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Diversified Royalty Corp. Announces \$50 Million Bought Deal Public Offering of 5.75% Convertible Unsecured Subordinated Debentures

For Immediate Release

Vancouver, BC, February 2, 2026 – Diversified Royalty Corp. (TSX: DIV and DIV.DB.A) (the “**Corporation**” or “**DIV**”) is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by CIBC Capital Markets (collectively, the “**Underwriters**”) pursuant to which the Underwriters have agreed to purchase \$50,000,000 aggregate principal amount of 5.75% convertible unsecured subordinated debentures (the “**Debentures**”) at a price of \$1,000 per Debenture (the “**Offering**”).

In addition, the Corporation has granted the Underwriters an option (the “**Over-Allotment Option**”) to purchase up to an additional \$7,500,000 aggregate principal amount of Debentures at the offering price 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 Debentures will mature March 31, 2031 and will bear interest at an annual rate of 5.75% payable semi-annually in arrears on the last day of March and September in each year, commencing September 30, 2026. At the holder’s option, the Debentures may be converted into common shares of the Corporation (“**Common Shares**”) at any time prior to the close of business on the earlier of the last business day immediately preceding March 31, 2031 and the date fixed for redemption. The conversion price will be \$5.35 per Common Share (the “**Conversion Price**”), subject to adjustment in certain circumstances.

The Debentures will not be redeemable on or before March 31, 2029. After March 31, 2029 and prior to March 31, 2030, the Debentures may be redeemed in whole or in part from time to time at DIV’s option, provided that the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the “**TSX**”) during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of the redemption is given is not less than 125% of the Conversion Price. On or after March 31, 2030 and prior to the maturity date, DIV may, at its option, redeem the Debentures, in whole or in part, from time to time at par plus accrued and unpaid interest.

The net proceeds of the Offering are intended to be used to repay outstanding amounts under the Corporation’s acquisition facility, to fund expected additions to the royalty pools of certain of the Corporation’s royalty partners, and for working capital and general corporate purposes. The repayment of indebtedness under the Corporation’s acquisition facility will thereby increase the amount available to be drawn under the acquisition facility to fund future acquisitions.

The Debentures to be issued under the Offering will be offered 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 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 February 9, 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 January 26, 2026, the Corporation amended the terms of its license agreements with Air Miles Loyalty Inc. and the Bank of Montreal (collectively, the "Licenses"). Among other items, the terms of the Licenses were amended to provide a 10-year, fixed annual royalty payment of \$3,925,000, paid quarterly. The royalty will grow at a rate of 2.42% per annum commencing on February 1, 2027, and each February 1st thereafter during the term. Under the amendment, the annual royalty payments are increased by over 20% and are guaranteed by Bank of Montreal. Annually, on December 31, the Corporation tests the carrying value of its intangible assets for impairment. As a result of these amendments, at December 31, 2025, the Corporation may partially reverse previous impairments of intangible assets in respect of AIR MILES® based on revised estimated associated future cash flows.

The Corporation and Sutton entered into a royalty deferral agreement in the fourth quarter of 2024, which provides Sutton Group Realty Services Ltd. ("Sutton") with a 20% deferral of royalties for the months of October 2024 to December 2025. This agreement supported Sutton's investment in building its management team, increasing marketing and business development. Subsequently, in December 2025, with effect October 1, 2025, the Corporation and Sutton entered into a royalty relief agreement, which provides, inter alia, that (i) the 20% deferred royalties payable by Sutton for the months of October 2024 to September 2025 are forgiven, and (ii) 33% of the royalties payable by Sutton for the months of October 2025 to December 2026 are waived. This agreement is intended to support Sutton's continued investment in business development initiatives to increase its agent base. As a result, at December 31, 2025, 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 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 "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; the Over-Allotment Option; the expected terms of the Debentures; DIV's objective to continue to pay predictable and stable monthly dividends to shareholders; expected impairment of intangible assets; intended effect of investment by Sutton of waived royalties; 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 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 will be able to make required interest payments to the holders of its debentures and monthly dividend payments to the holders of its common shares; Sutton may require further deferrals or waivers of royalties beyond those contemplated by the current royalty relief agreement; Sutton's investment of the waived royalties may not achieve their intended effect; or DIV will achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking information included in this news release are not guarantees 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 24, 2025 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 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 to service its debt and pay dividends to shareholders; 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 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.

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