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ROYALTY CORP.

Diversified Royalty Corp. Announces Agreement to Acquire Nurse Next Door Trademarks, Increase in Annual Dividend, New Undrawn $50 Million Acquisition Facility and Preliminary Third Quarter Results

For Immediate Release.

Vancouver, British Columbia – November 1, 2019 – Diversified Royalty Corp. (TSX: DIV and DIV.DB) (the "**Corporation**" or "**DIV**") is pleased to announce it has entered into an agreement with Nurse Next Door Professional Homecare Services Inc. ("**Nurse Next Door**") to add a fifth royalty stream to DIV's portfolio.

Highlights:

- Acquisition of Nurse Next Door trademarks and certain other intellectual property rights for $52.0 million, excluding the Nurse Next Door retained interest.

- Annual royalty from Nurse Next Door of $4.8 million, representing ~13% of DIV's pro-forma adjusted royalty revenue.

- Annual dividend on DIV's common shares to be increased 3.4% from 22.25 cents per share to 23 cents per share, subject to closing of the Acquisition.

- New acquisition credit facility with $50 million of undrawn capacity and a three-year term to fund future trademark and royalty transactions.

Acquisition Overview

DIV and its wholly-owned subsidiary NND Royalties Limited Partnership ("**NND LP**") entered into an acquisition agreement dated November 1, 2019 (the "**Acquisition Agreement**") with Nurse Next Door to acquire the trademarks and certain other intellectual property rights utilized by Nurse Next Door in its premium home care business (the "**NND Rights**") for a purchase price (the "**Purchase Price**") of $52.0 million (the "**Acquisition**"), excluding a retained interest to be provided to Nurse Next Door through the issuance of limited partnership units of NND LP (the "**Exchangeable Units**"). The cash Purchase Price of $52.0 million will be funded with $44.75 million of DIV's cash on hand and approximately $7.25 million of senior debt to be provided by a Canadian chartered bank under a new credit facility having a maximum borrowing capacity of $14.5 million (the "**NND Credit Facility**").

Immediately following the closing of the Acquisition, DIV will license the NND Rights back to Nurse Next Door for 99 years, in exchange for an initial royalty payment of $4.8 million per annum (the "**Royalty**" and together with the Acquisition, the "**Transaction**"). The Royalty will grow contractually at a rate of 2% per annum during the term of the license. The pro forma trailing 12 month royalty coverage is estimated to be greater than 145%.

The Acquisition will increase DIV's tax pools by $52 million. This depreciable tax basis adds to DIV's already existing depreciable tax basis of approximately $185 million and can be depreciated over time to reduce DIV's cash taxes.

Founded in 2001, Nurse Next Door operates 177 locations across Canada (65 locations), the United States (109 locations) and Australia (3 locations) generating annual system sales of over $100 million. Nurse Next Door operates two Canadian locations as corporate stores and the remaining 175 locations are franchise operations. Future growth is currently expected to result both from existing operating locations as well as opening additional franchises. Nurse Next Door believes everyone should be able to live at home, and provides compassionate service from licensed non-medical caregivers as well as registered nurses to achieve this objective. Nurse Next Door offers services ranging from companionship, meal preparation and homemaking to home nursing care, as well as around the clock care and end of life care. Nurse Next Door's customer satisfaction levels are reflected in its high net promoter score of 65. Favourable North American demographics are expected to drive the need for premium home care services going forward.

Sean Morrison, President and Chief Executive Officer of DIV, stated, "The Nurse Next Door transaction adds a fifth royalty stream to DIV's portfolio, representing approximately 13% of DIV's pro-forma adjusted royalty revenue and is another step in our strategy of purchasing royalties from a diverse group of proven multi-location businesses and franchisors. Nurse Next Door is one of the leading North American brands in the premium home health care market, with an 18 year operating history, proven franchisee economics, strong and growing cash flows, a centralized technology-enabled services platform and call center, and an experienced leadership team. DIV believes the Nurse Next Door royalty is of superior quality given the competitive strength of the underlying business, strong secular industry trends and demographics, the high royalty coverage and the fixed 2% growth rate."

Mr. Morrison continued, "The Nurse Next Door transaction is accretive, deploys the vast majority of DIV's remaining cash on hand and allows DIV to increase its annual dividend to 23 cents per share while reducing the pro forma payout ratio to just under 100%. This transaction, along with DIV's recent Mr. Mikes royalty acquisition, exemplify DIV's business plan – to acquire high quality trademarks and royalty streams on an accretive basis, resulting in greater royalty portfolio diversification and dividend increases."

Ken Sim, Co-Founder of Nurse Next Door, stated, "We are pleased to be able to have reached this agreement with DIV. I remain as committed and invested in the long-term of Nurse Next Door as ever. The proceeds of the royalty transaction will enable Nurse Next Door to accomplish a number of strategic objectives, including consolidating ownership within our existing shareholder group, while retaining significant operational and financial flexibility. We will continue to invest in our systems to accelerate franchise partner growth and deliver our unique concept of Happier Aging to more seniors around the world."

Lawrence Haber, Chair of the Board of DIV, stated, "The Nurse Next Door transaction is an excellent use of DIV's remaining cash on hand and is a testament to the patient and disciplined manner in which DIV's management team continues to approach trademark and royalty acquisitions. Combined with Mr. Lube, Air Miles, Sutton Group Realty and Mr. Mikes, Nurse Next Door proves that DIV is able to execute on its strategy to acquire trademarks and royalties from a diverse group of high quality businesses and brands."

Further Details of the Acquisition and Royalty

The Acquisition will be completed by DIV through its newly formed wholly owned subsidiary NND LP. The cash Purchase Price of $52.0 million will be funded with $44.75 million of DIV's cash on hand and approximately $7.25 million from the NND Credit Facility. In addition to the cash portion of the Purchase Price, NND LP will issue the Exchangeable Units to Nurse Next Door as a retained interest having an agreed value of $23.0 million. The Exchangeable Units will be indirectly exchangeable for common shares of DIV (or cash at DIV's election) subject to certain conditions being met.

Under the terms of the license and royalty agreement that will be entered into upon closing of the Transaction and which will govern the Royalty (the "**Licence and Royalty Agreement**"), Nurse Next Door will pay NND LP a gross royalty (the "**Gross Royalty**") equal to the greater of (i) 6% of the gross sales from Nurse Next Door's franchises and corporate stores in Canada and the United States, and (ii) the Royalty of $4.8 million per year which increases at a fixed rate of 2% per annum. To the extent the Gross Royalty is greater than the contractual Royalty, Nurse Next Door will be entitled to receive the excess amount in the form of a cash distribution paid by NND LP on the Exchangeable Units held by Nurse Next Door (the "**Nurse Next Door Distribution Entitlement**"). So long as certain royalty coverage tests are met, Nurse Next Door will be able to sell additional annual royalties to DIV commencing on February 1, 2021. In consideration for the incremental royalty, Nurse Next Door will be entitled, subject to TSX approval, to indirectly exchange certain of the Exchangeable Units for common shares of DIV (or cash, at DIV's election) based on a formula that is accretive to DIV shareholders.

In addition to the Royalty payable to NND LP, Nurse Next Door will pay DIV a management fee of approximately $75,000 per year for strategic advice and other services. The management fee will be increased at a rate of 2.0% per annum over the term of the License and Royalty Agreement.

Under the terms of a governance agreement to be entered into by DIV and certain of its affiliates and Nurse Next Door and certain of its affiliates on closing (the "**Governance Agreement**"), Nurse Next Door will have the right at any time after the seventh anniversary of the closing of the Transaction to buy back the NND Rights at a price determined in accordance with a formula which has been structured with the intention of ensuring a strong positive return to DIV upon any exercise of such right.

The Transaction is expected to close in November 2019 and is subject to customary closing conditions.

*The foregoing is a summary of certain key commercial terms of the Acquisition Agreement, the Licence and Royalty Agreement, the Governance Agreement and certain related agreements to be entered into in connection therewith (collectively, the "**Transaction Agreements**"). These summaries do not purport to be complete and are subject to, and qualified in their entirety by reference to, the full terms of the Transaction Agreements, copies of which will be filed under DIV's profile on SEDAR and will be available at www.sedar.com in due course.*

NND Credit Facility

DIV, through its newly formed wholly-owned subsidiary NND Holdings Limited Partnership ("**Holdings LP**") has entered into a term sheet with a Canadian chartered bank for the NND Credit Facility, which provides for borrowing capacity of up to $14.5 million, of which approximately $7.25 million will be drawn at closing of the Transaction. The NND Credit Facility is expected to have a term of 5 years, be non-amortizing and have a floating interest rate equal to the Bankers' Acceptance Rate plus 1.90%. Holdings LP intends to enter into an interest rate swap arrangement for the initial drawn portion of the NND Credit Facility. The NND Credit Facility will be secured against Holdings LP's assets including by a pledge of Holding LP's interest in NND LP, and will have covenants customary for this type of a credit facility. The NND Credit Facility will also be guaranteed by NND LP and secured by NND LP's interest in the NND Rights and the Royalty. The NND Credit Facility will also be secured by DIV on a limited recourse basis through the pledge by DIV of its interest in Holdings LP. The NND Credit Facility remains subject to the finalization of definitive legal documents and customary closing conditions including the completion of the Transaction.

Dividend Increase

Subject to the completion of the Acquisition, DIV's board of directors has approved an increase in DIV's annual dividend from 22.25 cents per share to 23 cents per share. The dividend increase will take effect beginning in the month following the completion of the Acquisition. DIV estimates its pro forma payout ratio will be just under 100% following the dividend increase.

Acquisition Facility

DIV has entered into a term sheet with a Canadian chartered bank to provide a $50 million undrawn senior secured credit facility to fund future trademark and royalty acquisitions by DIV ("**Acquisition Facility**"). The Acquisition Facility is expected to have a term of 3 years, and each draw will be interest only for the first six months and then amortize over 60 months. The Acquisition Facility will be subject to a customary annual standby fee and draws under the Acquisition Facility are expected to bear interest at market rates.

Mr. Morrison, President and Chief Executive Officer of DIV, stated, "The Acquisition Facility and the ability to increase the NND Credit Facility by approximately $7.25 million, gives DIV approximately $57.25 million of capital available to fund future royalty acquisitions. In addition, we expect that DIV will be able to obtain additional term debt in connection with any future royalty acquisition on a basis consistent with past transactions, which will further expand DIV's acquisition capacity. The Acquisition Facility is a significant enhancement to DIV's capital structure as it provides the certainty of acquisition financing to potential royalty partners without the cost associated with carrying cash on DIV's balance sheet. The Acquisition Facility strengthens DIV's competitive position as it continues to actively pursue additional royalty transaction opportunities."

The Acquisition Facility remains subject to the finalization of definitive legal documents and customary closing conditions.

Preliminary Third Quarter Results

Revenue and same-store-sales growth ("**SSSG**") for the three months and nine months ended September 30, 2019 are consistent with the amounts reported in DIV's news release dated October 24, 2019. The following table summarizes DIV's preliminary third quarter results:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Revenue	$ 8,103	$ 6,742	$ 22,055	$ 19,539
Distributable cash	5,446	5,149	15,730	14,928
Dividends declared	6,060	5,976	18,075	17,868
Payout Ratio	111.1%	116.0%	114.9%	119.7%
Distributable cash per share	0.0501	0.0479	0.1453	0.1394
Dividends declared per share	0.0556	0.0556	0.1669	0.1669
Mr. Lube royalty income and management fees	4,139	3,833	11,982	10,981
Sutton royalty income and management fees	1,011	992	2,995	2,938
AIR MILES royalty income	1,946	1,917	5,611	5,620
Mr. Mikes royalty income and management fees	1,007	n / a	1,467	n / a

Revenue

Revenue increased by $1.4 million for the three months ended September 30, 2019 ("**Q3 2019**"), compared to the three months ended September 30, 2018 ("**Q3 2018**"). The increase in revenue was primarily driven by the acquisition of the MRM Rights on May 20, 2019, the addition of four locations to the Mr. Lube royalty pool on May 1, 2019, positive SSSG at Mr. Lube and the annual contractual 2.0% increase in the Sutton royalty rate, effective as of July 1st of each year.

Revenue increased by $2.5 million for the nine months ended September 30, 2019, compared to the nine months ended September 30, 2018. The growth in revenues was due to the items noted above, as well as the increase in the Mr. Lube royalty rate and the net addition of one store to the Mr. Lube royalty pool on May 1, 2018.

Distributable Cash

In Q3 2019, distributable cash increased by $0.3 million ($0.0022 per share) compared to Q3 2018. For the nine months ended September 30, 2019, distributable cash increased by $0.8 million ($0.0059 per share), compared to the nine months ended September 30, 2018. The increase was primarily due to the growth in revenues and was partially offset by higher interest expense and current tax expense.

Dividends declared exceeded distributable cash by $0.6 million for the three months and $2.3 million for the nine months ended September 30, 2019. This resulted in a payout ratio of 111.1% for the three months and 114.9% for the nine months ended September 30, 2019. The Corporation has a dividend reinvestment plan that allows the dividends to be settled through a reinvestment in the Corporation's shares at the election of the shareholder. On a cash basis, the payout ratio was 85.2% for the three months and 91.5% for the nine months ended September 30, 2019. As a result, there was no cash shortfall in making dividend payments for the three and nine months ended September 30, 2019.

The Q3 2019 and year-to-date financial information contained in this news release is preliminary, is based upon the estimates and assumptions of the respective management of DIV, Mr. Lube, Sutton, and Mr. Mikes as applicable, has not yet been approved by their respective Audit Committees or Boards of Directors, and has not been subject to a review by their respective auditors. The final Q3 2019 financial results could differ materially from the above preliminary financial information.

President and CEO to Receive Compensation in Restricted Share Units in Lieu of Cash

The Corporation's President and CEO has agreed to receive 50% of his incentive amount in the form of restricted share units ("**RSUs**") instead of cash for a period of 18 months, subject to the completion of the Acquisition. The RSUs will be issued pursuant to DIV's Amended and Restated Long Term Incentive Plan at the five day weighted average trading price of DIV's common shares as at the end of each quarter. The agreement by the President and CEO to receive his compensation in RSUs demonstrates his commitment to DIV and further aligns his interests with those of DIV's shareholders.

Anita Anand Steps Down as Director to Serve in Canadian Parliament

DIV also announces that Anita Anand has stepped down from DIV's board of directors effective today, following her election as a Member of Parliament of Canada on October 21, 2019.

Lawrence Haber, Chair of the Board, said, "The Corporation congratulates Ms. Anand on her election and thanks her for her diligent service and considerable contributions as a director and chair of the Board's Governance, Nominating and Compensation Committee throughout her tenure."

Investor Conference Call

Management of DIV will host a live conference call at 1:00 pm Pacific Time (4:00 pm Eastern Time) on Friday, November 1, 2019. To participate by telephone across Canada, toll free at 1 (877) 291-4570 (conference ID 3767928). The management presentation for the conference call will be available on DIV's website www.diversifiedroyaltycorp.com prior to the call. An archived telephone recording of the call will be available until November 15, 2019 by calling 1 (800) 585-8367 or 1 (416) 621-4642 (conference ID 3767928).

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 Sutton, Mr. Lube, AIR MILES® and Mr. Mikes trademarks in Canada. Sutton is among the leading residential real estate brokerage franchisor businesses in Canada with over 200 offices across Canada. Mr. Lube is the leading quick lube service business in Canada with 182 locations across Canada and over $235 million of annual system sales. AIR MILES® is Canada's largest coalition loyalty program with over 200 leading brand-name sponsors; approximately two-thirds of Canadian households actively participate in the AIR MILES® Program. Mr. Mikes operates 43 casual steakhouse restaurants primarily in western Canadian communities with over $85 million of annual system sales.

DIV expects to increase cash flow per share by making accretive royalty purchases and through the growth of purchased royalties. DIV expects to pay a predictable and stable dividend to shareholders and increase the dividend as cash flow per share increases allow.

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Forward Looking Statements

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 statements, although not all forward-looking statements contain these identifying words. Specifically, forward-looking information or "financial outlook in this news release includes, but are not limited to, statements made in relation to: the completion of the Acquisition and the Transaction, the terms thereof and the expected timing therefor of November 2019; certain of the expected terms of the Licence and Royalty Agreement and the Governance Agreement (including the ability and terms on which Nurse Next Door can buy back the NND Rights); the details of the Royalty, the Gross Royalty and the Nurse Next Door Distribution Entitlement; the possibility of future increases in the Royalty payments made by Nurse Next Door to DIV and the issuance of common shares by DIV in connection therewith, subject to the approval of the TSX; statements related to the expected tax implications of the Acquisition on DIV; the means by which DIV intends to finance the Acquisition, including the expected terms of the NND Credit Facility; the expectation that Holdings LP will enter into an interest rate swap arrangement for the drawn portion of the of the NND Credit Facility; DIV's business plans and strategies following the completion of the Transaction, including continuing to execute on its business plan of acquiring high quality trademarks and royalty streams on an accretive basis, resulting in greater diversification and dividend increases; the expectation that the Transaction will be accretive; Nurse Next Door's business plans and strategies following completion of the Transaction, including consolidating ownership, and continuing to invest in its systems to accelerate franchise partner growth and deliver on its concept; the expectation that future growth at Nurse Next Door will result both from existing operating locations as well as opening additional franchises; the expectation that favourable North American demographics are expected to drive the need for premium home care services going forward; the expected financial impact of the Transaction on DIV, including on its pro forma payout ratio; the statement that DIV will increase its annual dividend to $0.23 per share, subject to completion of the Acquisition and the timing therefor; the expected terms of the Acquisition Facility and the strategic impacts of the Acquisition Facility and other available and potential debt capacity, including strengthening DIV's competitive position as it continues to actively pursue additional royalty transaction opportunities; the expected terms on which future term debt may be obtained; changes to the manner in which DIV's CEO and President's incentive amount will be paid during the 18 months following the completion of the Acquisition; the preliminary nature of DIV's and its royalty partner's results for Q3 2019 and the nine months ended September 30, 2019; DIV's corporate objectives; and DIV's expectation that it will pay a predictable and stable dividend to shareholders and increase the dividend as cash flow per share increases allow. 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 in such forward-looking statements. DIV believes that the expectations reflected in these forward-looking statements 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 or the Transaction will close on the terms or in accordance with the timing currently expected, or at all; DIV will realize the expected benefits of the Transaction, or that it will be accretive; there will be any future increases in the Royalty payments made by Nurse Next Door to DIV; DIV or Holdings LP will be able to obtain the NND Credit Facility on the terms currently expected, or at all; DIV will be able to obtain the Acquisition Facility on the terms currently expected, or at all or that DIV will realize the strategic objectives of the Acquisition Facility; the actual tax implications of the Acquisition on DIV will be consistent with the expected tax implications; the Transaction, if completed, will be successful; Nurse Next Door will meet its business objectives, including its objectives with respect to the future growth; Nurse Next Door will make the required royalty payments required under the Licence and Royalty Agreement and otherwise comply with its obligations under the Transaction Agreements; Nurse Next Door will not be adversely affected by the other risks facing its business; Nurse Next Door will not exercise its right under the Governance Agreement to buy back the NND Rights, or that any exercise by Nurse Next Door of its buy back right will result in strong returns to DIV; or DIV will be able to achieve any of its corporate objectives or make monthly dividend payments to the holders of its common shares. 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 can be found in the "Risk Factors" section of its Annual Information Form dated March 11, 2019 and the "Risk Factors" section of its management's discussion and analysis for the three and six months ended June 30, 2019 that are available under DIV's profile on SEDAR at www.sedar.com.*

In formulating the forward-looking statements contained herein, management has assumed that, among other things, all necessary consents and approvals for the Acquisition and the Transaction will be obtained and the Transaction will be completed in accordance with the timing currently expected and on the currently contemplated terms, all conditions to the completion of the NND Credit Facility and the Acquisition Facility will be obtained and the NND Credit Facility and the Acquisition Facility will be completed in accordance with the timing currently expected and on the currently contemplated terms, Nurse Next Door will be successful in meeting its stated corporate objectives, including its growth targets, DIV will realize the expected benefits of the Transaction and the Acquisition Facility, the Nurse Next Door business will not suffer any material adverse effect, and the business and economic conditions affecting DIV and Nurse Next Door 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.

To the extent any forward-looking information or statements in this presentation 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 Transaction, the NND Credit Facility, the Acquisition Facility and the dividend increase on DIV.

All of the forward-looking information and financial outlook 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 and financial outlook contained herein. The forward-looking information and financial outlook 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.

Non-IFRS Measures

This news release makes reference to certain non-IFRS financial measures. These non-IFRS financial measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers, and should not be construed as an alternative to other financial measures determined in accordance with IFRS. Rather, these financial measures are provided as additional information to complement IFRS financial measures by providing further understanding of DIV's and Nurse Next Door's financial performance from management's perspective and the expected financial impact of the Transaction on DIV. Accordingly, non-IFRS financial measures should never be considered in isolation nor as a substitute to using net income as a measure of profitability or as an alternative to the IFRS consolidated statements of income or other IFRS financial measures. Management presents the non-IFRS measures, "pro-forma payout ratio" (which is derived in part on the non-IFRS measures distributable cash), "pro-forma adjusted royalty revenue", "pro-forma royalty coverage", "SSSG", "payout ratio" and "distributable cash" in this news release.

Pro-forma payout ratio for DIV is calculated as (i) DIV's annualized current monthly dividend, adjusted to give effect to the increase in the annual dividend expected to occur following completion of the Transaction, divided by (ii) DIV's annualized Q3 2019 distributable cash, adjusted to give effect to: the Transaction; the NND Credit Facility; the Acquisition Facility; CEO incentive compensation that will cease in 10 months, 50% of the CEO incentive compensation being settled in RSUs, incremental salaries expense, non-recurring director fees, the reversal of interest income earned on excess cash and taxes. Pro-forma payout ratio is not a recognized measure under IFRS; however, management of the Corporation believes that it provides supplemental information regarding the extent *to which the Corporation distributes cash as dividends, when compared to its cash flow capacity. Pro-forma payout ratio as used in this news release may not be comparable to similar measures used by other issuers.*

Pro-forma adjusted royalty revenue is calculated as DIV's annualized Q3 2019 revenues, adjusted to give effect to the Transaction net of the Nurse Next Door Distribution Entitlement. Pro-forma adjusted royalty revenue is not a recognized measure under IFRS; however, management of the Corporation believes it provides supplemental information regarding the extent to which DIV shareholders have an interest in the consolidated revenues earned by DIV. Pro-forma adjusted royalty revenue as used in this news release may not be comparable to similar measures used by other issuers.

Pro-forma royalty coverage is calculated as the normalized 2019 EBITDA for Nurse Next Door divided by the sum of the annualized royalty and management fee for the same period. Normalized 2019 EBITDA for Nurse Next Door is calculated as net income for that period before interest, taxes, depreciation, amortization, compensation to shareholders, foreign exchange and other non-cash gains, and adjusted for certain non-recurring revenues and expenses.

For further details with respect to the calculation of certain of these non-IFRS measures, see Appendix A to the Corporation's investor presentation titled "Diversified Royalty Corp. – Nurse Next Door Trademark Acquisition and Royalty – Investor Presentation" dated November 1, 2019, a copy of which is available on the Corporation's website at www.diversifiedroyaltycorp.com and under the Corporation's profile on SEDAR at www.sedar.com. For further details with respect to how DIV calculates SSSG, distributable cash and payout ratio, see "*Description of Non-IFRS and Additional IFRS Measures" in the DIV's management's discussion and analysis for the three and six months ended June 30, 2019, a copy of which is available on SEDAR at www.sedar.com.*

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.sedar.com.

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