



## **Benev Completes Royalty Acquisition**

**Vancouver, B.C., September 26, 2014, For Immediate Release –**

### **Completion of Royalty Acquisition and Concurrent Private Placement**

BENEV Capital Inc. (TSX VENTURE: BEV.H) (the “Corporation” or “BCI”) announces today that it has completed its previously announced proposed transaction with Franworks Franchise Corp. (“Franworks”) to acquire an approximate \$12 million annual top-line royalty from Franworks for a purchase price of approximately \$103.0 million (the “Transaction”).

BCI completed the Transaction after receiving: (i) conditional approval of the TSX Venture Exchange (“Exchange”) for the Transaction on August 28, 2014; (ii) conditional approval of the Toronto Stock Exchange (“TSX”) for the listing of BCI’s common shares on the TSX on September 4, 2014; and (iii) approval of BCI shareholders for the Transaction at a special meeting held on September 18, 2014.

Sean Morrison, President and Chief Executive Officer of BCI, stated “The royalty acquisition from Franworks is a platform transaction for BCI and the first step in our strategy to purchase top-line royalty streams from a number of growing multi-location businesses and franchisors. Franworks is a fast growing chain with strong unit-level economics and a superb management team – key success factors for a top-line royalty acquisition. With the successful completion of the Franworks royalty purchase, BCI intends to focus its efforts on acquiring additional royalties from growing multi-location businesses and franchisors.”

Lawrence Haber, Executive Chair of BCI, stated “We believe the strong positive response from our shareholders and the investment community to our multi-royalty business strategy and the Franworks royalty purchase positions BCI well for future success.”

Derek Doke, President of Franworks, stated “The transaction with BCI enables Franworks to accelerate its expansion of Original Joe’s and State & Main and provides \$8 million to renovate nine of its Elephant & Castle restaurants. As a large shareholder of BCI, Franworks is excited to be the first top-line royalty to be purchased by BCI as part of its business strategy. I have witnessed the success of other stand-alone top-line royalty companies and believe the multi-royalty component of BCI’s strategy enhances a proven business model and will create long-lasting value for all shareholders.”

The payment of the purchase price was financed by BCI as follows: (i) as to approximately \$64.6 million, from BCI’s cash on hand; (ii) as to approximately \$8.7 million, from the proceeds of the concurrent private placement of 5,240,964 common shares of BCI (the “Private Placement Shares”) to Maxam Opportunities Fund II LP at a price of \$1.66 per share; (iii) as to approximately \$15 million, from the proceeds of a senior credit facility with an institutional lender; and (iv) as to approximately \$14.9 million, through the issuance of 8,992,187 common

shares of BCI (the “Retained Interest Shares”) to a direct wholly-owned subsidiary of Franworks at a value of \$1.66 per share.

The Private Placement Shares and the Retained Interest Shares are subject to a statutory hold period expiring on the date that is four months and one day from the date of issuance. In addition, the Private Placement Shares and the Retained Interest Shares have been placed into escrow in accordance with the requirements of the TSX and will be released according to the following schedule: (i) one quarter on the date BCI’s common shares are listed on the TSX (the “Listing Date”); (ii) one quarter six months after the Listing Date; (iii) one quarter 12 months after the Listing Date; and (iv) one quarter 18 months after the Listing Date.

For full particulars of the Transaction, reference should be made to BCI’s management information circular dated August 18, 2014, a copy of which is available under BCI’s profile at [www.sedar.com](http://www.sedar.com).

### **Appointment of New Directors**

Concurrent with the closing of the Transaction, Messrs. Derek Doke and Murray Coleman have been appointed to the board of directors of the Corporation as nominees of Franworks.

Lawrence Haber, Executive Chair of BCI, stated “I am pleased to welcome Messrs. Doke and Coleman to BCI, and we look forward to their participation on our Board.”

Mr. Doke has worked as an executive in the restaurant and hospitality sector for 23 years. From 1995 to 1999, Mr. Doke was President of Ruckers Amusement Centre, a 22 unit chain of family amusement centers. Mr. Doke founded Franworks in 2000 as a restaurant consulting firm, but in 2002 shifted its focus to owning and operating two emerging restaurant concepts, Opa! Souvlaki and Original Joe’s. After growing Opa! Souvlaki from two to 50 units, Franworks sold its 50% interest in the chain in 2006. As President and Chief Executive Officer of Franworks, Mr. Doke has overseen the growth of Original Joe’s from two locations to 63 locations and oversaw the launch of State & Main and the acquisition of Elephant & Castle in 2012.

Mr. Coleman is a senior partner with Bennett Jones LLP, a full-service law firm based out of Calgary, Alberta, and acts as co-head of the firm’s corporate commercial practice group and head of the firm’s franchise practice group. Mr. Coleman has extensive experience advising on matters relating to franchise structures, compliance with franchise legislation, negotiation and preparation of franchise agreements, and franchise litigation and disputes.

### **Name and Stock Symbol Change**

BCI’s shareholders approved the change of BCI’s name from “BENEV Capital Inc.” to “Diversified Royalty Corp.” (the “Name Change”) at the special meeting held on September 18, 2014. BCI intends to effect the Name Change and associated change of its stock symbol from “BEV.H” to “DIV.H” as soon as possible.

### **Final Stock Exchange Approvals**

Closing of the Transaction and the concurrent private placement and the listing of BCI’s common shares on the TSX remain subject to receipt of final approval from the Exchange and the TSX, respectively. The Name Change also remains subject to final approval of the Exchange.

*The Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.*

### **About Benev Capital Inc.**

BCI is a multi-royalty corporation, engaged in the business of acquiring top-line royalties from profitable, well-managed multi-location businesses and franchisors in North America. BCI's objective is to acquire predictable, growing royalty streams from a diverse group of multi-location businesses and franchisors. BCI expects to increase cash flow per share by making accretive royalty purchases and through the growth of purchased royalties. BCI expects to pay a predictable and stable dividend to shareholders and increase the dividend as cash flow per share increases allow.

### Forward Looking Statements

*Certain statements contained in this news release and in certain documents incorporated herein by reference may constitute forward-looking statements which 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 statements. 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 statements in this news release include, but are not limited to, statements made in relation to: (i) final acceptance of the Exchange for the Transaction, the concurrent private placement and the Name Change, (ii) final acceptance of the TSX for the listing of BCI's common shares on the TSX; (iii) BCI's corporate objectives; (iv) BCI's expectation to increase cash flow per share through accretive royalty purchases; and (v) BCI's expectation as to the payment of dividends to its shareholders. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events, performance, or achievements of BCI to differ materially from those anticipated or implied in such forward-looking statements. BCI 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 BCI will: (i) receive final acceptance for the Transaction, the concurrent private placement and/or the Name Change from the Exchange; (ii) have its common shares listed on the TSX; (iii) achieve any of its corporate objectives; (iv) increase its cash flow per share through accretive royalty purchases; or (v) pay dividends to its shareholders. Given these uncertainties, readers are cautioned that forward-looking statements included in this news release are not guarantees of future performance, and such forward-looking statements should not be unduly relied upon. These statements speak only as of the date of this news release. BCI undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.*

*In formulating the forward-looking statements contained herein, management has assumed that business and economic conditions affecting BCI 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 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, BCI.*

*This news release is not for dissemination in the United States or for release to U.S. newswire services.*

*This news release does not constitute an offer to sell or a solicitation of an offer to sell an securities in the United States. The securities described in this news release have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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