



**Diversified Royalty Corp. Completes Acquisition of
Mr. Lube + Tires Franchisor Business**

For Immediate Release

Vancouver, BC, June 16, 2026 – Diversified Royalty Corp. (TSX: DIV, DIV.DB.A and DIV.DB.B) (the “**Corporation**” or “**DIV**”) is pleased to announce that it, through its newly formed subsidiary Mr. Lube Canada Ltd. (the “**Purchaser**”), has completed the previously announced acquisition of the Mr. Lube + Tires franchisor business (“**Mr. Lube + Tires**”) in Canada (the “**Acquisition**”) from Mr. Lube Canada Limited Partnership and Mr. Lube Canada GP Inc. (collectively, the “**Vendors**”) for a gross purchase price of \$235 million, subject to customary closing and post-closing adjustments (“**Purchase Price**”).

The \$235 million gross Purchase Price plus estimated transaction costs of \$2.0 million was funded by (i) \$36.6 million from DIV’s cash on hand, (ii) \$38.5 million from DIV’s existing undrawn acquisition facility capacity, (iii) \$212.5 million drawn from a new senior credit facility obtained by the Purchaser (resulting in a net increase in senior debt of \$127.6 million after the application of \$84.9 million of the loan proceeds to pay-down existing debt) (the “**Purchaser Credit Facility**”), (iv) \$13.7 million in DIV shares issued at a price of \$3.98 per share on a private placement basis (3,440,953 DIV shares) to various equity holders of the Vendors (which shares are 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%. The Vendors also provided the Purchaser with an \$11.6 million non-interest-bearing loan to fund the GST related to the Acquisition, of which \$9.2 million is 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, is payable by the Purchaser one-year post closing.

Further details with respect to the Acquisition are set out in DIV’s news release dated May 14, 2026 and DIV’s other filings under its profile on SEDAR+ at www.sedarplus.ca.

The undertakings of Mr. Lube Canada Limited Partnership previously delivered to the securities commissions and other securities regulatory authorities in each of the provinces of Canada, the terms of which are summarized in DIV’s annual information form for the year ended December 31, 2025, were terminated in connection with the closing of the Acquisition. Accordingly, the financial statements and management’s discussion and analysis of Mr. Lube Canada Limited Partnership for the three months ended March 31, 2026, represent the last financial period in respect of which separate financial statements and management’s discussion and analysis will be filed in respect of Mr. Lube Canada Limited Partnership under DIV’s profile on SEDAR+ at www.sedarplus.ca.

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® 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 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 Information

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: 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 contained herein, management has assumed that, among other things: DIV will be successful in executing its business strategies and pursuing its growth opportunities, including in respect of Mr. Lube + Tires; DIV will generate sufficient cash flows from its royalties and Mr. Lube + Tires to 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.

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: there can be no assurance that there are not unknown or undisclosed risks or liabilities of Mr. Lube + Tires that could materially and adversely affect Mr. Lube + Tires and for which the Purchaser would not be indemnified by the Vendors; the anticipated benefits of the Acquisition to DIV may be less than anticipated, may not occur on a timely basis or at all; Mr. Lube + Tires 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; the performance of Mr. Lube + Tires' franchisees may not be consistent with DIV's expectations; covenants contained in the credit agreement governing the Purchaser Credit Facility may effect and could limit the manner in which the Purchaser operates the Mr. Lube + Tires franchisor business going forward 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; there can be no assurance that DIV will be able to make monthly dividend payments to the holders of its common shares; and there can be no assurance that DIV will achieve any of its corporate objectives. Given these risks and 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, the business of Mr. Lube +Tires and the businesses of DIV's 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.

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 they will have the expected consequences to, or effects on, DIV. The forward-looking information 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.

Contact:

Sean Morrison, Chief Executive Officer and Director
Diversified Royalty Corp.
(236) 521-8470

Greg Gutmanis, President and Chief Financial Officer
Diversified Royalty Corp.
(236) 521-8471