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ITALIAN KITCHEN & BAR®



SIR Royalty Income Fund

Investor Presentation – April 2023



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Forward-Looking Information / Non-IFRS Measures

Certain statements contained in this report, or incorporated herein by reference, including the information set forth as to the future financial or operating performance of the Fund or SIR, that are not current or historical factual statements may constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Statements concerning the objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of the Fund, the SIR Holdings Trust (the "Trust"), the Partnership, SIR, the SIR Restaurants or industry results, are forward-looking statements. The words "may", "will", "should", "would", "could", "expect", "believe", "plan", "anticipate", "intend", "estimate" and other similar terminology and the negative of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund, the Trust, the Partnership, SIR, the SIR Restaurants or industry results, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. These statements reflect Management's current expectations, estimates and projections regarding future events and operating performance and speak only as of the date of this document. Readers should not place undue importance on forward-looking statements and should not rely upon this information as of any other date. Risks related to forward-looking statements include, among other things, challenges presented by a number of factors, including: the impact of the COVID-19 pandemic; market conditions at the time of this filing; competition; changes in demographic trends; weather; changing consumer preferences and discretionary spending patterns; changes in consumer confidence; changes in national and local business and economic conditions; pandemics or other material outbreaks of disease or safety issues affecting humans or animals or food products; the ability to maintain staffing levels; the impact of inflation, including on input prices and wages; the risk of a recession, the impact of the war in the Ukraine; changes in tariffs and international trade; changes in foreign exchange and interest rates; changes in availability of credit; legal proceedings and challenges to intellectual property rights; dependence of the Fund on the financial condition of SIR; legislation and governmental regulation, including the cost and/or availability of labour as it relates to changes in minimum wage rates or other changes to labour legislation and forced closures of or other limits placed on restaurants and bars; laws affecting the sale and use of alcohol (including availability and enforcement); changes in cannabis laws; changes in environmental laws; privacy matters; accounting policies and practices; changes in tax laws; and the results of operations and financial condition of SIR. The foregoing list of factors is not exhaustive. Many of these issues can affect the Fund's or SIR's actual results and could cause their actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Fund or SIR. There can be no assurance that SIR will remain compliant in the future with all of its financial covenants under the Credit Agreement and imposed by the lender. Given these uncertainties, readers are cautioned that forward-looking statements are not guarantees of future performance and should not place undue reliance on them. The Fund and SIR expressly disclaim any obligation or undertaking to publicly disclose or release any updates or revisions to any forward-looking statements. Forward-looking statements are based on Management's current plans, estimates, projections, beliefs and opinions, and the Fund and SIR do not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change, except as expressly required by applicable securities laws.

In formulating the forward-looking statements contained herein, Management has assumed that it will be successful in dealing with the effects of the COVID-19 pandemic and that business and economic conditions affecting SIR's restaurants and the Fund will return to normalcy within the medium term. For more information concerning the Fund's risks and uncertainties, please refer to the March 16, 2023 Annual Information Form, for the period ended December 31, 2022, and the Fund's most recent MD&A, which are available under the Fund's profile at www.sedar.com. All of the forward-looking statements made herein 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, the Fund or SIR.

This presentation makes reference to certain **non-IFRS measures**. Adjusted Net Earnings (Loss), distributable cash, payout ratio, same store sales and same store sales growth are non-GAAP financial measures and do not have standardized meanings prescribed by IFRS. However, the Fund believes that distributable cash, payout ratio, same store sales and same store sales growth are useful measures as they are key performance indicators, helping investors assess cash available for distribution. The Fund's method of calculating these measures may vary from that of other issuers and, accordingly, these measures may not be comparable to measures used by other issuers. Investors are cautioned that distributable cash and the payout ratio should not be construed as an alternative to the statement of cash flows as a measure of liquidity and cash flows of the Fund. For more information, please refer to the Fund's most recent Management Discussion & Analysis available on SEDAR and at www.sircorp.com.

Overview



SIR Royalty Income Fund (TSX: SRV.UN)

- SIR is a leading Canadian operator of casual and fine dining restaurants
- 53 restaurants, primarily in Ontario
- 6 brands / 4 brands currently included in Royalty Pool
- ~ 4,000 employees
- Fiscal 2022 revenue: \$221.7 million

- IPO: October 2004
- Market capitalization: ~ \$145 million
- Recent close: \$17.20 (April 26, 2023)
- Units outstanding: ~ 8.4 million
- Monthly cash distribution per unit: \$0.095
- Current yield: ~ 6.6%



Sources of Fund Income



The above illustration is for descriptive purposes only and is qualified in its entirety by the description in the actual agreements and by the Fund's prospectus on SEDAR. As at January 1, 2023, SIR Corp. held a 12.54% retained interest in SIR Royalty Limited Partnership.

Board of Trustees

Name & Domicile	Principal Occupation
Stephen Dewis ^{1* 3} Ontario, Canada	Former Partner at Ernst & Young LLP
Michael Fisher ^{1 3} Ontario, Canada	Former Global Head of Trading for Fixed Income, Currencies and Commodities, BMO Capital Markets
Lembit Janes ^{2 3} Ontario, Canada	Former Chief Executive Officer, Janes Family Foods
Sandra Levy ^{2* 3} Ontario, Canada	Chief People Officer, Canadian Olympic Committee
Norm Mayr, <i>Chair</i> ^{1 3} British Columbia, Canada	Corporate Director / Former KPMG Audit Partner
William Rogers ^{2 3} Ontario, Canada	President, The Commercial Capital Corporation
Kim Van Nieuwkoop Ontario, Canada	Senior VP of Human Resources and General Counsel, SIR Corp.

1. Member of Audit Committee
2. Member of Governance Committee
3. Independent
- * Committee Chair

Experienced Management Team with Strong Alignment of Interests



Peter Fowler, CEO

- Director of SIR Corp. since 1992
- CEO since 2004 and the largest shareholder of SIR Corp.
 - Helped create SIR Concepts and continues to focus on Concepts
- CEO of SIR GP Inc.



Paul Bognar, President & COO

- Joined SIR Corp. in 2012
- Head of Marketing, Human Resources, Finance, IT and Purchasing Departments
 - Previous: President of Simmons Canada; various senior positions with Maytag Canada



Jeff Good, CFO

- Joined SIR Corp. in 2000
- Helped launch SIR Royalty Income Fund
 - 25 + years experience in finance and accounting in the restaurant industry
 - CFO of SIR GP Inc.
 - Previous: VP Finance, Oliver Bonacini Hospitality

SIR Corp. has an effective 12.54% interest in the Fund



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Benefits of SIR Corporate Ownership Model



Control

- Ability to implement consistent, best practices across restaurant network
- Coordination of roll-out of new restaurant locations and food & beverage offerings
- Leverage supplier relationships and delivery logistics

Flexibility

- Unlike franchises, business change can be affected without lengthy approvals or negotiations
- Ability to change restaurant design with minimal lead time
- Enables constant menu innovation

Consistency

- Consistent customer experience at all restaurant locations creates superior brand value

Greater control enables rapid implementation of operational and growth initiatives in response to consumer trends and competitive activity

51 Royalty Pooled Restaurants (effective Jan. 1, 2023)



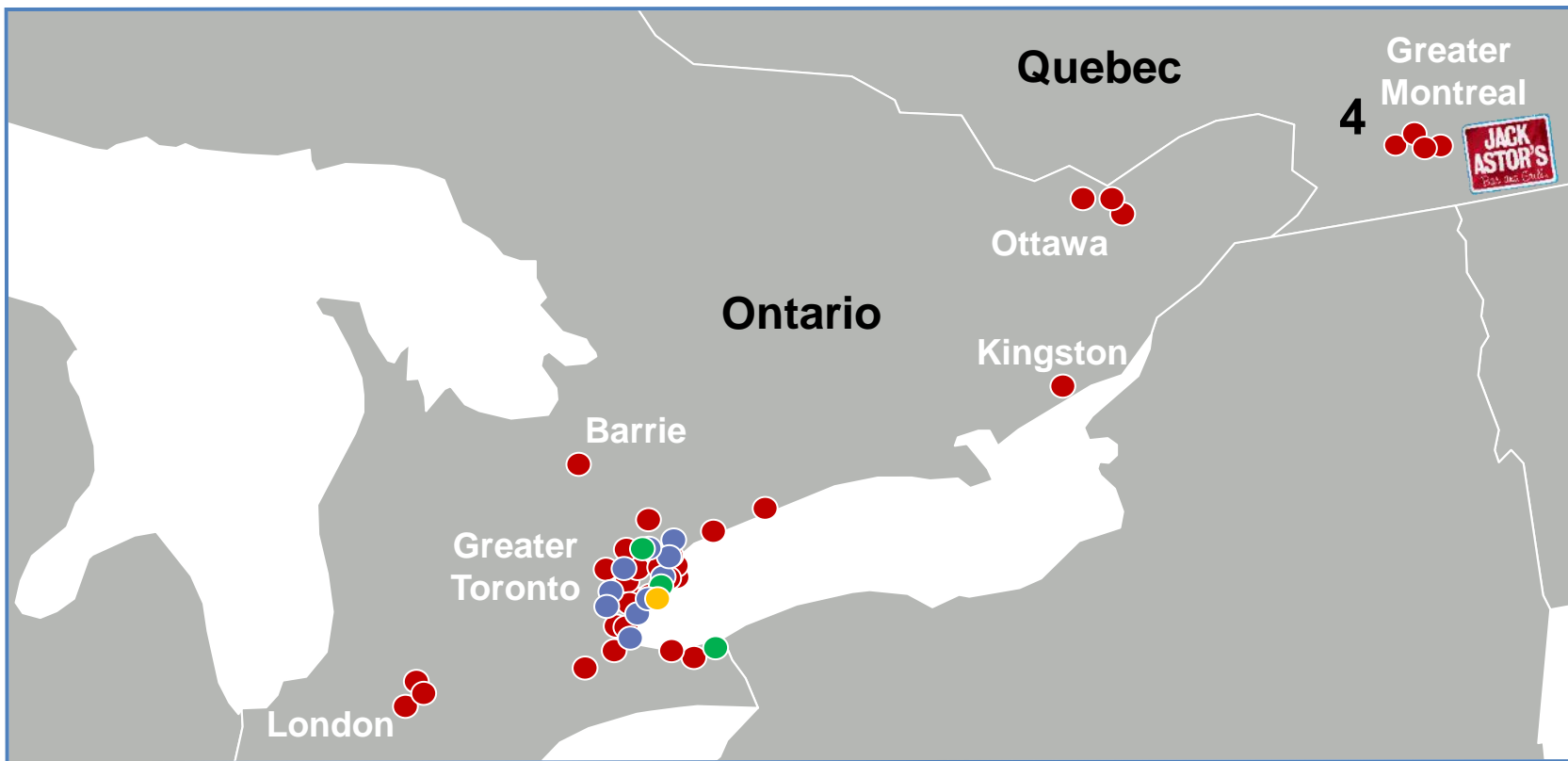
Locations in Ontario:

30 ● JACK ASTOR'S
Bar and Grill

1 ● LOOSE MOOSE
D. 1991

10 ● SCADDABUSH
ITALIAN KITCHEN & BAR

3 ● REDS



New Royalty Pooled Restaurants

- SIR converted its Canyon Creek at the Fallsview Casino Resort into the new **Reds Kitchen + Wine Bar Fallsview** – which was added to Royalty Pooled Restaurants effective January 1, 2023.
- SIR's last remaining Canyon Creek restaurant, located in Etobicoke, closed in May 2022. It was converted into a new **Scaddabush**, which opened in August 2022, and was added to Royalty Pooled Restaurant effective January 1, 2023.
- SIR has a commitment to lease a property in Whitby, Ontario upon which it plans to build a new **Scaddabush** restaurant.



FALLSVIEW
CASINO RESORT
NIAGARA FALLS



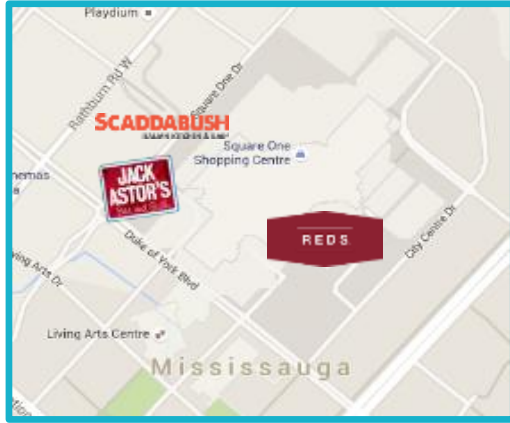
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In Etobicoke, near the Toronto
Pearson International Airport



Continuing to expand successful restaurant brands

Strategic Advantage Brand Diversification



Square One, Mississauga



Scarborough Town Centre



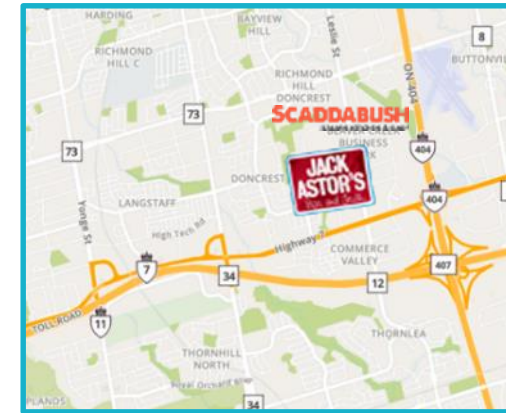
Front Street, Toronto



Sherway Gardens



Vaughan



Richmond Hill


Diverse portfolio of restaurant brands enables SIR to locate more than one restaurant brand at prime, high-traffic locations

Investing in Existing Restaurants

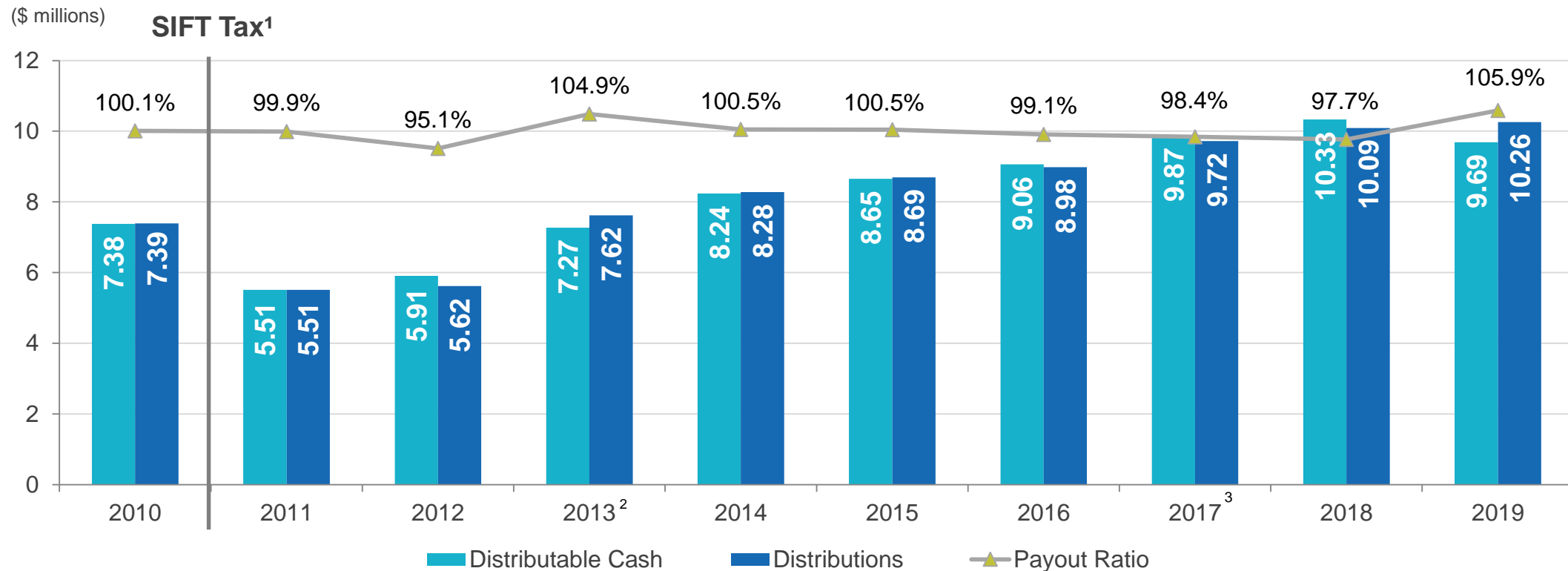


27 *locations renovated since program was initiated in 2016*

5 *locations renovated in 2022, with more planned in 2023*

System-wide  renovation program to implement a refreshing, more contemporary and immersive guest-facing experience was slowed during the pandemic, but SIR is now re-engaged on this key performance-enhancing initiative

Pre-Pandemic Cash Distributions & Payout Ratio



1. The reduction in distributions beginning in 2011 was equal to the estimated SIFT tax payable on the Fund's 2011 income.

2. Cash distributed to unitholders in 2013 includes the special year-end distribution of \$0.05 per unit that was declared in December 2012 and paid on January 11, 2013. The Fund also increased monthly distributions to \$0.095 / unit effective for the June 2013 distribution. The payout ratio was significantly affected by these items.

3. Cash distributed to unitholders in 2017 includes the special year-end distribution of \$0.02 per unit that was declared and paid in December 2017.

The Fund's payout ratio is intended to average 100% per annum over the long term

SIR's Response to Pre-Pandemic Changes in Consumer Behaviour

- Introduction of new and healthier food options
- Rollout of 11 new globally-inspired bowls and salads at Jack Astor's
- Promotional pricing during off-peak periods
- Expanded take-out and delivery offerings
- Launched **"Service-Inspired Rewards"**, a new loyalty program / mobile application to further enhance guest experience
- Heightened focus on staff training and service excellence



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- ✓ GET REWARDED
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- ✓ PAY WITH THE APP
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- ✓ GET FREE DELIVERY
- ✓ EARN UP TO 50% OFF Every 4th Visit

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New initiatives were generating improvement in year-over-year sales prior to the COVID-19 pandemic

COVID-19 Pandemic: 2020 Overview



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- Dine-in operations at all SIR restaurants suspended beginning on March 16, 2020
- SIR had to lay-off most of its hourly employees, many restaurant managers and other support personnel
- Cash distributions to Fund unitholders were suspended effective April 2020
- SIR Limited Partnership deferred the collection of restaurant royalties and the Fund deferred interest on the SIR Loan
- SIR's senior lender approved a series of waivers and amending agreements to credit agreement to provide financial support
- SIR continued to offer takeout and delivery services at certain Jack Astor's, Scaddabush, Signature Group and Canyon Creek locations
- From April 1 to 2020 year-end, sales from the Royalty Pooled restaurants declined by 68% compared to corresponding period in 2019
- SIR was particularly impacted due to its concentration of restaurants in the GTA, which had among the most prohibitive operating restrictions in North America



COVID-19 Pandemic: 2021 - 2022 Overview

- Increased vaccinations and easing of operating restrictions drove increases in Royalty Pooled Revenue and Same Store Sales
- Royalty Pooled Revenue increased **75.8%** in 2022 compared to 2021
- Same Store Sales increased **76.7%** in 2022 compared to 2021
- Most remaining operating restrictions related to COVID-19 lifted in March 2022, including all capacity limits
- SIR strived to maximize outdoor dining revenues through investment in numerous newly built and / or extended and heated patios



COVID-19 Pandemic: Government Support Overview

- SIR was deemed eligible for the federal government's Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") programs, and the Ontario COVID-19 Energy Assistance Program and certain other provincial programs. CEWS and CERS ended in October 2021
 - During the 52-week period ended August 29, 2021, SIR recognized government assistance of \$22.2 million through CEWS, \$5.0 million through CERS, and \$4.2 million through other subsidies
- CEWS and CERS were replaced by the federal government's Tourism and Hospitality Recovery Program ("THRP") and the Canada Recovery Hiring Program ("CRHP") which remained in effect until May 7, 2022
 - During the 52-week period ended August 28, 2022, SIR recognized government assistance of \$12.3 million through CEWS, \$2.1 million through CERS, and \$0.7 million through other subsidies



Amended Credit Agreement and Resumption of Distributions

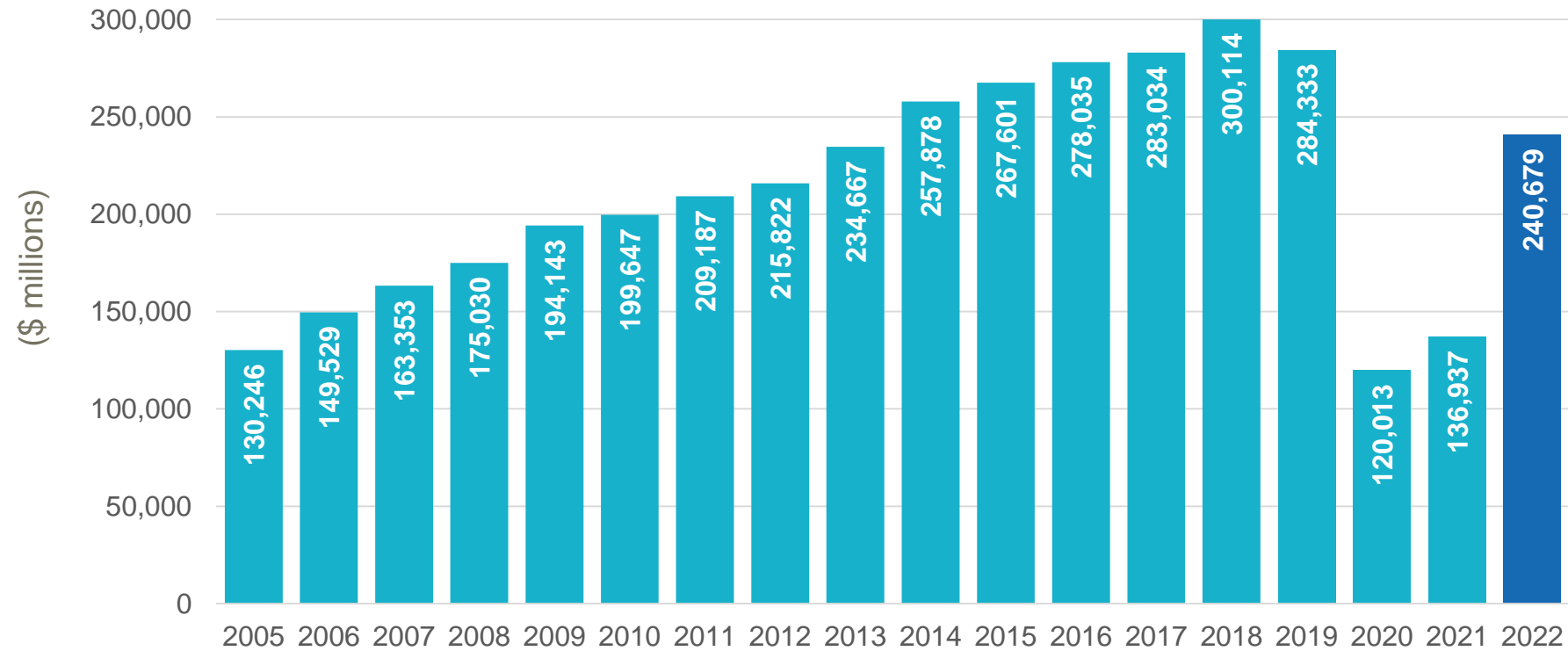
- SIR entered into the “Ninth Amending Agreement” to its Credit Agreement with its senior lender on June 16, 2022
 - Agreement extended maturity date of credit facilities to July 6, 2023, with no change in pricing, and financial covenants reverted to pre-pandemic covenants
- The Fund resumed monthly cash distributions at **\$0.07 / unit** in July 2021
- Monthly distributions increased to **\$0.09 / unit** In September 2021, reflecting the commencement of the repayment of previously deferred royalties and interest on the SIR Loan
- **Special year-end cash distribution of \$0.10 / unit** paid on December 31, 2021, reflecting excess distributable cash available
- SIR made its final scheduled payments of deferred royalties and interest on the SIR Loan on June 15, 2022
- **Special distribution of \$0.135 / unit** paid on July 29, 2022, reflecting excess distributable cash due to the repayment of previously deferred royalties and interest
- Monthly distributions increased to **\$0.095 / unit** in October 2022, reflecting improving performance of Royalty Pooled Restaurants
- **Special year-end cash distribution of \$0.05 / unit** paid on December 30, 2022, reflecting excess distributable cash available



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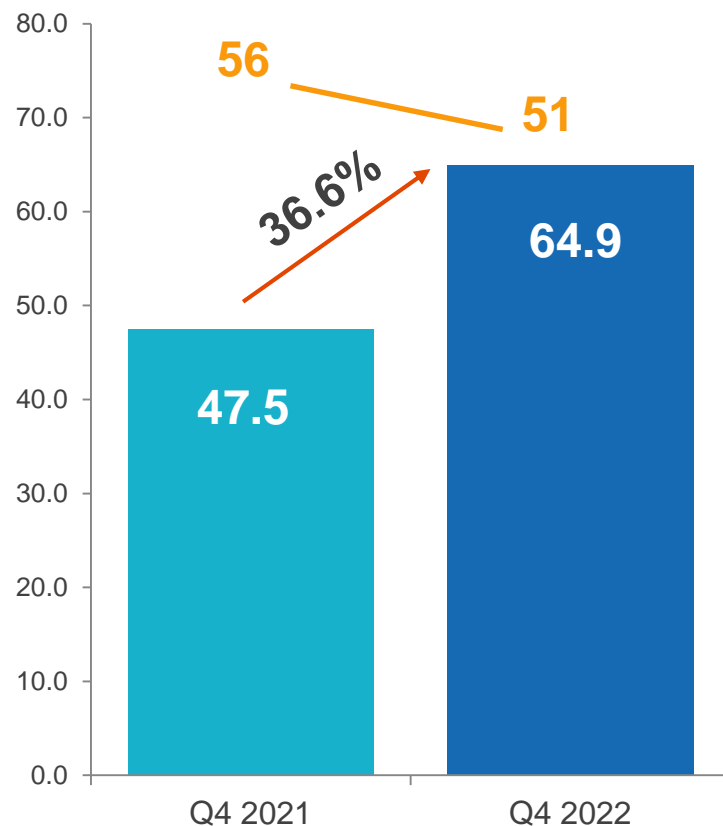
Historical Pooled Revenue



Strong recovery in Pooled Revenue in 2022 following the removal of operating restrictions related to COVID-19

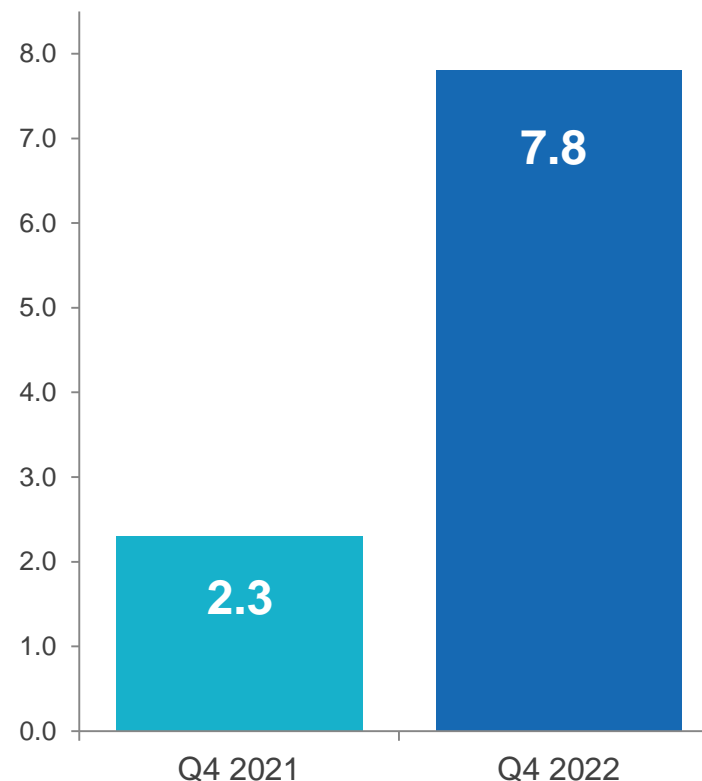
Q4 2022 Financial Review (Three months ended December 31)

Pooled Revenue (\$ millions)



— Restaurants in Royalty Pool

Net Earnings (\$ millions)¹



Q4 2022 Same Store Sales

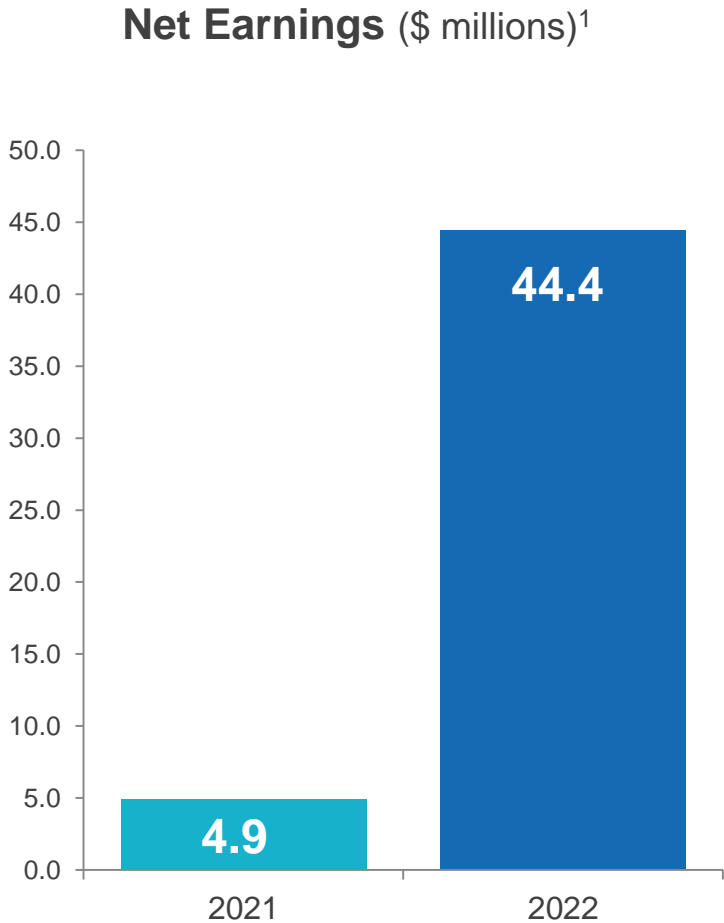
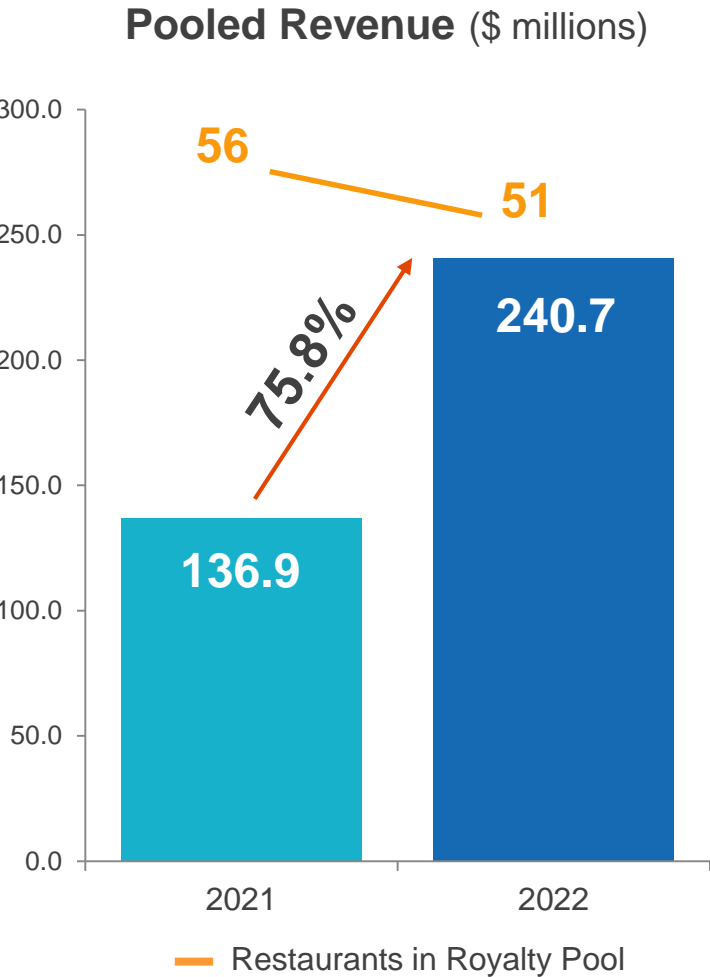
40.0%

155.8% Payout Ratio
Q4 2022²

The Fund's payout ratio since inception in 2004 up to and including Q4 2022 is 100%, which is in line with its long-term target payout ratio

1. Net earnings in Q4 2022 were positively impacted by a \$6.8 million increase in the estimated fair value of the SIR Loan. This increase is related to IFRS 9, which requires the Fund to recognize the SIR Loan at fair value, with changes in the fair value being recorded in the statement of earnings.
2. Payout ratio in Q4 2022 reflects the increase in monthly distributions from \$0.09 per Fund unit to \$0.095 per Fund unit that took effect beginning in October 2022, and the special year-end cash distribution of \$0.05 per Fund unit that was declared and paid in December 2022.

2022 Financial Review



2022 Same Store Sales

↑ 76.7%

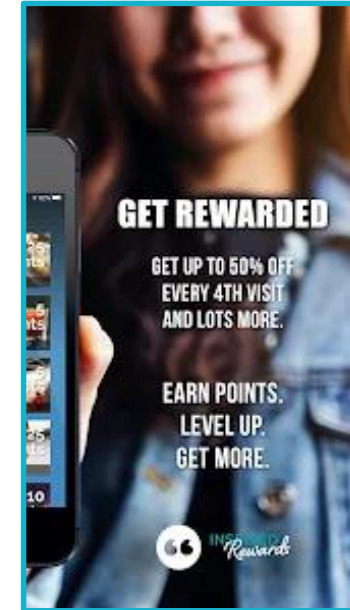
93.4% Payout Ratio
2022

1. Net earnings in 2022 were positively impacted by a \$30.1 million recovery of previous impairments on the Fund’s investment in the SIR Royalty Limited Partnership and other financial assets, and an \$8.0 million increase in the estimated value of the SIR Loan.



Outlook

- SIR remains focused on quality and innovation
- Heightened focus on service training and excellence
- SIR's corporate ownership model enables rapid implementation of performance-enhancing initiatives
- Expanded take-out and delivery offerings, including *Scaddabush Grocer*, *Jack's General Store* and various meal kits
- Renegade Chicken ghost kitchen concept – contributing to Royalty Pool on trial basis
- **“Service-Inspired Rewards”** has become a popular loyalty program further enhancing our guests' experience
- Strong growth in Pooled Revenue and same store sales since March 2022 with absence of COVID-19 operating restrictions
- SIR has resumed its focus on investing in restaurant renovations to further elevate its brands and drive growth
- Two new restaurants added to the Royalty Pool, effective January 1, 2023

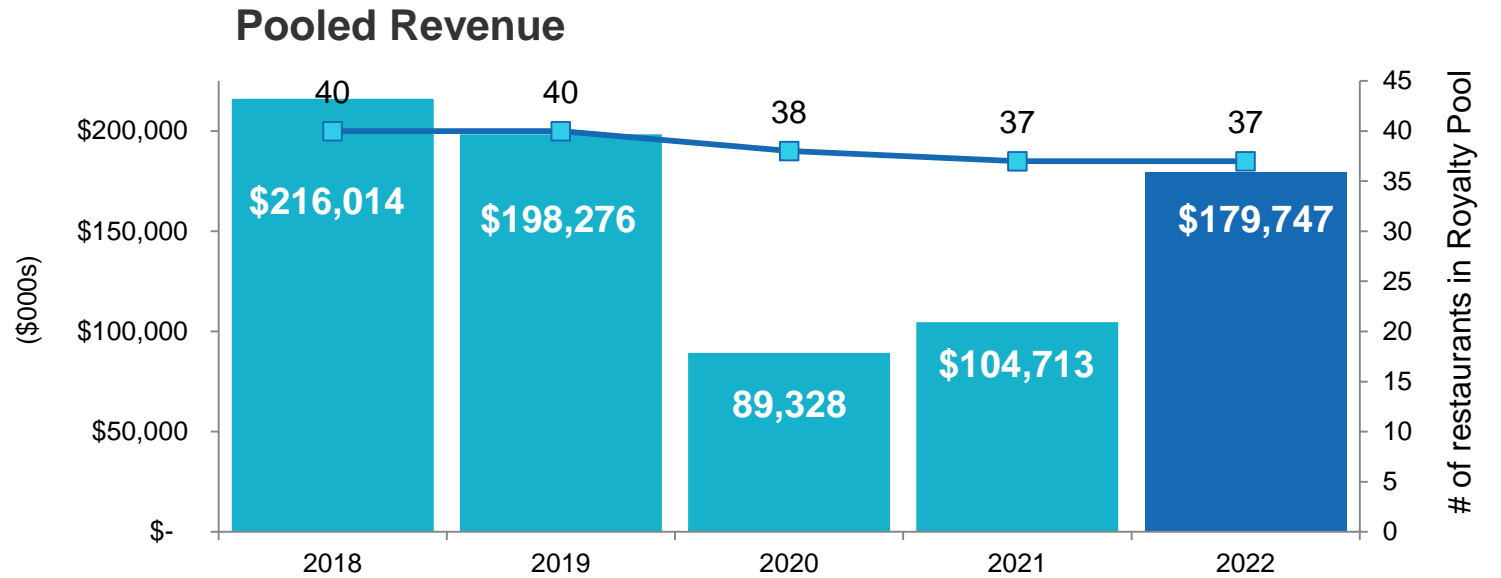


Appendix

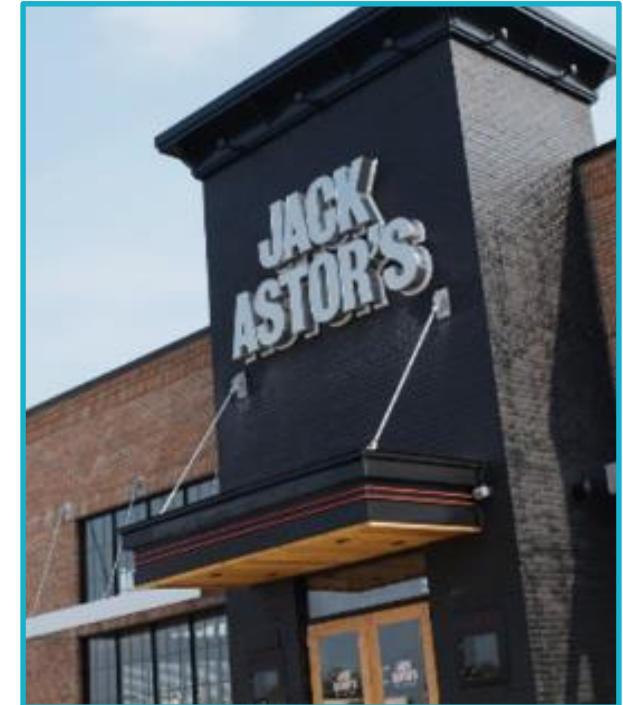
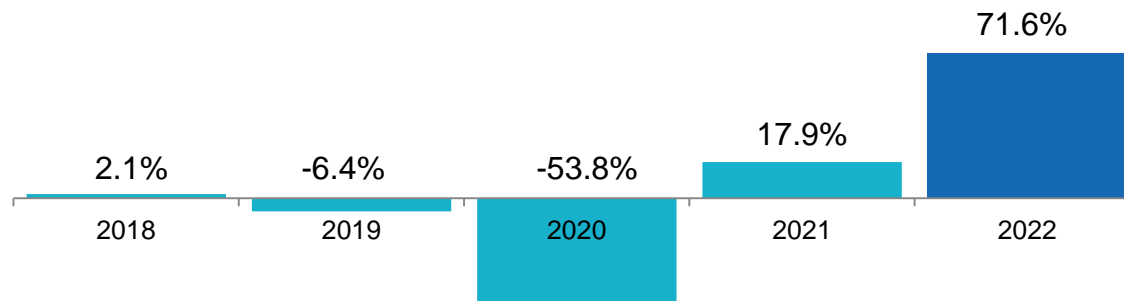




74.7% of Royalty Pooled Revenue in 2022

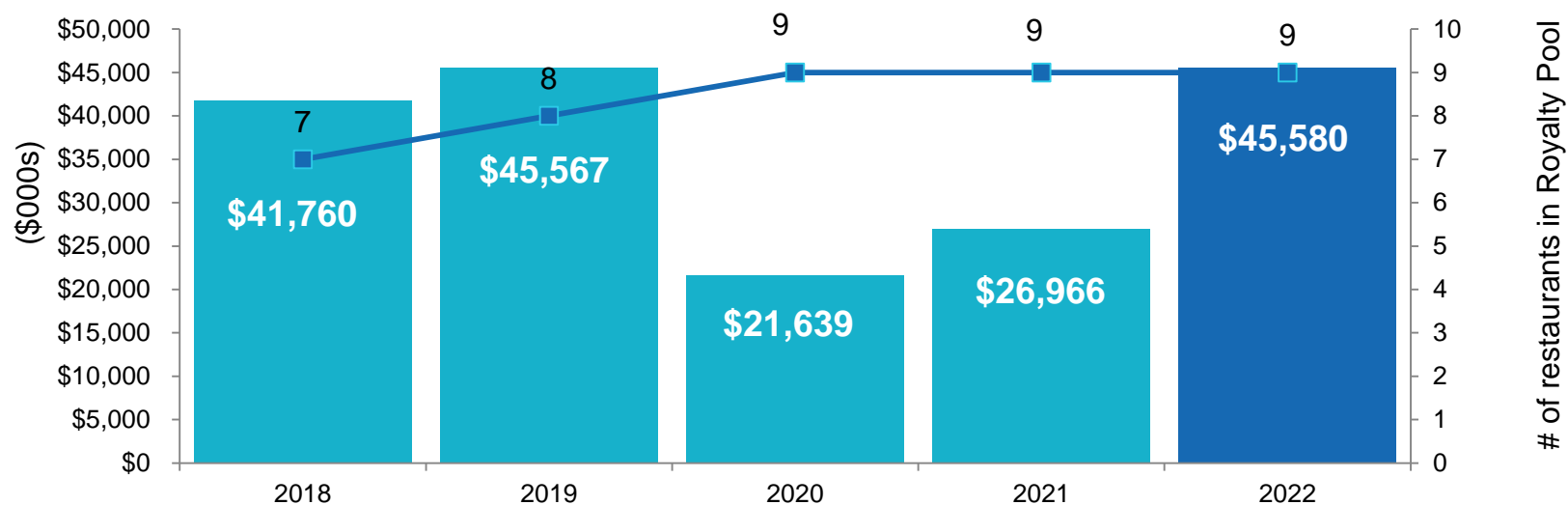


Same Store Sales

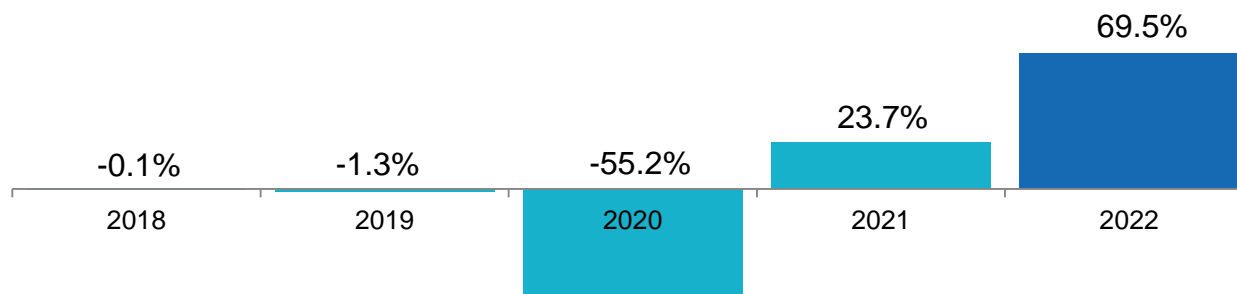


18.9% of Royalty Pooled Revenue in 2022

Pooled Revenue



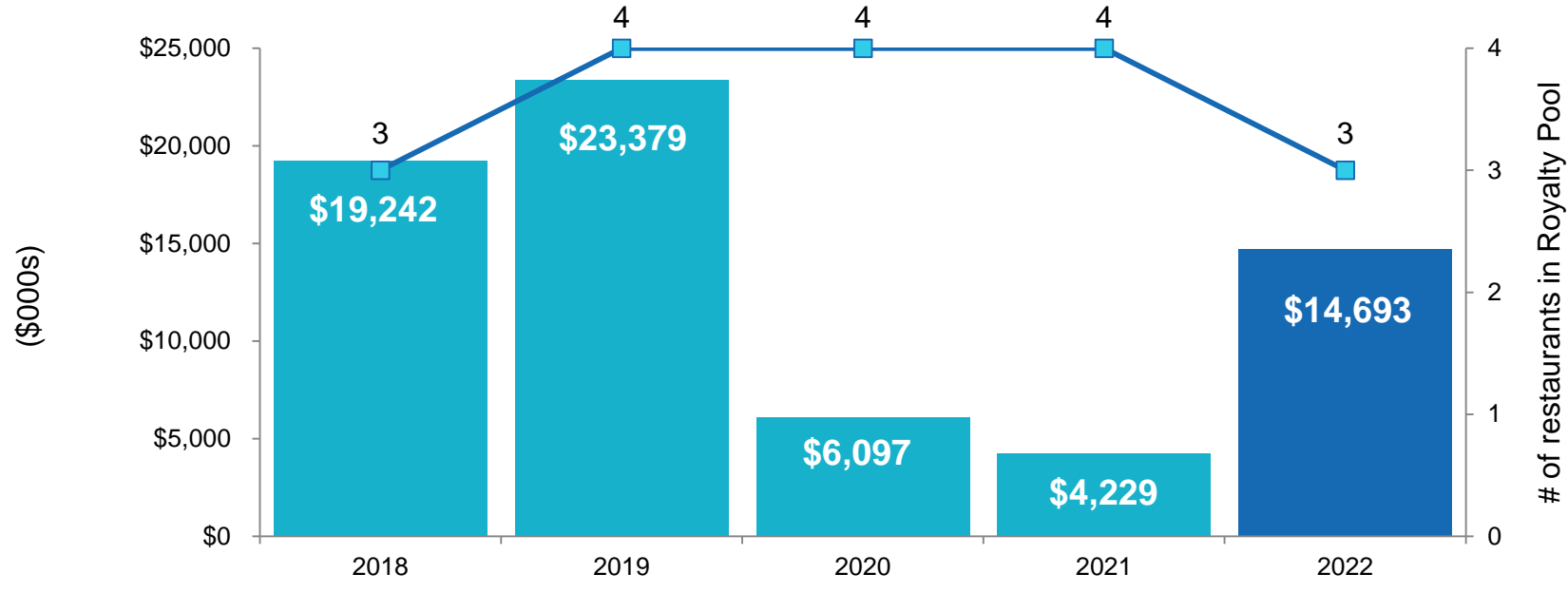
Same Store Sales



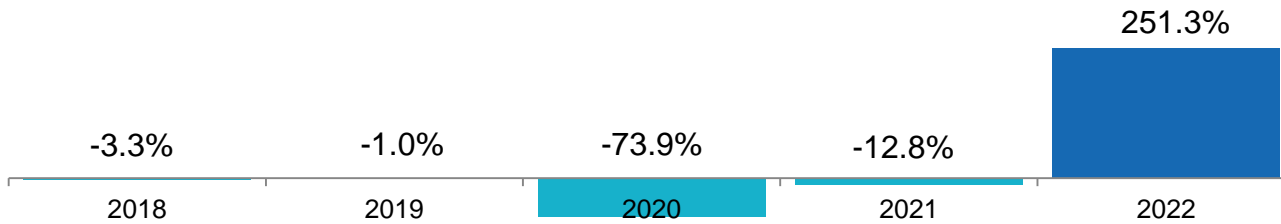


6.1% of Royalty Pooled Revenue in 2022

Pooled Revenue



Same Store Sales



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