DIVERSIFIED ROYALTY CORP

SEP 14, 2020 INVESTOR PRESENTATION

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<u>Forward Looking Information</u>

Certain statements contained in this investor presentation 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 information and financial outlook, although not all forward-looking information and financial outlook contain these identifying words. Specifically, forward-looking information and financial outlook in this investor presentation includes, but is not limited to, statements made in relation to: certain expected financial results of Mr. Lube, Nurse Next Door, Sutton, Mr. Mikes and Oxford for the July and August 2020, as applicable; Mr. Lube having more stores in the pipeline; DIV's belief that Mr. Lube's tire business has lots of upside; LoyaltyOne is supporting collectors and sponsors by pivoting the reward portfolio to reflect more non-travel options; the AIR MILES® business continues to renew with sponsors, including a multiyear national renewal with Shell Canada Products; the expected continuation of demographic trends in Canada that are favourable to Nurse Next Door; Nurse Next Door's intention to resell franchises in markets covered by the master license agreement with St. Joseph, and in markets where certain franchisees have recently purported to terminate their franchise agreements; Nurse Next Door's belief that it has a pipeline in selling franchises, particularly in the USA; DIV's expectation that Nurse Next Door will continue to make its royalty payments; Oxford locations have started transitioning back to in-centre services at a reduced capacity; Mr. Mikes expects a slow recovery; DIV's expectation that further royalty relief will be required by Mr. Mikes going forward; DIV's estimates of run-rate adjusted revenue, run-rate Normalized EBITDA, run-rate distributable cash and run-rate payout ratio; DIV starting to see encouraging trends in the performance of all of its royalty partners; DIV's belief that there will be a meaningful recovery (and upside) in AIR MILES, Oxford and Mr. Mikes royalty revenues when the economy recovers from COVID-19; certain aspects of DIV's business model 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 and financial outlook. DIV believes that the expectations reflected in the forward-looking information and financial outlook included in this investor presentation are reasonable but no assurance can be given that these expectations will prove to be correct. In particular, risks and uncertainties include: Mr. Mikes may not make its fixed royalty payments to DIV, in whole or in part; the financial results of DIV's royalty partners may not be consistent with the preliminary results set forth herein; LoyaltyOne may not be successful in continuing to renew sponsor contracts, and such contracts, if renewed, may be renewed on less advantageous terms than existing contracts; DIV's royalty partners may request further royalty relief; COVID-19 may have a more significant negative impact on DIV and its royalty partners than currently expected and the businesses of DIV's royalty partners may not fully recover post COVID-19; current improvement trends being experienced by DIV's royalty partners may not continue and may regress; recently re-opened royalty partner locations may be required to temporarily close in the future; royalty partner locations that are temporarily closed may not reopen; Mr. Lube's tire business may not achieve expected performance levels; the rate of sales of new franchises by Nurse Next Door may be slow to recover, and expected new franchise sales may not complete; the impact of the termination by St. Joseph of the master license agreement on Nurse Next Door's business could be greater than expected; Nurse Next Door may not be successful in selling new franchises in the territories currently covered by the St. Joseph master licence agreement or those territories covered by the franchisees that have recently purported to terminate their franchise agreements, or may be delayed in completing such sales or may not complete such sales on terms currently contemplated; Nurse Next Door may not realize the expected financial benefits of reselling franchises in such locations; certain franchisees who recently purported to terminate franchise agreements may operate competing businesses to the detriment of other Nurse Next Door locations and Nurse Next Door; as a result of the termination by St. Joseph of the master licence agreement and the termination of the franchise agreements by certain other franchisors, Nurse Next Door may experience constrained cash flows and could potentially request some form of royalty relief from DIV in the future, or fail to make all or a portion of its royalty payments and/or draw on its credit facilities in order to fund its royalty payments to DIV; the termination by St. Joseph of the master licence agreement and the purported termination of the franchise agreements by certain other franchisors may, in future periods, result in a reduction in the fair value of DIV's investment in NND LP recorded on DIV's consolidated statement of financial position, resulting in a non-cash loss in the period where any such reduction is recorded; DIV's estimates of run-rate adjusted revenue, run-rate Normalized EBITDA, run-rate distributable cash and run-rate payout ratio may not be accurate, and actual results may be materially different; there may not be a meaningful recovery (or upside) in AIR MILES, Oxford or Mr. Mikes royalty revenues when the economy recovers from COVID-19; DIV may not be able to make monthly dividend payments to the holders of its common shares; dividends are not guaranteed and may be further reduced, suspended or terminated; or DIV may not achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking information and financial outlook included in this investor presentation 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 18, 2020 and in DIV's most recently filed management's discussion and analysis, copies of which are available under DIV's profile on SEDAR at www.sedar.com.

In formulating the forward-looking information and financial outlook 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 pandemic on their respective businesses; the impact of the termination by St. Joseph of its master licence agreement on Nurse Next Door's business will be consistent with DIV's current expectations; Nurse Next Door will be successful in selling new franchises in the territories covered by the St. Joseph master licence agreement and those territories covered by the franchisees that have purported to terminate their franchise agreements, which sales will be completed in accordance with Nurse Next Door's currently estimated timing, and such locations will achieve Nurse Next Door's financial targets and have a positive financial impact on Nurse Next Door; Nurse Next Door will continue to make its royalty payments to DIV in full and will not request royalty relief in relation to such event; and DIV's will generate adjusted revenues from each royalty partner consistent with DIV's expectations. 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 investor presentation constitute a "financial outlook" within the meaning of applicable securities laws, such information is being provided to investors to ensure they receive timely disclosure of material financial information with respect to the financial performance of the Corporation and its royalty partners prior to the completion of year end audits and to provide investors with an understanding of DIV management's estimates of the future performance of DIV's royalty partners and DIV.

All of the forward-looking information and financial outlook in this investor presentation is qualified in its entirety 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 and financial outlook included in this investor presentation is presented as of the date of this investor presentation 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.

<u>Third Party Information</u>

This presentation includes market information, industry data and forecasts obtained from independent industry publications, market research and analyst reports, surveys and other publicly available sources. Although DIV believes these sources to be generally reliable, such information cannot be verified with complete certainty. Accordingly, the accuracy and completeness of this information is not guaranteed. DIV has not independently verified any of the information from third party sources referred to in this presentation nor ascertained the underlying assumptions relied upon by such sources.

NON-IFRS MEASURES

This presentation 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 financial performance and the performance of its royalty partners from management's perspective. 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, "DIV Royalty Entitlement", "adjusted revenue", "EBITDA", "normalized EBITDA", "distributable cash", "distributable cash per share", "payout ratio", as well as "pre-COVID", "Q2 2020 annualized" and "run-rate" variations thereof along with "SSSG" in this presentation.

Where annualized figures (both IFRS and non-IFRS) are presented in this presentation, they are based on DIV's results for the three months ended June 30, 2020. A non-IFRS measure in this presentation is qualified by the words "run-rate" it represents the Q2 2020 annualized figure, which has been adjusted to give effect to the estimated incremental royalty income from Mr. Lube, AIR MILES, Sutton, Oxford and Mr. Mikes, which were negatively impacted by COVID-19 in Q2 2020, the incremental management fees from Sutton and Mr. Lube from contractual increases that took effect July 1, 2020, and current taxes. For further information, see Appendix A and B to this investor presentation.

"DIV Royalty Entitlement" and "adjusted revenue" are reported to allow readers to assess the performance of DIV's royalty arrangement with Nurse Next Door on a basis consistent with the royalties received from DIV's other Royalty Partners. Under IFRS, DIV is required to record its investment in NND Royalties LP as a financial instrument and the income earned from this investment as finance income, which does not allow for a direct comparison of the income received from this investment to the royalties received from DIV's other Royalty Partners, which attract different treatment under IFRS. DIV's royalty entitlement from Nurse Next Door (the "DIV Royalty Entitlement") is equal to approximately $4.8 million per annum, and grows at a fixed rate of 2.0% per annum. Adjusted revenue is calculated as revenues, as determined under IFRS, plus the DIV Royalty Entitlement.

"EBITDA" is calculated as earnings before interest, taxes, depreciation and amortization. "Normalized EBITDA" is calculated as EBITDA before certain items including: share-based compensation, litigation expense, impairment loss, other finance income (costs), the fair value adjustment on financial instruments, plus the DIV Royalty Entitlement net of expenses related to NND Royalties LP. While Normalized EBITDA is not a recognized measure under IFRS, management of the Corporation believes that, in addition to net income, Normalized EBITDA is a useful supplemental measure as it provides investors with an indication of cash available for distribution prior to debt service needs, litigation expenditures and interest income, as applicable. The methodologies used by the Corporation to determine Normalized EBITDA may differ from those utilized by other issuers or companies and, accordingly, Normalized EBITDA as used in this presentation may not be comparable to similar measures used by other issuers or companies. Readers are cautioned that Normalized EBITDA should not be construed as an alternative to net income or loss determined in accordance with IFRS as indicators of an issuer's performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows.

"Distributable cash" is defined as Normalized EBITDA less interest expense on credit facilities, less distributions on LP units, plus interest income and less current taxes. Distributable cash per share is distributable cash divided by the weighted average number of DIV shares outstanding as of the end of Q2 2020 on a non-diluted basis. Distributable cash and distributable cash per share are non-IFRS financial measures that do not have standardized meanings prescribed by IFRS, and therefore may not be comparable to similar measures presented by other issuers. Management believes that distributable cash and distributable cash per share provide investors with useful information about the amount of cash the Corporation generates to cover dividends on the shares during the period.

The "payout ratio" is calculated by dividing the total dividends declared during a period by the distributable cash generated in that period. The 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. Payout ratio as used in this presentation may not be comparable to similar measures used by other issuers or companies.

"Same store sales growth" or "SSSG" for Mr. Lube and Oxford means the percentage increase in store sales over the prior comparable period for locations that were open in both the current and applicable prior periods, excluding stores that were permanently closed. Same store sales growth is a non-IFRS financial measure and does not have a standardized meaning prescribed by IFRS. However, DIV believes that SSSG is a useful measure as it provides investors with an indication of the change in year-over-year sales of Mr. Lube and Oxford locations. DIV's method of calculating same store sales growth may differ from those of other issuers or companies and, accordingly, same store sales growth may not be comparable to similar measures used by other issuers or companies.

For further details with respect to the calculation of such non-IFRS measures, see Appendix A and Appendix B hereto, and "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, 2020, a copy of which is available on SEDAR at www.sedar.com.

OVERVIEW

Diversified Royalty Corp ("DIV") is in the business of acquiring a diversified portfolio of trademarks and collecting top-line royalties from high quality 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 owns the trademarks and has a royalty from six prominent Canadian businesses

TARGET ROYALTY PARTNER ATTRIBUTES

Multi-location business/franchisor – stable annuity-like revenue streams

Robust store level economics

Highly profitable – strong profit margin and EBITDA[1]

History of positive SSSG[1]

Strong new store growth prospects

Amongst the market leaders in its category

Long operating history

Experienced management team

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1) SSSG and EBITDA are non-IFRS measures. See “Non-IFRS Measures”.

BUILDING A DIVERSIFIED ROYALTY POOL

	Oxford Learning	Sutton	Mr. Lube	Air Miles	Nurse Next Door home care services	Mr Mikes SteakhouseCasual
Pre-COVID Adjusted Revenue	**10%**	**10%**	**40%**	**18%**	**12%**	**10%**
Run-Rate Adjusted Revenue	9%	11%	44%	18%	13%	5%

Expanding across diverse and attractive industries

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1) The percentages presented above are based on pre-COVID adjusted revenue and run-rate adjusted revenue, both of which are non-IFRS measures. See "Non-IFRS Measures", "Pro Forma Financial Metrics" and "Appendix A".

BUSINESS MODEL

DIV's business model is simple – we buy trademarks, collect royalties and payout distributable cash[1] in the form of dividends to shareholders

Acquisitions	High quality multi-location and franchisor businesses
Dividend Growth	SSSG[1] and accretive acquisitions
Diversification	Reduces volatility – lower dividend yield
Size	Increased analyst coverage
	Improved liquidity through higher expected trading volumes

Dividend Growth + **Lower Dividend Yield** + **Improved Liquidity** = **Value Creation**

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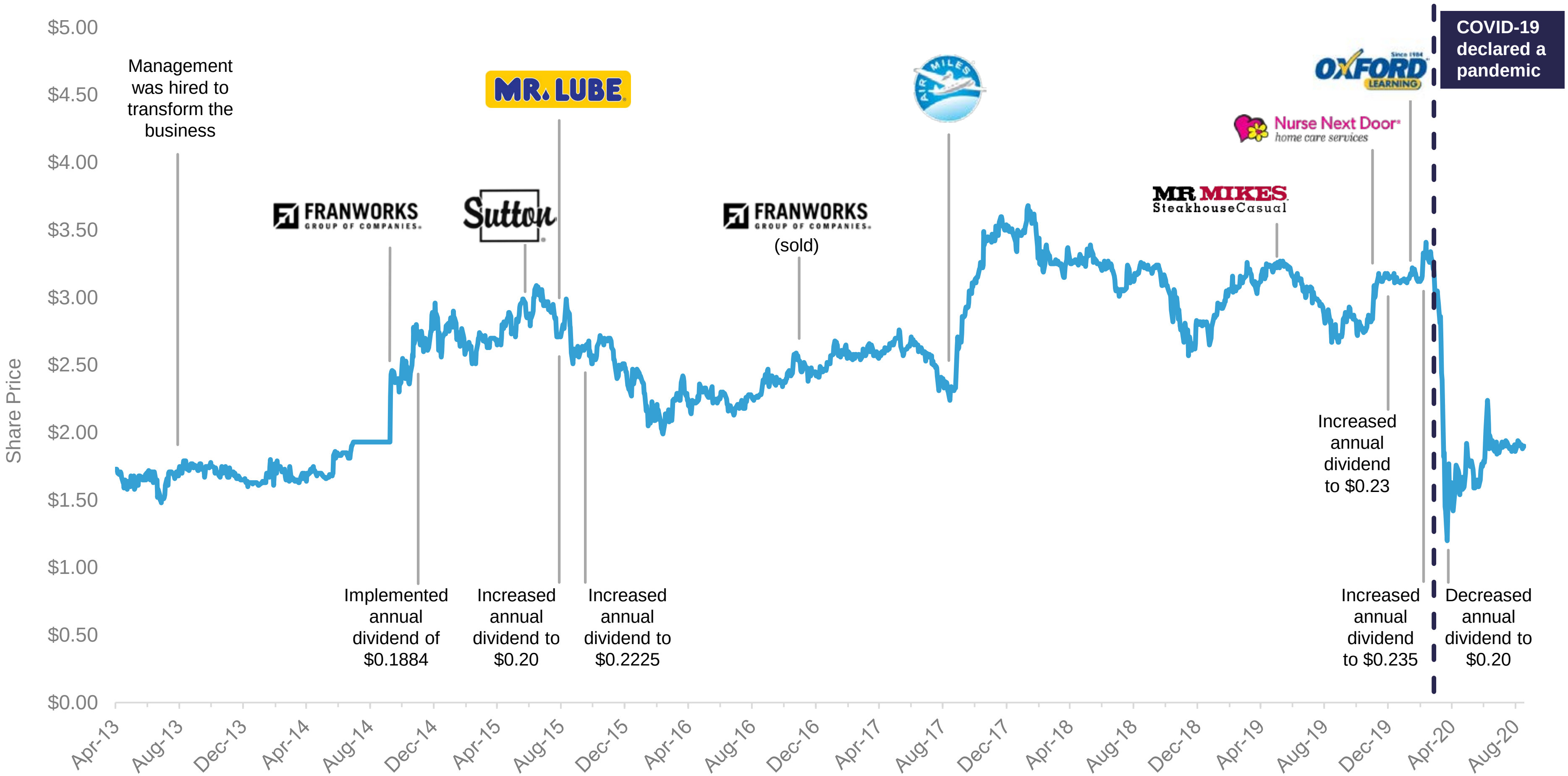
1) Distributable cash and SSSG are non-IFRS measures. See "Non-IFRS Measures".

HISTORICAL TIMELINE



Over a 7 year period prior to COVID-19, DIV management created a diversified portfolio, paid out $1.18/share of dividends and doubled the share price.

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MR. LUBE

~$250M
2019 System Sales (1)

174
Locations(2)

4.1%
2019 SSSG(3)

BEST MANAGED COMPANIES
CANADA
Platinum member

Overview

Canada's largest quick lube brand – 44 year operating history

Market leader in the quick lube service industry in Canada

20th straight year of positive SSSG in 2019

8 new stores opened in 2019 and 3 stores opened in 2020 with more stores in the pipeline

Tire business continues to gain traction with lots of upside

2019 royalty income of $16.0M, which has grown at an average rate of 4.0% since August 2015

COVID-19 Update

Mr. Lube was listed as an essential service and remained open for business at reduced hours, although a significant decrease in customer visits resulted in Q2 2020 SSSG(3) of -12.5%

As certain provinces started easing the restrictions put in place to fight the COVID-19 pandemic and Canadians started driving more, Mr. Lube's business has stabilized with SSSG(3) of 0.4% in June, 1.1% in July and -0.5% in August 2020

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1) For all Mr. Lube locations
2) There are 122 Mr. Lube locations in the royalty pool
3) SSSG for the Mr. Lube locations in the royalty pool. SSSG is a non-IFRS measure. See "Non-IFRS Measures".

AIR MILES

~$775M
2019 Gross Billings

140
Brand-Name Sponsors

~11M
Members

Overview

AIR MILES has been operating in Canada since 1992:

- The largest coalition loyalty program in Canada
- ~11M members (67% of Canadian households)

The AIR MILES program is operated by LoyaltyOne, a division of Alliance Data Systems Corp (NYSE: ADS); according to ADS, LoyaltyOne has TTM revenue of ~US$927M and EBITDA(1) of US$240M

2019 royalty of ~$7.8M from LoyaltyOne based on AIR MILES issued and other metrics – the royalty payment received by DIV in 2019 was flat versus 2018

COVID-19 Update

AIR MILES reward miles issued decreased by 26% in Q2 2020, reflecting a decline in discretionary spending, including credit card spend and delays in promotions by sponsors

AIR MILES reward miles redeemed decreased by 42% in Q2 2020, reflecting the impact of the COVID-19 pandemic on travel-related categories, partially offset by strength from merchandise redemptions

AIR MILES continues to renew with sponsors, including a multi-year national renewal with Shell Canada Products

Per ADS, LoyaltyOne is supporting collectors and sponsors by pivoting the reward portfolio to reflect more non-travel options

Royalty income was -22% in Q2 2020 and -8% year-to-date June 2020

1) EBITDA is a non-IFRS measure.

NURSE NEXT DOOR

Nurse Next Door® home care services

$4.9M
Annual DIV Royalty Entitlement & Mgmt Fee

2%
Annual Contractual Royalty Growth

Overview

- Nurse Next Door offers senior home care services such as companionship, home nursing care, and around-the-clock care
- NND has an award winning management team focused on building culture, brand and success
- Favourable demographic trends – in Canada, the number of seniors in the total population surpassed the number of children for the first time in 2016, which will continue in the future[1]
- DIV Royalty Entitlement and management fee is approximately $4.9M per annum, and contractually grows at 2% in perpetuity

COVID-19 Update and Recent Developments

- The COVID-19 pandemic has highlighted preferences by seniors to remain in their homes (vs. long-term care facilities), which is NND's business model
- Master license agreement with St. Joseph (42 locations in California) terminated Aug 14, 2020, as a result of which NND received a one-time buy-out fee of US$1.1M in Sep 2020
- In Q3 2020 to date, NND received notices from certain franchisees of purported terminations
- Lost revenues from St. Joseph and the terminating franchisees are expected to result in less than full royalty coverage in the short term, however, NND intends to re-sell the franchisees to new or existing franchisees as the majority of these territories are in attractive markets
- NND had $9.6M of cash on its balance sheet at Q2 2020 and DIV expects NND to continue making its royalty payments in full
- Strong pipeline and recent traction in selling franchises, particularly in the USA

1) https://www150.statcan.gc.ca/n1/pub/91-520-x/2019001/hi-fs-eng.htm

MR. MIKES

MR MIKES SteakhouseCasual

45
Locations[1]

60 years
Operating History

Overview

Mr. Mikes operates casual steakhouse restaurants primarily in Western Canadian communities

Reinvigorated by one of Canada's most experienced restaurant management teams in the past 14 years

Opened 22 new locations over the past five years

Mr. Mikes is required to pay DIV an annual royalty of $4.0M which contractually increases at 2% until March 2023 and thereafter fluctuates based on SSSG[2] of locations in the royalty pool

COVID-19 Update

Proactively closed all dining rooms and bars on a temporary basis on March 18, 2020

In early June 2020, 33 of 45 restaurants re-opened for in-restaurant or patio dining → now 43 of 45 restaurants have re-opened

DIV waived February 24 – July 12, 2020 royalty and mgmt. fees

SSSG[2] of -15% in July 2020 and -14% in August 2020 for Mr. Mikes restaurants in the royalty pool that re-opened for in-restaurant and patio dining – Mr. Mikes expects a slow recovery as we move into fall

Mr. Mikes has generated sufficient cash flow over the summer to pay down all of its debt and paid 50% of its contractual royalty for the July 13 – August 9, 2020 royalty period – further royalty relief will be required by Mr. Mikes going forward

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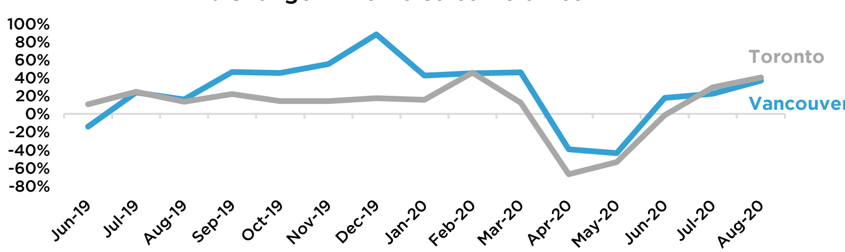
1) There are 38 Mr. Mikes locations in the royalty pool
2) SSSG is a non-IFRS measure. See "Non-IFRS Measures".

SUTTON

~200
Locations

2%
Annual Contractual Royalty Growth

% Change in Home Sales Volumes[1]



Overview

Sutton Realty Corp is among the leading brands in the Canadian residential real estate marketplace and has been in business since 1983

100% of Sutton's revenues are from franchise fees

Strong EBITDA margin

Negligible maintenance capital expenditures

Sutton paid DIV an annual royalty of $4.0M in 2019 which grows contractually at 2.0% per year in perpetuity

COVID-19 Update

With the dramatic slow-down of residential real estate activity due to COVID-19, DIV waived 50% of Sutton's March 2020 royalty and mgmt. fees and 75% of Sutton's April and May 2020 royalty and mgmt. fees

Two of Sutton's primary markets are Vancouver and Toronto – after weaker sales volumes in Q2 2020, these two markets have rebounded with record sales volumes in July and August 2020

DIV has been collecting 100% of Sutton's contractual royalty and management fee payments since June 2020

1) Change in year-over-year home sales for Metro Vancouver is as reported by the Real Estate Board of Greater Vancouver. Change in year-over-year home sales for the Greater Toronto Area is as reported by the Toronto Regional Real Estate Board.

OXFORD

$56M
2019 System Sales[1]

154
Locations[2]

36 years
Operating History

Overview

Oxford Learning Centres Ltd ("Oxford") is one of Canada's leading franchise supplemental education businesses

Oxford's proprietary cognitive learning methodology improves educational outcomes by focusing on teaching students 'how to think' rather than 'what to think'

Positive industry trends with global private tutoring – driven by increased competition for university acceptances, deficiencies in the education system and increasing disposable income of parents

From 2011 to 2019, Oxford averaged 4% SSSG[3] on a constant currency basis

COVID-19 Update

COVID-19 pandemic resulted in the temporary suspension of in-person tutoring services for all its locations

In mid-March, Oxford management pivoted its business to provide online tutoring with over 95% of its locations able to provide this service

In early July, certain Oxford locations started transitioning back to in-centre services at reduced capacity in accordance with regional guidelines

Now, over 90% of Oxford's 154 locations are open for in-centre services

Parents remain cautious, SSSG on a constant currency basis was -24% in July and –23% in August 2020

1) For all Oxford locations
2) There are 146 Oxford locations in the royalty pool
3) SSSG is a non-IFRS measure. See "Non-IFRS Measures".

FINANCIAL METRICS

		Pre-COVID[1]	Q2 2020 Annualized[2]	Run-Rate[3]
Operating Metrics	Mr. Lube	$16.6M	$14.3M	$16.5M
	AIR MILES	$7.8M	$6.1M	$6.7M
	Nurse Next Door	$4.9M	$4.9M	$4.9M
	Sutton	$4.0M	$2.0M	$4.1M
	Oxford	$4.3M	$2.7M	$3.3M
	Mr. Mikes	$4.0M	$-M	$2.0M
	Adjusted Revenue[4]	**$41.6M**	**$30.0M**	**$37.6M**
	Normalized EBITDA[4]	**$39.7M**	**$27.1M**	**$34.7M**
	Distributable Cash[4]	**$27.0M**	**$19.6M**	**$23.9M**
Payout Metrics	Distributable Cash per Share[4]	$0.2464	$0.1622	$0.1977
	Dividend per Share	$0.2350	$0.20	$0.20
	Payout Ratio[4]	95.4%	123.4%	101.2%

DIV believes there is upside to AIR MILES, Oxford and Mr. Mikes as the economy works through COVID-19

1) For detailed calculations of the pre-COVID amounts, see the Investor Presentation dated February 6, 2020, as filed on SEDAR. The pre-COVID distributable cash per share, and pre-COVID payout ratio amounts do not give effect to DIV's $34.6 million bought deal public offering of 10,810,000 common shares that closed on March 5, 2020.
2) Annualized amounts as presented are based on DIV's results for the three months ended June 30, 2020.
3) See "Appendix A" and "Appendix B" for detailed calculations of the run-rate amounts.
4) Adjusted Revenue, Normalized EBITDA, Distributable Cash, Distributable Cash per Share and Payout Ratio, as well as the pre-COVID and run-rate representations thereof are non-IFRS measures. See "Non-IFRS Measures", "Appendix A" and "Appendix B".

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SUMMARY

COVID-19 has been challenging for all of DIV's royalty partners. However, as certain provinces have started easing restrictions put in place to fight COVID-19, we are starting to see encouraging trends in the performance of all our royalty partners.

DIV's run-rate payout ratio[(1)] is currently approximately 101% on its $0.20 annualized dividend.

DIV has a strong balance sheet ($9.1M of cash and $11.2M of working capital at June 30, 2020).

DIV believes there will be a meaningful recovery in AIR MILES, Oxford and Mr. Mikes when the economy recovers from COVID-19.

DIV's current dividend yield is 11.2%[(2)]

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1) Run-rate payout ratio is a non-IFRS measure. See "Non-IFRS Measures" and "Appendix B".
2) Based on the closing price at September 11, 2020.

CORPORATE PROFILE

Corporate Summary	Dividend (Monthly / Annually)	$0.01667 / $0.20
	Number of Employees	3
	Contact Information	Sean Morrison, CEO 604-235-3146 Greg Gutmanis, CFO 604-235-3146
Market Summary	Ticker Symbol	TSX: DIV
	Average Daily Volume	200,000
	Shares Outstanding	120,868,436
	Share Price(1)	$1.78
	Market Capitalization(1)	$215M
Balance Sheet	Cash(2)	$9.1M
	Acquisition Line(2)	$50.0M undrawn
	Senior Debt(2)	$99.1M
	Convertible Debentures(2)	$57.5M, due December 2022
	UCC(2)	$268.9M

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1) Based on the closing price at September 11, 2020.
2) As at June 30, 2020.

APPENDIX A

The following table reconciles Normalized EBITDA for the three months ended June 30, 2020 to Run-Rate Normalized EBITDA:

(000s)	**Q2 2020**	**Annualized**
Revenues	$ 6,294	$ 25,176
Operating expenses	(1,117)	(4,468)
Finance costs, net	(857)	(3,428)
Income before income taxes	4,320	17,280
Income tax expense	(1,439)	(5,756)
Net income	**2,881**	**11,524**
Interest expense on credit facilities	1,749	6,996
Income taxes	1,439	5,756
EBITDA[(1)]	6,069	24,276
Adjustments:		
Share-based compensation	391	1,564
Other finance income, net	442	1,768
Fair value adjustment on financial instruments	(1,334)	(5,336)
DIV Royalty Entitlement, net of NND Royalties LP expenses	1,199	4,796
Normalized EBITDA[(1)]	**6,767**	**27,068**
Adjustments:		
Mr. Lube royalty income[(2)]		2,244
AIR MILES royalty income[(3)]		600
Sutton royalty income[(4)]		2,048
Oxford royalty income[(5)]		650
Mr. Mikes royalty income[(6)]		2,009
Management fees[(7)]		62
Run-Rate Normalized EBITDA[(1)]		**$ 34,681**

1) EBITDA, Normalized EBITDA, as well as the run-rate representations thereof are non-IFRS measures. See "Non-IFRS Measures.“
2) The adjustment to the royalty income from Mr. Lube is calculated as the difference between the annualized August 2020 royalty of $16.6 million (August 2020 royalty was $1.4 million), compared to the annualized Q2 2020 royalty of $14.1 million (Q2 2020 royalty was $3.5 million). In Q2 2020, Mr. Lube was negatively impacted by COVID-19 and reported SSSG of -12.5%.
3) The adjustment to the royalty income from AIR MILES is calculated as the difference between the Q2 2020 year-to-date annualized royalty of $6.7 million (Q2 2020 YTD royalty was $3.4 million), compared to the annualized Q2 2020 royalty of $6.1 million (Q2 2020 royalty was $1.5 million).
4) The adjustment to the royalty income from Sutton is calculated as the difference between the annualized August 2020 royalty of $4.0 million (August 2020 royalty was $0.3 million), compared to the annualized Q2 2020 royalty of $2.0 million (Q2 2020 royalty was $0.5 million). In Q2 2020, DIV waived 75% of Sutton's April and May 2020 royalty income.
5) The adjustment to the royalty income from Oxford is calculated as the difference between Oxford's TTM Dec 2019 system sales of $55.7 million, reduced by -23% (based on the August 2020 SSSG of -23% on a constant currency basis), multiplied by the royalty rate of 7.67%, or $3.4 million, compared to the annualized Q2 2020 royalty of $2.6 million (Q2 2020 royalty was $0.7 million). In Q2 2020, Oxford was negatively impacted by COVID-19 and reported SSSG of -41% on a constant currency basis.
6) The adjustment to the royalty income from Mr. Mikes is calculated as 50% of Mr. Mikes' contractual royalty payment.
7) In Q2 2020, DIV waived 75% of Sutton's April and May management fees. The adjustment reflects 100% of Sutton's management fees, and the contractual increases to Mr. Lube and Sutton's management fees effective July 1, 2020.

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APPENDIX B

The following table reconciles Distributable Cash for the three months ended June 30, 2020 to Run-Rate Distributable Cash:

(000s)	Q2 2020	Annualized
Normalized EBITDA[1]	$ 6,767	$ 27,068
Less: interest expense on credit facilities	(1,749)	(6,996)
Less: distributions on LP units	-	-
Add: interest income	15	60
Less: current income taxes	(135)	(540)
Distributable Cash[1]	**4,898**	**19,592**
Adjustments:		
Mr. Lube royalty income[2]		2,244
AIR MILES royalty income[3]		600
Sutton royalty income[4]		2,048
Oxford royalty income[5]		650
Mr. Mikes royalty income[6]		2,009
Management fees[7]		62
Current taxes [8]		(3,321)
Run-Rate Distributable Cash[1]		**$ 23,884**
Dividends declared		$ 23,996
Run-rate distributable cash per share[1]		$ 0.1977
Dividend per share		$ 0.2000
Run-rate payout ratio[1]		**101.2%**

1) EBITDA, Normalized EBITDA, distributable cash, payout ratio, as well as the run-rate representations thereof are non-IFRS measures. See "Non-IFRS Measures.“
2) The adjustment to the royalty income from Mr. Lube is calculated as the difference between the annualized August 2020 royalty of $16.6 million (August 2020 royalty was $1.4 million), compared to the annualized Q2 2020 royalty of $14.1 million (Q2 2020 royalty was $3.5 million). In Q2 2020, Mr. Lube was negatively impacted by COVID-19 and reported SSSG of -12.5%.
3) The adjustment to the royalty income from AIR MILES is calculated as the difference between the Q2 2020 year-to-date annualized royalty of $6.7 million (Q2 2020 YTD royalty was $3.4 million), compared to the annualized Q2 2020 royalty of $6.1 million (Q2 2020 royalty was $1.5 million).
4) The adjustment to the royalty income from Sutton is calculated as the difference between the annualized August 2020 royalty of $4.0 million (August 2020 royalty was $0.3 million), compared to the annualized Q2 2020 royalty of $2.0 million (Q2 2020 royalty was $0.5 million). In Q2 2020, DIV waived 75% of Sutton’s April and May 2020 royalty income.
5) The adjustment to the royalty income from Oxford is calculated as the difference between Oxford's TTM Dec 2019 system sales of $55.7 million, reduced by -23% (based on the August 2020 SSSG of -23% on a constant currency basis), multiplied by the royalty rate of 7.67%, or $3.4 million, compared to the annualized Q2 2020 royalty of $2.6 million (Q2 2020 royalty was $0.7 million). In Q2 2020, Oxford was negatively impacted by COVID-19 and reported SSSG of -41% on a constant currency basis.
6) The adjustment to the royalty income from Mr. Mikes is calculated as 50% of Mr. Mikes’ contractual royalty payment.
7) In Q2 2020, DIV waived 75% of Sutton's April and May management fees. The adjustment reflects 100% of Sutton's management fees, and the contractual increases to Mr. Lube and Sutton’s management fees effective July 1, 2020.
8) Current tax expense is calculated as 27% of the annualized run-rate distributable cash, before current taxes, less CCA on the intangible assets (Q2 2020 UCC of $218.6 million, including the amount related to NND Royalties LP of $50.3 million), multiplied by 5%.

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