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Base Shelf Prospectus is accessible, and the Prospectus Supplement will be accessible within two business days, on SEDAR+

Diversified Royalty Corp. Announces \$50 Million Bought Deal Public Offering of Common Shares

For Immediate Release

Vancouver, BC, June 25, 2026 – Diversified Royalty Corp. (TSX: DIV, DIV.DB.A and DIV.DB.B) (the “**Corporation**” or “**DIV**”) is pleased to announce that it has entered into an agreement with a syndicate of investment dealers led by CIBC Capital Markets and ATB Cormark Capital Markets (collectively, the “**Underwriters**”) pursuant to which the Underwriters have agreed to purchase 10,730,000 Common Shares (the “**Common Shares**”) from the treasury of the Corporation, at a price of \$4.66 per Common Share (the “**Offering Price**”) for total gross proceeds of approximately \$50 million (the “**Offering**”).

In addition, the Corporation has granted the Underwriters an option (the “**Over-Allotment Option**”) to purchase up to an additional 1,609,500 Common Shares from the treasury of the Corporation at the Offering Price for additional gross proceeds of up to approximately \$7.5 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 repay outstanding amounts under DIV’s acquisition facility that was drawn in connection with DIV’s recent acquisition of the Mr. Lube + Tires franchisor business and for working capital and general corporate purposes.

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 July 22, 2025. 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. Access to the Prospectus Supplement, the Base Shelf Prospectus and any amendment to the Offering Documents is provided in accordance with securities legislation relating to procedures for providing access to a shelf prospectus supplement, a base shelf prospectus and any amendment. The Base Shelf Prospectus is, and the Prospectus Supplement will be (within two business days from the date hereof), accessible on SEDAR+ at www.sedarplus.ca. The Offering Documents will contain important detailed information about the securities being offered. An electronic or paper copy of the Prospectus Supplement, the Base Shelf Prospectus, and any amendment to such Offering Documents, may be obtained without charge from CIBC Capital Markets at 161 Bay Street, 5th Floor, Toronto, ON M5J 2S8 or by telephone at 1-416-956-6378 or by email at mailbox.Canadianprospectus@cibc.com or from ATB Cormark Capital Markets at Royal Bank Plaza, North Tower, Suite 1800, Bay Street, Toronto, Ontario M5J 2J2, or by email at: atbcm_ecm@atb.com by providing the contact with an email address or address, as applicable. Prospective investors should read the Base Shelf Prospectus and the Prospectus Supplement (when filed) before making an investment decision.

Closing of the Offering is expected to occur on or about July 6, 2026 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.

Recent Updates

As announced on June 16, 2026, DIV completed the acquisition of the Mr. Lube + Tires franchisor business for a gross purchase price of \$235 million, subject to customary closing and post-closing adjustments.

DIV is currently in non-binding discussions with Sutton Group Realty Services Ltd. ("**Sutton**") with respect to potential amendments to the royalty arrangements between the parties to replace the current fixed royalty payments with variable royalty payments. Sutton is currently receiving 33.3% royalty relief from DIV through to the end of December 2026 pursuant to a previously disclosed royalty relief agreement. If the amended royalty arrangements are not entered into, Sutton may require additional royalty relief. As at June 30, 2026, DIV may write down intangible assets related to Sutton based on estimated associated future cash flows.

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, through its subsidiary, Mr. Lube Canada Ltd., also operates the Mr. Lube + Tires franchisor business in Canada. Mr. Lube + Tires is the leading Canadian automotive service chain specializing in fast, drive-in drive-through, no-appointment-needed vehicle maintenance.

DIV currently owns the Sutton, Mr. Mikes, Nurse Next Door, Oxford Learning Centres, Stratus Building Solutions, BarBurrito, Cheba Hut and AIR MILES® trademarks, which DIV licences to its royalty partners. 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® was a Canadian loyalty program.

DIV's objective is to increase cash flow per share by making accretive royalty purchases and through the growth of both purchased royalties and the Mr. Lube + Tires franchisor business. 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; the potential amendments to DIV's royalty arrangements with Sutton and the possibility that Sutton may require further royalty relief; the possibility that DIV may write down intangible assets related to Sutton; and DIV's corporate objectives.

The forward-looking information contained herein involves 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 and Sutton will amend the existing royalty arrangements between the parties; Sutton will not require further royalty relief beyond that contemplated by the current royalty relief agreement; DIV will not write down the intangible assets related to Sutton (or, if it does, as to the magnitude thereof); DIV will be able to make monthly dividend payments to the holders of the 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 19, 2026 and the "Risk Factors" section of its management's discussion and analysis for the three months ended March 31, 2026 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; DIV will generate sufficient cash flows from its royalties and Mr. Lube + Tires to service its debt and pay dividends to shareholders; there are no material changes in competition or regulation impacting DIV, Mr. Lube + Tires or DIV's royalty partners; DIV's, Mr. Lube + Tires' and DIV's royalty partners' respective businesses will not suffer any material adverse effect; and the business and economic conditions affecting DIV, Mr. Lube + Tires and DIV's 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 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 contained herein. The forward-looking information 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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