



## Diversified Royalty Corp. Announces May 2020 Cash Dividend and Closing of \$9.0 Million Credit Facility

Vancouver, BC, May 5, 2020 – Diversified Royalty Corp. (TSX: DIV and DIV.DB) (the “Corporation” or “DIV”) is pleased to announce that its board of directors has approved a cash dividend of \$0.01667 per common share for the period of May 1, 2020 to May 31, 2020, which is equal to \$0.20 per common share on an annualized basis. The dividend will be paid on May 29, 2020 to shareholders of record as of the close of business on May 15, 2020.

### OX Royalties \$9.0 Million Credit Facility

On April 27, 2020, OX Royalties Limited Partnership (“OX LP”), a subsidiary of DIV that owns the Oxford Rights, entered into a credit agreement with a Canadian chartered bank for a senior credit facility (the “Credit Facility”) that comprises of a term loan facility of \$9.0 million and a revolving facility of \$0.5 million (which revolving facility is currently undrawn). The non-amortizing Credit Facility has a term of 60 months and has a floating interest rate equal to the Bankers’ Acceptance Rate plus 1.95% per annum. The proceeds from the term loan facility were used to partially refinance the acquisition of the trademarks and certain other intellectual property rights utilized by Oxford Learning Centres, Inc. (“Oxford”) in its franchised supplemental education service business (the “Oxford Rights”), which closed on February 21, 2020 and was originally funded as a drawdown on DIV’s acquisition facility. The Credit Facility is secured by the Oxford Rights and the royalties payable in connection therewith and has debt covenants customary for this type of credit facility. The Credit Facility is guaranteed by the Corporation on a limited recourse basis through the pledge of the Corporation’s interest in OX LP. In connection with receiving the proceeds from OX LP’s Credit Facility, the remaining balance that was outstanding under DIV’s acquisition facility of \$9.0 million was repaid in full.

### 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, AIR MILES®, Sutton, Mr. Mikes, Nurse Next Door and Oxford Learning Centres trademarks. Mr. Lube is the leading quick lube service business in Canada, with locations across Canada. AIR MILES® is Canada’s largest coalition loyalty program with approximately two-thirds of Canadian households actively participating in the AIR MILES® Program. 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 one of North America’s fastest growing home care providers with locations across Canada and the United States as well as in Australia. Oxford Learning Centres is one of Canada’s leading franchised supplemental education services in Canada and the United States.

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



## 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 amount and timing of the May 2020 dividend to be paid to DIV’s shareholders; DIV’s intention to pay monthly dividends to shareholders; 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: 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 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 18, 2020 a copy of which is available under DIV’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

*In formulating the forward-looking information contained herein, management has assumed that DIV will generate sufficient cash flows from its royalties to service its debt and pay dividends to shareholders; lenders will provide any necessary waivers required in order to allow DIV to continue to pay dividends; the impacts of COVID-19 on DIV and its royalty partners will be consistent with DIV’s expectations and the expectations of management of each of its Royalty Partners, both in extent and duration; DIV and its royalty partners will be able to reasonably manage the impacts of the COVID-19 outbreak on their respective businesses. These assumptions, although considered reasonable by management at the time of preparation, may prove to be incorrect.*

*All of the forward-looking statements made in this news release are 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.sedar.com](http://www.sedar.com).

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