash per Share" and "EBITDA, Normalized EBITDA and Distributable Cash" in DIV's management discussion and analysis for the three months and year ended December 31, 2025, a copy of which is filed under DIV's profile on SEDAR+ at www.sedarplus.ca, which disclosure is incorporated by reference herein. For a summary of how DIV calculates distributable cash per share see the disclosure under the heading "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures – Non-IFRS Ratios – Distributable Cash per Share" in DIV's management discussion and analysis for the three months and year ended December 31, 2026, a copy of which is filed under DIV's profile on SEDAR+ at www.sedarplus.ca, which disclosure is incorporated by reference herein.

DIV has included an estimate of the Adjusted EBITDA of the Mr. Lube + Tires business for the 12 months following closing of the Acquisition, which estimate is calculated in the same manner as the reported Adjusted EBITDA of Mr. Lube + Tires for the year ended December 31, 2025 of \$45.9 million, subject to estimated adjustments to reflect the completion of the Acquisition and assumptions with respect to the future performance of the business. These adjustments and assumptions include estimated synergies and operating leverage from increased system sales, primarily driven by new store growth. DIV has also included estimates of its pro forma distributable cash and pro forma distributable cash per share following completion of the Acquisition, which is subject to assumptions with respect to the future performance of the business, and for incremental interest expense, the non-controlling interest of Mr. Lube + Tires management as well as annualized adjustments for DIV's overall business as described further below. There can be no assurance that the performance of the combined business of ML LP and the franchisor business of Mr. Lube + Tires will be consistent with such estimates and such estimates may not be indicative of future results. These estimates constitute financial outlook under applicable securities laws and are subject to the additional assumptions and risks noted above under "Forward Looking Information" and is based in part on information provided to DIV by Mr. Lube + Tires (see "Third Party Information").



Run-rate distributable cash is calculated as the sum of DIV's distributable cash for each of the three months ended September 30, 2025 and December 31, 2025, multiplied by two for purposes of annualizing such amount. Estimated pro-forma distributable cash is calculated as the run-rate distributable cash, less the ML LP's contribution to normalized EBITDA for fiscal 2025, less the portion of current income tax expense attributable to ML LP for fiscal 2025, less interest expense on ML LP's credit facilities for fiscal 2025, less an annualized adjustment for U.S. withholding taxes of certain DIV subsidiaries, plus a net run-rate adjustment to reflect the incremental quarterly royalty revenue under the amended AIR Miles Licences effective February 1, 2026, offset by the incremental reduction in quarterly royalty revenue as a result of the 33% Sutton royalty relief and removal of the Mr. Lube + Tires management fee paid to DIV, plus the estimated Adjusted EBITDA contribution of the combined Mr. Lube + Tires business for the 12 months following closing of the Acquisition, less incremental operating expenses, less incremental interest expense on term loans, the Acquisition Facility and convertible debentures, less income taxes and net of the non-controlling interest of Mr. Lube + Tires management.

Run-rate distributable cash per share is calculated by dividing the run-rate distributable cash by the number of DIV common shares issued and outstanding as of December 31, 2025. Estimated pro-forma distributable cash per share is calculated by dividing the estimated pro-forma distributable cash by the number of DIV common shares issued and outstanding as of December 31, 2025, plus the incremental DIV shares to be issued to Mr. Lube + Tires equity holders under the Acquisition.



The following table reconciles net income for the three months ended September 30, 2025 and December 31, 2025, to run-rate distributable cash and the estimate of pro-forma distributable cash and illustrates the calculation of run-rate distributable cash per share and estimated distributable cash per share:

(Cdn\$000's)	A DIV Q3 2025	B DIV Q4 2025	=(A+B) x 2 DIV Annualized
Net income	8,669	11,007	39,352
Interest expense on credit facilities	3,645	3,642	14,574
Income tax expense	3,415	4,341	15,512
Depreciation expense	26	25	102
EBITDA(1)	15,755	19,015	69,540
Adjustments:			
Share-based compensation	1,159	(516)	1,286
Impairment (reversal) loss	-	2,265	4,530
Other finance costs, net	1,423	(2,696)	(2,546)
Fair value adjustment on financial instruments	(1,050)	(331)	(2,762)
Transaction costs	-	90	180
Payment of lease obligations	(28)	(28)	(112)
DIV Royalty Entitlement, net of NND Royalties LP expenses(1)	1,314	1,345	5,318
Normalized EBITDA(1)	18,573	19,144	75,434
Add: interest income	20	9	58
Less: Distributions on exchangeable units	(77)	(101)	(356)
Less: current tax expense	(1,806)	(1,795)	(7,202)
Less: interest expense on credit facilities	(3,645)	(3,642)	(14,574)
Run-Rate Distributable cash(1)	13,065	13,615	53,360
ML LP annualized adjustment(2)			(22,030)
DIV annualized tax adjustment(3)			(1,484)
DIV annualized adjustment(4)			100
Mr. Lube + Tires adjustment(5)			30,580
Estimated Pro-Forma Distributable Cash(1)			60,526
Run-rate distributable cash per share(1),(6)			\$ 0.3128
Estimated Pro-forma distributable cash per share(1),(7)			\$ 0.3478

- 1) EBITDA, Normalized EBITDA, Run-Rate Distributable Cash, and estimated Pro-Forma Distributable Cash are non-IFRS measures. Run-Rate distributable cash per share and estimated Pro-Forma distributable cash per share are non-IFRS ratios. See "Non-IFRS Measures".
- 2) ML LP's contribution to Normalized EBITDA, less current income tax expense attributable to ML LP and interest expense on ML LP's credit facilities for fiscal 2025.
- 3) DIV annualized adjustment is calculated as the sum of Cheeb LP's and Strat-B LP's Q3 and Q4 2025 US withholding taxes paid, multiplied by two.
- 4) DIV annualized adjustment is calculated as: i) AM LP annualized incremental quarterly royalty revenue under the amended licence agreements effective February 1, 2026, add ii) SGRS LP annualized incremental reduction in quarterly royalty revenue as a result of the 33.3% royalty relief, less iii) Mr. Lube + Tires management fees paid to DIV, respective for Q3 and Q4 2025, multiplied by two.
- 5) Mr. Lube + Tires adjustment is calculated as the estimated Mr. Lube + Tires Adjusted EBITDA contribution of \$58.7 million, less: i) \$1.0 million in G&A expense; ii) interest expense on term loans of \$12.3 million; iii) interest expense on a \$41.1 million Acquisition Facility of \$2.3 million; iv) interest expense on a \$69 million Convertible Debentures of \$4.0 million; v) income taxes of \$7.3 million; and vi) non-controlling interest ("NCI") portion of distributable cash of \$1.3 million.
- 6) Run-rate distributable cash divided by the number of DIV common shares issued and outstanding as at December 31, 2025.
- 7) The estimated Pro-forma distributable cash divided by the number of DIV common shares issued and outstanding as at December 31, 2025, plus 3,441 incremental DIV shares issued to Mr. Lube + Tires shareholders following a \$13.7 million private placement issued at \$3.98/share.

System sales is the top-line store sales of all Mr. Lube + Tires locations as reported by Mr. Lube + Tires franchisees to Mr. Lube + Tires. Same store sales growth or SSSG is a supplementary financial measure and is a reference to the percentage increase in system sales over the prior comparable period for Mr. Lube + Tires locations that were



in operation in both the current and prior periods, excluding stores that were permanently closed. DIV's management believes that SSSG is a useful measure as it provides investors with an indication of the change in year-over-year sales of Mr. Lube + Tire locations.

Third Party Information

This news release includes information obtained from third party reports and other publicly available sources as well as financial statements and other reports provided to DIV by Mr. Lube + Tires. 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

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

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