SIR CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE 16-WEEK AND 52-WEEK PERIODS ENDED AUGUST 27, 2023

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Executive Summary

SIR Corp.'s ("SIR's") fourth quarter of Fiscal 2023 comprises the 16-week period from May 8, 2023 to August 27, 2023. The following is a summary of operational and financial results for SIR's 16-week and 52-week periods ended August 27, 2023 ("Q4 2023" and "Fiscal 2023", respectively):

Consolidated revenue and Same Store Sales(1) ("SSS"):

- Food and beverage revenue from corporate restaurant operations for Q4 2023 totaled $89.3 million, an increase of 1.6%, or $1.3 million, compared to $88.0 million for the 16-week period ended August 28, 2022 ("Q4 2022"). Food and beverage revenue from corporate restaurant operations for Fiscal 2023 was $271.7 million, an increase of 22.6% or $50.0 million, compared to $221.7 million for the 52-week period ended August 28, 2022 ("Fiscal 2022").
- Consolidated SSS(1) increased by 0.4% and 21.1% for Q4 2023 and Fiscal 2023, respectively.
- SIR's flagship Concept Restaurant brand, Jack Astor's®, which generated approximately 72.1% of Pooled Revenue in Q4 2023, had a SSS(1) decline of 2.2% for Q4 2023 and a SSS(1) increase of 17.9% for Fiscal 2023.
- Scaddabush Italian Kitchen & Bar® ("Scaddabush") had SSS(1) increases of 11.2% and 24.6% for Q4 2023 and Fiscal 2023, respectively.
- The Signature Restaurants had nominal SSS(1) movement in Q4 2023 and an increase of 47.4% for Fiscal 2023.

Investment in new and existing restaurants and closed restaurants

SIR's Management is committed to maximizing the performance of all of its restaurants. SIR believes that investing in restaurant renovations is a key performance-enhancing initiative. In light of current levels of operation, SIR has resumed a program of restaurant renovations and continues to evaluate and implement strategic, new restaurant growth initiatives.

During Fiscal 2023, SIR completed the following eight restaurant renovations:

- The Jack Astor's in Whitby, Ontario was closed for eight days to complete a renovation,
- The Jack Astor's in Barrie, Ontario was closed for 11 days to complete a renovation,
- The Jack Astor's in Brampton, Ontario was closed for nine days to complete a renovation,
- The Jack Astor's in Don Mills, Toronto was closed for five days to complete a renovation,
- The Jack Astor's in Kanata, Ontario was closed for four days to complete a renovation,
- The Jack Astor's in Etobicoke, Ontario was closed for 14 days to complete a renovation,
- The Jack Astor's in Kingston, Ontario was closed for seven days to complete a renovation, and
- The REDs® Square One in Mississauga, Ontario, was closed for four days to complete a renovation.

Subsequent to Fiscal 2023, SIR completed the following six restaurant renovations:

- The Jack Astor's in South London, Ontario was closed for five days to complete a renovation,
- The Jack Astor's in Vaughan, Ontario was closed for 10 days to complete a renovation,
- The Jack Astor's in Newmarket, Ontario was closed for 13 days to complete a renovation,
- The Jack Astor's in Ottawa, Ontario was closed for seven days to complete a renovation,
- The Jack Astor's in Dundas Square, Toronto, was closed for five days to complete a renovation, and
- The Jack Astor's in Scarborough, Ontario was closed for five days to complete a renovation,

As at the date of this report, SIR has commitments to lease four properties in Barrie, London, and Guelph, Ontario and in the Don Mills neighbourhood in Toronto, upon which it plans to build four new Scaddabush restaurants. There can be no assurance at this time that the new Scaddabush restaurants will be opened or will become part of the Royalty Pooled Restaurants.

(1) Same store sales ("SSS"), same store sales growth ("SSSG"), Adjusted Net Earnings (Loss), Earnings before interest, tax, depreciation, and amortization ("EBITDA"), and Adjusted EBITDA are non-GAAP financial measures and do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS"). For additional information regarding these financial measures, including full details on how these financial measures are calculated, see the "Description of Non-IFRS Measures" section of this MD&A (page 20).

SIR's management continues to monitor consumer confidence and economic conditions such as interest rates and consumer spending patterns. Based on the assessment of these conditions and the timing of new restaurant construction, the opening schedules of new restaurants will be reviewed regularly by SIR's management and adjusted as necessary.

Subsequent to Fiscal 2023, on September 1, 2023, SIR opened a new Scaddabush restaurant in Whitby, Ontario. SIR has elected, as is its option, under the License and Royalty Agreement, to treat this location as a New Additional Restaurant. This new Scaddabush restaurant is anticipated to be added to the Royalty Pooled Restaurants on January 1, 2024.

SIR converted its Canyon Creek location at the Fallsview Casino Resort in Niagara Falls, Ontario into the new Reds® Kitchen + Wine Bar Fallsview, which opened on March 31, 2022. This former Canyon Creek location was a Royalty Pooled Restaurant, but it had not been in operation since the onset of the pandemic in mid-March 2020. In accordance with the License and Royalty Agreement between SIR and the SIR Royalty Limited Partnership (the "Partnership"), this former Canyon Creek location was treated as a permanently closed restaurant and the new Reds® Kitchen + Wine Bar Fallsview became a new Royalty Pooled Restaurant effective January 1, 2023.

The last remaining Canyon Creek restaurant, located in Etobicoke, Ontario, in close proximity to the Pearson International Airport, was permanently closed effective May 23, 2022. A new Scaddabush restaurant was opened at this location on August 1, 2022 and became a new Royalty Pooled Restaurant effective January 1, 2023.

SIR began offering Renegade Chicken takeout and delivery services again on a trial basis as of January 27, 2022. The services were initially offered out of 21 Jack Astor's locations in Ontario, with two additional Jack Astor's locations added to the trial as of February 16, 2022. SIR agreed to pay an amount equal to 6% of the revenues earned from the trial to the Partnership. The trial was initially scheduled to continue until March 31, 2022, at SIR's option. Effective March 29, 2022, SIR opted to extend the trial until August 28, 2022, but reduced the number of Jack Astor's locations supporting the trial to eight locations. On August 29, 2022 and on December 15, 2022, respectively, the Trustees of the SIR Royalty Income Fund (the "Fund") approved further extensions of the trial, under the existing terms, until December 31, 2022 and December 31, 2023, respectively. In exchange, SIR will continue to pay 6% of the revenues arising therefrom to the Partnership. The Renegade Chicken brand offers a variety of fried chicken sandwiches, fingers and wings, paired with freshly cut in-house fries, and is capitalizing on the emergence of fried chicken growth brands in the fast casual dining space.

Amendments to SIR's Credit Agreement, payment of royalties and interest on the SIR Loan

For more details regarding the Credit Agreement and all related amendments up until the latest amendment on June 6, 2023, please refer to the Fund and SIR's prior interim and annual filings, which can be found on SEDAR+ at www.sedarplus.ca under the Fund's profile.

On June 6, 2023, SIR and its Lender entered into the Tenth Amending Agreement ("Tenth Amendment") to its Credit Agreement. The Tenth Amendment provides for the following:

- extension of the maturity date from July 6, 2023 to July 6, 2026, with the exception of the guaranteed facility with Export Development Canada (the "EDC-Guaranteed Facility") which has a new maturity date of July 6, 2024,
- reduced interest rates with the exception of the interest rate on the guaranteed facility with Business Development Bank of Canada (the "BDC-Guaranteed Facility"), which remains fixed at 4% per annum, and
- reduction of Banker's acceptance fees on Credit Facility 1 and Credit Facility 2 with Credit Facility 2 reverting to a revolving term facility.

The Tenth Amendment provides SIR with greater certainty and availability of funding over the term of the agreement, enabling SIR to continue to invest in restaurant renovations, new restaurants and other initiatives to help drive growth in revenue and SSS(1).

On June 6, 2023, as part of the Tenth Amendment, the Fund and the Partnership entered into an acknowledgement agreement with the Lender acknowledging, among other things:

- receipt of a copy of the Tenth Amending Agreement, and
- that none of either: entering the agreement, borrowing under the agreement, or performing any of the obligations under the agreement shall breach any of the terms or constitute an event of default under any of the Fund's or the Partnership's existing agreements with the Company.

Net Earnings (Loss) and Comprehensive Income (Loss), Adjusted Net Earnings[(1)], EBITDA[(1)], and Adjusted EBITDA[(1)]

- Net earnings and comprehensive income was $21.4 million for Q4 2023, compared net earnings and comprehensive income of $1.1 million for Q4 2022. Net loss and comprehensive loss was $20.2 million for Fiscal 2023, compared to net loss and comprehensive loss of $49.7 million for Fiscal 2022.
- Adjusted Net Earnings[(1)] were $8.3 million in Q4 2023, compared to $6.3 million in Q4 2022. Adjusted Net Earnings[(1)] were $15.9 million in Fiscal 2023, compared to $15.8 million in Fiscal 2022.
- EBITDA[(1)] and Adjusted EBITDA[(1)] were $17.1 million and $12.5 million in Q4 2023, respectively, compared to $15.3 million and $10.5 million in Q4 2022, respectively.
- EBITDA[(1)] and Adjusted EBITDA[(1)] were $45.0 million and $30.2 million in Fiscal 2023, respectively, compared to $45.8 million and $30.1 million in Fiscal 2022, respectively.

Dismissal of appeal to Business Interruption claim

SIR's insurer has denied any business interruption claims due to COVID-19 related operating restrictions or closures. However, SIR pursued a Business Interruption claim due to Civil Authority orders against its insurer by way of Notice of Application in the Ontario Superior Court. On January 10, 2023, the application was dismissed. SIR filed an appeal, which was heard on May 24, 2023 in the Ontario Court of Appeal ("ONCA"). The ONCA overturned the original decision and reviewed the application anew. On November 22, 2023, the application was dismissed.

Overview

SIR is a private company amalgamated under the Business Corporations Act of Ontario. As at August 27, 2023, SIR owned 53 Concept and Signature Restaurants in Canada (in Ontario, Quebec, Nova Scotia, and Newfoundland). The Concept Restaurants include Jack Astor's and Scaddabush. The Signature Restaurants are Reds® Wine Tavern, Reds® Square One, Reds Kitchen + Wine Bar Fallsview, Duke's Refresher and Bar™ ("Duke's Refresher") and the Loose Moose® Tap and Grill. SIR also owns one seasonal restaurant, Abbey's Bakehouse® ("Abbey's Bakehouse"), which along with the one Duke's Refresher in downtown Toronto, are not part of the Royalty Pooled Restaurants. SIR owns 100% of all of its Canadian restaurants. As at August 27, 2023, 51 SIR Restaurants were included in Royalty Pooled Restaurants.

On September 26, 2019, SIR opened a new Duke's Refresher in the St. Lawrence Market neighborhood of downtown Toronto. SIR believes that Duke's Refresher has multi-unit growth potential and has advised the Fund that Duke's Refresher should be considered as a potential New Concept Restaurant brand. As such, the earliest that any Duke's Refresher would be added to the Royalty pool would be the Adjustment Date following the earlier of: (i) the date that four Duke's Refresher restaurants are open for business at the same time, and (ii) 90 days following the end of the fiscal year in which revenues from all Duke's Refresher restaurants in Canada first exceed $12.0 million (the "Trigger Event"). As neither of these events have occurred, this restaurant was not added to the Royalty Pool on January 1, 2023. The Duke's Refresher brand is currently being managed and developed by SIR's Signature group.

On October 1, 2004, the Fund filed a final prospectus for a public offering of Units of the Fund (the "Offering") and the Offering closed on October 12, 2004. The net proceeds of the Offering of $51.2 million were used by the Fund to acquire the SIR Loan and indirectly, through the SIR Holdings Trust (the "Trust"), the SIR Rights owned or licensed by SIR or its subsidiaries and used in connection with the operation of SIR's restaurants in Canada. In 2004, the Partnership granted SIR a 99-year license to use the SIR Rights in most of Canada in consideration for a Royalty, payable by SIR to the Partnership, equal to 6% of the revenue of the Royalty Pooled Restaurants. The Partnership also issued its own securities to SIR in return for the SIR Rights acquired.

SIR's fiscal year is comprised of 52 or 53-week periods ending on the last Sunday in August. Fiscal quarters of SIR consist of sequential accounting periods of 12, 12, 12 and 16 (or 17) weeks, respectively. The fiscal years for both 2023 and 2022 consist of 52 weeks.

Seasonality

The full-service restaurant sector of the Canadian foodservice industry, in which SIR operates, experiences seasonal fluctuations in revenues. Favourable summer weather generally results in increased revenues during SIR's fourth quarter (ending on the last Sunday in August) when patios can be open. Additionally, certain holidays and observances also affect guest dining patterns both favourably and unfavourably.

Selected Consolidated Historical Financial Information

The following tables set out selected financial information of SIR for the 16-week and 52-week periods ended August 27, 2023 and August 28, 2022, respectively. The audited consolidated financial statements of SIR are prepared in accordance with IFRS and are presented in Canadian dollars. This information should be read in conjunction with the annual audited consolidated financial statements of SIR, including the notes thereto.

Statements of Operations and Comprehensive Loss	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022
	(in thousands of dollars) (audited)			
Corporate restaurant operations:				
Revenue	89,456	88,055	272,111	221,996
Cost of corporate restaurant operations	74,763	74,036	231,191	182,910
Earnings from corporate restaurant operations	**14,693**	**14,019**	**40,920**	**39,086**
Net earnings and comprehensive income (loss)	**21,356**	**1,089**	**(20,191)**	**(49,663)**
Adjusted Net Earnings(1)	**8,251**	**6,315**	**15,943**	**15,778**

Statement of Financial Position	August 27, 2023	August 28, 2022
	(in thousands of dollars) (audited)	
Total assets	125,964	126,070
Total non-current liabilities	252,736	218,161

Adjusted Net Earnings (Loss)(1), EBITDA(1) and Adjusted EBITDA(1)

Adjusted Net Earnings (Loss)(1), EBITDA(1) and Adjusted EBITDA(1) are financial measures that do not have standardized meanings prescribed by IFRS. They are used by SIR to supplement its reporting of net earnings (loss) and net cash flow. Adjusted Net Earnings (Loss)(1) consist of net earnings (loss) excluding the change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership. EBITDA(1) and Adjusted EBITDA(1) consist of net earnings (loss) excluding certain non-cash expenses and other expenses that SIR considers not to be of an operating nature. SIR believes that Adjusted Net Earnings (Loss)(1), EBITDA(1) and Adjusted EBITDA(1) are useful measures of the core business' contribution to cash flow from operations and uses these measures as a supplemental measure of SIR's performance. Similarly, SIR believes that certain investors may also find these non-GAAP financial measures to be useful for their independent evaluation of SIR's performance.

The following table reconciles net earnings (loss) and comprehensive income (loss) for the 16-week and 52-week periods ended August 27, 2023 and August 28, 2022, respectively, to Adjusted Net Earnings(1):

	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022
	(in thousands of dollars) (audited)			
Net earnings (loss) and comprehensive income (loss) for the period	21,356	1,089	(20,191)	(49,663)
Change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership	(13,105)	5,226	36,134	65,441
Adjusted Net Earnings(1)	**8,251**	**6,315**	**15,943**	**15,778**

The following table reconciles net earnings (loss) and comprehensive income (loss) for the 16-week and 52-week periods ended August 27, 2023 and August 28, 2022 to EBITDA[1] and Adjusted EBITDA[1]:

	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022
	(in thousands of dollars) (audited)			
Net earnings (loss) and comprehensive income (loss) for the period	21,356	1,089	(20,191)	(49,663)
Add (deduct):				
Interest expense	730	686	2,344	2,127
Interest on lease obligations	1,094	1,104	4,245	4,622
Interest on loan payable to SIR Royalty Income Fund	919	918	3,051	3,048
Depreciation and amortization	6,136	6,276	19,394	20,181
Change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership	(13,105)	5,226	36,134	65,441
EBITDA[1]	**17,130**	**15,299**	**44,977**	**45,756**
Interest (income) and other (income) expense – net	(128)	277	(228)	268
Recovery of impairment of financial assets	(35)	(772)	(22)	(1,652)
(Gain) loss on disposal of property and equipment	78	121	644	155
Cash rent	(5,052)	(4,949)	(15,886)	(15,303)
Preopening costs	552	541	672	830
Adjusted EBITDA[1]	**12,545**	**10,517**	**30,157**	**30,054**
Income from Class A & B GP Units of the Partnership[2] (Not included in EBITDA[1] and Adjusted EBITDA[1] above)	627	771	1,948	2,183
6% Royalty obligations under License and Royalty Agreement[3]	5,283	5,162	15,947	13,076

(2) *Includes the special conversion distribution paid to Class B GP Unitholders or the special conversion refund to Class A GP Unitholders declared in December of each year, if any.*

(3) *See the SIR Royalty Income Fund section of this document for the Royalty calculation. Pooled Revenue includes revenue from all restaurants included in Royalty Pooled Restaurants. On January 1st of each year, New Additional Restaurants are added and New Closed Restaurants are removed from Royalty Pooled Restaurants. Royalty obligations equal 6% of Pooled Revenue plus any Make-Whole Payments.*

Results of Operations

Reconciliation of Revenue from Consolidated Financial Statements to Pooled Revenue	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022
	(in thousands of dollars) (audited)			
Food and beverage revenue reported in consolidated financial statements	89,346	87,957	271,717	221,711
Less: Revenue from corporate restaurant operations excluded from the Royalty pool	(1,289)	(1,883)	(5,930)	(3,730)
Revenue for Restaurants in Royalty pool (Pooled Revenue)	**88,057**	**86,074**	**265,787**	**217,981**

Reconciliation of Revenue from Consolidated Financial Statements to Same Store Sales[(1)]	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022
	(in thousands of dollars) (audited)			
Food and beverage revenue reported in consolidated financial statements	89,346	87,957	271,717	221,711
Less: Revenue from corporate restaurant operations excluded from Same Store Sales[(1)]	(2,093)	(1,041)	(6,237)	(2,544)
Same Store Sales[(1)]	**87,253**	**86,916**	**265,480**	**219,167**

Same Store Sales[(1)] by Brand	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	% Fav./ (Unfav.)	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022	% Fav./ (Unfav.)
	(in thousands of dollars) (audited)					
Jack Astor's	63,528	64,986	(2.2)%	192,626	163,313	17.9%
Scaddabush	17,787	15,991	11.2%	51,915	41,653	24.6%
Signature Restaurants	5,938	5,939	(0.0)%	20,939	14,201	47.4%
Same Store Sales[(1)]	**87,253**	**86,916**	**0.4%**	**265,480**	**219,167**	**21.1%**

Disaggregated food and beverage revenue by Concept	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022
	(in thousands of dollars) (audited)			
Jack Astor's	63,528	64,986	192,626	163,313
Scaddabush	18,914	16,239	55,770	41,901
Canyon Creek	-	75	-	1,337
Signature Restaurants	6,849	6,657	23,265	15,160
Corporate	55	-	56	-
	89,346	**87,957**	**271,717**	**221,711**

Summary of Quarterly Results

Statement of Operations	4th Quarter Ended August 27, 2023 (16 weeks)	3rd Quarter Ended May 7, 2023 (12 weeks)	2nd Quarter Ended February 12, 2023 (12 weeks)	1st Quarter Ended November 20, 2022 (12 weeks)	4th Quarter Ended August 28, 2022 (16 weeks)	3rd Quarter Ended May 8, 2022 (12 weeks)	2nd Quarter Ended February 13, 2022 (12 weeks)	1st Quarter Ended November 21, 2021 (12 weeks)
				(in thousands of dollars) (audited)				
Corporate Restaurant Operations								
Revenue	89,456	62,190	60,150	60,315	88,055	56,599	31,656	45,686
Cost of corporate restaurant operations	74,763	51,302	52,753	52,373	74,036	42,835	25,891	40,148
Earnings from corporate restaurant operations	**14,693**	**10,888**	**7,397**	**7,942**	**14,019**	**13,764**	**5,765**	**5,538**
Net earnings (loss) and comprehensive income (loss)	**21,356**	**(2,022)**	**(21,166)**	**(18,359)**	**1,089**	**(1,581)**	**1,627**	**(50,798)**
Adjusted Net Earnings(1)	**8,251**	**4,669**	**674**	**2,349**	**6,315**	**7,817**	**1,135**	**511**

The following table reconciles net earnings (loss) and comprehensive income (loss) for the quarters to Adjusted Net Earnings(1):

	4th Quarter Ended August 27, 2023 (16 weeks)	3rd Quarter Ended May 7, 2023 (12 weeks)	2nd Quarter Ended February 12, 2023 (12 weeks)	1st Quarter Ended November 20, 2022 (12 weeks)	4th Quarter Ended August 28, 2022 (16 weeks)	3rd Quarter Ended May 8, 2022 (12 weeks)	2nd Quarter Ended February 13, 2022 (12 weeks)	1st Quarter Ended November 21, 2021 (12 weeks)
				(in thousands of dollars) (audited)				
Net earnings (loss) and comprehensive income (loss)	21,356	(2,022)	(21,166)	(18,359)	1,089	(1,581)	1,627	(50,798)
Change in amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership	(13,105)	6,691	21,840	20,708	5,226	9,398	(492)	51,309
Adjusted Net Earnings(1)	**8,251**	**4,669**	**674**	**2,349**	**6,315**	**7,817**	**1,135**	**511**

Selected Consolidated Statement of Cash Flows Information:

	4th Quarter Ended August 27, 2023 (16 weeks)	3rd Quarter Ended May 7, 2023 (12 weeks)	2nd Quarter Ended February 12, 2023 (12 weeks)	1st Quarter Ended November 20, 2022 (12 weeks)	4th Quarter Ended August 28, 2022 (16 weeks)	3rd Quarter Ended May 8, 2022 (12 weeks)	2nd Quarter Ended February 13, 2022 (12 weeks)	1st Quarter Ended November 21, 2021 (12 weeks)
				(in thousands of dollars) (audited)				
Cash provided by (used in) operations	16,584	12,353	3,017	3,987	18,099	22,724	(4,741)	2,853
Cash used in investing activities	(4,471)	(1,491)	(2,769)	(1,352)	(2,755)	(1,067)	(1,195)	(801)
Cash (used in) provided by financing activities	(6,322)	(11,193)	(1,894)	(6,350)	(10,316)	(20,252)	5,368	(9,391)
Increase (decrease) in cash and cash equivalents during the period	5,791	(331)	(1,646)	(3,715)	5,028	1,405	(568)	(7,339)
Cash and cash equivalents – Beginning of period	2,440	2,771	4,417	8,132	3,104	1,699	2,267	9,606
Cash and cash equivalents – End of period	8,231	2,440	2,771	4,417	8,132	3,104	1,699	2,267

Revenue

There are a number of references to different revenue groupings used in the consolidated financial statements, the notes to the consolidated financial statements and this Management Discussion & Analysis. The following definitions are provided for greater clarification of these groupings:

i. Revenue (per the SIR consolidated statements of operations and comprehensive loss) – this is the total consolidated revenue of all SIR restaurants for the period, as well as Abbey's Bakehouse. For the 16-week and 52-week periods ended August 27, 2023, revenue was $89.5 million and $272.1 million, respectively.

ii. Same Store Sales[(1)] ("SSS") – this is a subset of revenue used for tracking comparable year-over-year sales. For Q4 2023 and Q4 2022, SSS[(1)] includes all SIR restaurants, except for those restaurants that were not open for the entire comparable periods in Fiscal 2023 and Fiscal 2022, and Abbey's Bakehouse, as it is a seasonal restaurant. The SSS[(1)] performance does not include any Canyon Creek locations as these have been permanently closed. The new Scaddabush in Etobicoke, Ontario and the new Reds Kitchen + Wine Bar Fallsview in Niagara Falls, Ontario are also not included since they were not open for both comparable periods in Fiscal 2023 and Fiscal 2022. For the 16-week and 52-week periods ended August 27, 2023, SSS[(1)] were $87.3 million and $265.5 million, respectively.

iii. Pooled Revenue – this is the revenue subject to the License and Royalty Agreement – this includes revenue from all Royalty Pooled Restaurants. The Royalty Pooled Restaurants are adjusted on January 1st of each year for New Additional Restaurants and New Closed Restaurants. As at August 27, 2023, there were 51 Royalty Pooled Restaurants. For the 16-week and 52-week periods ended August 27, 2023, Pooled Revenue was $88.1 million and $265.8 million, respectively. The applicable Royalty payable to the Partnership on the Pooled Revenue for Q4 2023 and Fiscal 2023 was $5.3 million and $15.9 million, respectively.

Same Store Sales[(1)]

SIR continues to innovate and provide immersive new product and service offerings to increase dine-in guest visits to its restaurants and to capitalize on the rapid growth of take-out and delivery services in commercial foodservice.

SIR generated overall SSS[(1)] increases of 0.4% and 21.1% for Q4 2023 and Fiscal 2023, respectively. SSS[(1)] are typically impacted by changes in guest traffic and average cheque amount. The SSS[(1)] increase in Q4 2023 was primarily attributable to price increases across SIR's restaurant network and the strong performance of Scaddabush, partially offset by lower guest counts at Jack Astor's and the Signature restaurants**.** The increase in SSS[(1)] for Fiscal 2023 was primarily attributable to SIR's return to a more normalized operating environment following the cessation of all pandemic-related operating restrictions in March 2022.

Jack Astor's, SIR's flagship Concept Restaurant brand, which contributed approximately 72.1% of Q4 2023 Pooled Revenue, had a SSS[(1)] decline of 2.2% for Q4 2023 and a SSS[(1)] increase of 17.9% for Fiscal 2023. All 37 Jack Astor's locations are included in the calculation of SSS[(1)] performance for Q4 2023 and Fiscal 2023. The temporary closures of several Jack Astor's locations throughout Fiscal 2023 for a total of 62 days to complete renovations had a negative impact on SSS[(1)] during the year (refer to the "Investment in new and existing restaurants and closed restaurants" section for a description of all locations renovated). Management believes the decline in SSS[(1)] for Q4 2023 was primarily attributable to lower guest counts due to macroeconomic factors such as inflation and increased interest rates and their impact on discretionary consumer spending, partially offset by increased pricing.

Scaddabush SSS[(1)] performance for Q4 2023 and Fiscal 2023 includes nine Scaddabush locations (Mississauga, Richmond Hill, Scarborough, Burlington, Oakville and Vaughan, and two locations in Etobicoke, Ontario, as well as the Front Street location in downtown Toronto). Scaddabush had SSS[(1)] increases of 11.2% and 24.6% for Q4 2023 and Fiscal 2023, respectively, reflecting the continued popularity of this brand and increased pricing.

The Signature Restaurants SSS[(1)] performance for Q4 2023 and Fiscal 2023 includes four restaurants (Reds Wine Tavern, Reds Square One, Duke's Refresher and the Loose Moose Tap + Grill). The Signature Restaurants had a nominal SSS[(1)] movement in Q4 2023 and an increase of 47.4% for Fiscal 2023. The nominal decline during the quarter was primarily attributable to lower guest counts, as discussed above, and a temporary closure of the Reds location in the Square One Shopping Centre in Mississauga, Ontario for four days during Q4 2023, partially offset by increased pricing.

Cost of Corporate Restaurant Operations

Cost of corporate restaurant operations totaled $74.8 million, or 83.6% of revenue, in Q4 2023, and $231.2 million, or 85.0% of revenue, for Fiscal 2023, compared to $74.0 million, or 84.1% of revenue, in Q4 2022, and $182.9 million, or 82.4% of revenue, for Fiscal 2022. The increase in cost of corporate restaurant operations in Fiscal 2023 reflects higher business input costs and significant increases in costs of food and beverage supplies. It also reflects $0.3 million of impairment losses recorded on property and equipment and $0.3 million of impairment losses on right-of-use assets during the year. SIR also did not receive any pandemic-related government subsidies during Fiscal 2023, compared to the corresponding periods a year ago, when the Company recognized significant amounts of government subsidies as a reduction to costs of corporate restaurant operations, as described below.

During Fiscal 2022, SIR recognized government assistance through the Canada Emergency Wage Subsidy ("CEWS") and/or the Canada Recovery Hiring Program ("CRHP") of $12.3 million. SIR also recognized government assistance through the Canada Emergency Rent Subsidy ("CERS") of $2.1 million in Fiscal 2022. SIR recognized a further $0.8 million in other subsidies during Fiscal 2022. Of these amounts, $14.7 million was recognized as a reduction to costs of corporate restaurant operations in Fiscal 2022 and $0.5 million was recognized as a reduction to corporate costs in Fiscal 2022. These programs ended on May 7, 2022.

Corporate Costs

Corporate costs were $3.8 million and $15.6 million for Q4 2023 and Fiscal 2023, respectively, compared to $4.7 million and $13.2 million for Q4 2022 and Fiscal 2022, respectively. In light of current macroeconomic factors and rising input costs (see Outlook section on page 20), SIR invested in new business processes and cost optimization which increased corporate costs for Fiscal 2023.

Interest Expense

Interest expense for Q4 2023 and Fiscal 2023 was $0.7 million and $2.3 million, respectively, compared to $0.7 million and $2.1 million for Q4 2022 and Fiscal 2022, respectively.

SIR Loan, Fund's Interest in the Partnership & Change in Amortized Cost of Ordinary LP and Class A LP Units

On October 12, 2004, the Fund completed its initial public offering and used the proceeds to acquire the SIR Loan and invest in the Ordinary LP Units of the Partnership. The Fund has also acquired Class A LP Units upon SIR's conversion of its Class A GP Units into Fund units (see the Liquidity and Capital Resources section). In accordance with IFRS, SIR has consolidated the Partnership. The Ordinary LP Units and Class A LP Units of the Partnership, which are held by the Fund, require SIR to pay distributions to the Fund when declared by the board of directors of SIR GP Inc. SIR GP Inc. is controlled by the Fund and, accordingly, SIR is unable to control the declaration of these distributions. As a result, the Ordinary LP Units and Class A LP Units of the Partnership have been classified as a financial liability in the consolidated statements of financial position. The Ordinary LP Units and Class A LP Units were initially recorded at fair value and subsequently at amortized cost, which requires updating the carrying amount of the financial liability to reflect actual and revised estimates in cash flows. The changes in the estimated cash flows are derived from changes in the value of the underlying Fund units adjusted for taxes and the SIR Loan.

Changes in amortized cost are recognized in the consolidated statements of operations and comprehensive loss. The change in the amortized cost is a non-cash transaction and accordingly, has no impact on cash flows. For Q4 2023 and Fiscal 2023, the change in amortized cost resulted in an (income) expense of $(13.1) million and $36.1 million, respectively, reflecting a (decrease) increase in the underlying Fund unit price compared to the end of Q3 2023 and Fiscal 2022, respectively. For Q4 2022 and Fiscal 2022, the change in amortized cost resulted in an expense of $5.2 million and $65.4 million, respectively, reflecting an increase in the underlying Fund unit price compared to the end of Q3 2022 and Fiscal 2021, respectively.

Interest on the SIR Loan totaled $0.9 million and $3.0 million for Q4 2023 and Fiscal 2023, respectively, compared to $0.9 million and $3.0 million for Q4 2022 and Fiscal 2022, respectively.

EBITDA[(1)] and Adjusted EBITDA[(1)]

EBITDA[(1)] totaled $17.1 million and $45.0 million for Q4 2023 and Fiscal 2023, respectively, compared to $15.3 million and $45.8 million for Q4 2022 and Fiscal 2022, respectively. The increase in Q4 2023 was primarily attributable to changes in the amortized cost of ordinary LP and Class A LP units which is based on the underlying Fund unit price, partially offset by increased sales.

Adjusted EBITDA[(1)] totaled $12.5 million and $30.2 million for Q4 2023 and Fiscal 2023, respectively, compared to $10.5 million and $30.1 million for Q4 2022 and Fiscal 2022, respectively. (See Selected Consolidated Historical Financial Information – Reconciliation of net loss and comprehensive loss for the period to EBITDA[(1)] and Adjusted EBITDA[(1)]).

SIR Royalty Income Fund

The following is a summary of the accounting implications of the SIR Loan and the Fund's interest in the Partnership:

(a) SIR Loan

The $40.0 million SIR Loan is payable to the Fund, bears interest at 7.5% per annum, and is due October 12, 2044. On July 6, 2015, SIR, the Fund and the Partnership entered into an Interlender Agreement to subordinate and postpone their claims against SIR in favour of the lender. The Fund and the Partnership have not guaranteed the current credit facility (see Liquidity and Capital Resources section).

The debt is "permitted indebtedness" within the meaning of the agreements between the Fund, the Partnership and SIR, and as a result the Fund and the Partnership have, as contemplated in the existing agreements, subordinated and postponed their claims against SIR to the claims of the lender. This subordination, which includes a subordination of the Partnership's rights under the License and Royalty Agreement between the Partnership and SIR whereby the Partnership licenses to SIR the right to use the trademarks and related intellectual property in return for Royalty payments based on revenues, has been effected pursuant to the terms of the Intercreditor Agreement.

Under the Intercreditor Agreement, absent any default or event of default under the Credit Agreement, ordinary payments to the Fund and the Partnership can continue and the Partnership can exercise any and all of its rights to preserve the trademarks and related intellectual property governed by the License and Royalty Agreement. However, if a default or an event of default were to occur, the Fund and the Partnership agree not to take actions on their security until the lender has been repaid in full. However, payments by SIR, to the Fund and the Partnership, will be permitted for such amounts as are required to fund their monthly operating expenses, up to an annual limit. In addition, the Fund, the Partnership and SIR will have the right, acting cooperatively, to reduce payments of Royalties and/or interest on the SIR Loan by up to 50% without triggering a cross default under the Credit Agreement, for a period of up to nine consecutive months. SIR and each obligor provided an undertaking to cooperate and explore all options with the Fund to maximize value to the Fund's unitholders and SIR and its shareholders in exchange for the Subordinating Parties not demanding repayment or enforcing security as a result of any such Related Party Obligation Default. The Intercreditor Agreement also contains various other typical covenants of the Fund and the Partnership.

Interest expense on the SIR Loan was charged to the consolidated statements of operations and comprehensive loss in the amounts of $0.9 million and $3.0 million for Q4 2023 and Fiscal 2023, respectively, and $0.9 million and $3.0 million for Q4 2022 and Fiscal 2022, respectively.

SIR has the right to require the Fund to, indirectly, purchase their Class C GP Units and assume a portion of the SIR Loan as consideration for the acquisition of the Class C GP Units.

(b) Ordinary LP Units and Class A LP Units of SIR Royalty Limited Partnership

	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022
	(in thousands of dollars) (audited)			
Balance – Beginning of the period	117,299	60,098	117,299	60,098
Change in amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership	(13,105)	5,226	36,134	65,441
Distributions paid to Ordinary LP and Class A LP unitholders	(2,498)	(3,151)	(11,824)	(8,240)
Balance – End of period	101,696	62,173	141,609	117,299
Less: Current portion of Ordinary LP Units and Class A LP Units of the Partnership	(9,991)	(9,307)	(9,991)	(9,307)
Ordinary LP Units and Class A LP Units of the Partnership	91,705	52,866	131,618	107,992

The following is a summary of the results of the operations of the Partnership:

	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022
	(in thousands of dollars) (audited)			
Pooled Revenue[4]	88,057	86,074	265,787	217,981
Partnership royalty income[5]	5,283	5,162	15,946	13,076
Other income	7	5	26	24
Partnership expenses	(14)	(41)	(107)	(145)
Net earnings of the Partnership	5,276	5,126	15,865	12,955
SIR's residual interest in the earnings of the Partnership:				
Income from Class A & B GP Units of the Partnership	(627)	(771)	(1,948)	(2,183)
Income from Class C GP Units of the Partnership	(901)	(909)	(2,992)	(2,992)
	(1,528)	(1,680)	(4,940)	(5,175)
Fund's interest in the earnings of the Partnership	3,748	3,446	10,925	7,780

On October 12, 2004, the Partnership issued Ordinary LP and GP Units to the Fund for cash consideration of $11.2 million. The Fund has also acquired Class A LP Units upon SIR's conversion of its Class A GP Units into Fund units. The holders of the Ordinary LP Units and Class A LP Units are entitled to receive their pro rata share of all residual distributions of the Partnership. The distributions are declared by the board of directors of SIR GP Inc., which is controlled by the Fund. Accordingly, the Ordinary LP Units and Class A LP Units of the Partnership have been classified as a financial liability in the consolidated statements of financial position. The Ordinary LP Units and Class A LP Units of the Partnership are accounted for at amortized cost, with changes in the carrying value recorded in the consolidated statements of operations and comprehensive loss.

SIR, as the holder of the Class A GP Units, is entitled to receive their pro rata share of all residual distributions of the Partnership and the Class A GP Units are exchangeable into units of the Fund.

In 2004, the Partnership granted SIR a 99-year license to use the SIR Rights in most of Canada in consideration for a Royalty, payable by SIR to the Partnership, equal to 6% of the revenue of the Royalty Pooled Restaurants (the "License and Royalty Agreement").

Under the terms of the License and Royalty Agreement, on January 1 of each year (the "Adjustment Date"), the restaurants subject to the License and Royalty Agreement are adjusted for new SIR Restaurants opened for at least 60 days preceding such Adjustment Date. On each Adjustment Date, SIR will be entitled to convert its Class B GP Units to Class A GP Units based on the formula defined in the Partnership Agreement. Additional Class B GP Units may be converted to Class A GP Units in respect of these new SIR Restaurants if actual revenues of the new SIR Restaurants exceeded 80% of the initial estimated revenues and the formula defined in the Partnership Agreement. Conversely, converted Class A GP Units will be returned by SIR if the actual revenues of the new SIR Restaurants are less than 80% of the initial estimated revenues. In December of each year, an additional distribution will be payable to the Class B GP unitholders based on actual revenues of the new SIR Restaurants exceeding 80% of the initial estimated revenues or there will be a reduction in the distributions to the Class A GP unitholders if revenues are less than 80% of the initial estimated revenues.

On January 1, 2023, two new SIR Restaurants were added to Royalty Pooled Restaurants (January 1, 2022 – nil) in accordance with the Partnership Agreement. There were no Second Incremental Adjustments on January 1, 2023 as no new SIR Restaurants were added to the Royalty Pooled Restaurants on January 1, 2022 (January 1, 2021 – one). As consideration

(4) Includes revenue from the SIR Restaurants subject to the License and Royalty Agreement. The Partnership owns the SIR Rights formerly owned or licensed by SIR or its subsidiaries and used in connection with the operation of the majority of SIR's restaurants in Canada.

(5) Partnership royalty income is 6% of Pooled Revenue in accordance with the License and Royalty Agreement, plus a Make-Whole Payment for closed restaurants, if applicable.

for the additional Royalty associated with the addition of two new SIR Restaurants added to the Royalty Pooled Restaurants on January 1, 2023, SIR converted its Class B GP Units into Class A GP Units based on the formulas defined in the Partnership Agreement. In addition, there was a re-conversion of Class A GP Units into Class B GP Units for the permanent closure of two SIR Restaurants during 2022 (January 1, 2022 – five). The net effect of these adjustments to Royalty Pooled Restaurants was that SIR converted 90,958 Class A GP Units into Class B GP Units (January 1, 2022 – 679,934) on January 1, 2023, increasing the value of the SIR rights by $1.5 million (January 1, 2022 – reducing the value of the SIR rights by $8.1 million).

In addition, there were no conversion distributions effective in December 2022 as no new SIR Restaurants were added to Royalty Pooled Restaurants on January 1, 2022 (January 1, 2022 – revenues of one new SIR Restaurant added to the Royalty Pooled Restaurants on January 1, 2021 were greater than 80% of the Initial Adjustment's estimated revenue and, as a result, a special conversion distribution of $0.1 million was declared on the Class B GP Units in December 2021 and paid in January 2022).

SIR's residual interest in the Partnership is 12.54% as at August 27, 2023 (August 28, 2022 – 13.36%).

(c) *Amounts due to the Fund* – (see Transactions with the SIR Royalty Income Fund in the Transactions with Related Parties section).

Liquidity and Capital Resources

Selected Consolidated Statement of Cash Flows Information	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022
	(in thousands of dollars) (audited)			
Cash provided by operations	16,584	18,099	35,941	38,954
Cash used in investing activities	(4,471)	(2,755)	(10,083)	(5,819)
Cash used in financing activities	(6,322)	(10,316)	(25,759)	(34,609)
(Decrease) increase in cash and cash equivalents during the period	5,791	5,028	99	(1,474)
Cash and cash equivalents – Beginning of period	2,440	3,104	8,132	9,606
Cash and cash equivalents – End of period	8,231	8,132	8,231	8,132

Cash provided by operations decreased by $1.5 million and $3.0 million in Q4 2023 and Fiscal 2023, respectively. For Q4 2023, the decrease was primarily attributable to a favourable change in net earnings for the period of $20.3 million, which was offset by an unfavourable change in the amortized cost of the Ordinary LP and Class A LP units of $18.3 million, $0.7 million reduction to the provision for impairment of loans and advances, $0.6 million increase in impairments of non-financial assets, $0.5 million favourable variance in supplier rebates and $0.6 million decrease in distributions paid which was offset by an unfavourable change of $5.9 million in working capital items. For Fiscal 2023, the decrease was due to a $0.8 million decrease in amortization expense, an increase in distributions paid of $3.5 million and a $0.4 million decrease in interest on lease obligation payments which was offset by a $1.7 million reduction to the provision for impairment of loans and advances.

Cash used in investing activities increased by $1.7 million and $4.3 million in Q4 2023 and Fiscal 2023, respectively. For Q4 2023, the increase was due to an additional $1.6 million in property and equipment purchases and an increase in shareholder repayments of $0.1 million. For Fiscal 2023, the increase also included additional property and equipment purchases of $4.3 million.

Cash used in financing activities decreased by $4.0 million and $8.9 million for Q4 2023 and Fiscal 2023, respectively. For Q4 2023, the decrease was a result of a $1.8 million reduction in bank indebtedness, a $1.1 million reduction in long-term debt repayments, a $0.7 million reduction in lease obligation payments and a $0.6 million decrease in interest paid. These were offset by an increase in financing fees of $0.2 million. For Fiscal 2023, the decrease was due to a $5.3 million reduction in lease obligation payments and a $3.6 million decrease in interest paid during the year.

As at August 27, 2023, SIR had current assets of $22.2 million (August 28, 2022 – $22.5 million) and current liabilities of $66.3 million (August 28, 2022 – $80.6 million) resulting in a working capital deficit of $44.1 million (August

28, 2022 – $58.1 million). Revenues in the restaurant business are largely paid by cash and credit cards whereas most suppliers offer credit terms for payment. Therefore, restaurants are able to pay their suppliers from the cash received on revenues in the following months, as the supplier payables are due. Cash balances are typically used to construct new restaurants or re-invest in existing restaurants to grow the business. As a result, SIR, like many other restaurant businesses, would anticipate having a negative working capital balance in the foreseeable future.

SIR has a Credit Agreement with a Schedule I Canadian chartered bank (the "Lender"). The Credit Agreement is "permitted indebtedness" within the meaning of the agreements between the Fund, the Partnership, and SIR, and as a result the Fund and the Partnership have, as contemplated in the existing agreements, subordinated and postponed their claims against SIR to the claims of the Lender. This subordination, which includes a subordination of the Partnership's rights under the License and Royalty Agreement between the Partnership and SIR whereby the Partnership licenses to SIR the right to use trademarks and related intellectual property in return for royalty payments based on revenues, has been effected pursuant to the terms of the Intercreditor Agreement.

The Credit Agreement between SIR and the Lender, as amended on December 8, 2017, July 6, 2018, April 1, 2020, June 30, 2020, September 30, 2020, December 21, 2020, March 31, 2021, May 31, 2021, June 16, 2022 and June 6, 2023, matures on July 6, 2026 ("Maturity Date") and as at the date of this report provides for a maximum principal amount of $42.22 million, consisting of:

- a $20.0 million revolving term credit facility (Credit Facility 1),
- a $10.7 million revolving term credit facility (Credit Facility 2),
- a $6.25 million guaranteed facility with Export Development Canada ("EDC") through the guaranteed Business Credit Availability Program ("BCAP") ("EDC-Guaranteed Facility"), and
- a $5.27 million Business Development Bank of Canada ("BDC") guaranteed Highly Affected Sectors Credit Availability Program ("HASCAP") facility (the "BDC-Guaranteed Facility").

SIR and the Lender have also entered into a purchase card agreement providing credit of up to an additional $1.5 million.

Credit Facility 1 is for general corporate and operating purposes, including capital spending on new and renovated restaurants, bearing interest at the prime rate plus 2.75% and/or the bankers' acceptance rate plus 3.75%, principal repaid in one bullet repayment on the Maturity Date. A standby fee of 0.85% is charged on the undrawn balance of Credit Facility 1. Provided the Company is in compliance with the Credit Agreement, the principal amount of Credit Facility 1 can be repaid and reborrowed at any time during the term of the Credit Agreement. As at August 27, 2023, $nil was drawn on this facility.

Credit Facility 2 is a $10.7 million revolving facility and bears interest at the prime rate plus 2.75% and/or the bankers' acceptance rate plus 3.75%. Each advance under Credit Facility 2 is repayable in equal quarterly instalments based on a seven-year amortization, with the remaining outstanding principal balance due on the Maturity Date. As at August 27, 2023, the Company has fully drawn this facility.

As at August 27, 2023, the Company has drawn $4.68 million on Credit Facility 1 and Credit Facility 2, net of cash excluding the cash balance of the Partnership (August 28, 2022 - $7.5 million).

The EDC-Guaranteed Facility bears interest at the prime rate plus 3.0%. The EDC-Guaranteed Facility is a 364-day revolving term credit facility and can be extended at the Lender's sole discretion, in 12 month increments, by up to a further 12 months beyond the current expiration date of July 6, 2024. A standby fee of 0.90% is charged on the undrawn balance of this facility. As at August 27, 2023, the Company has fully drawn this facility.

The BDC-Guaranteed Facility is a 10-year term non-revolving credit facility, with a one-year principal payment moratorium, bearing a fixed rate interest of 4%. The moratorium has elapsed and SIR has commenced repayment on this facility. During Q4 2023, SIR repaid $0.2 million on this facility. As at August 27, 2023, SIR had fully drawn this facility.

For more details regarding the Credit Agreement and all related Amending Agreements, please refer to the Fund's and SIR's prior interim filings, which can be found on SEDAR+ at www.sedarplus.ca. under the Fund's profile.

Under the Intercreditor Agreement, absent any default or event of default under the Credit Agreement, ordinary payments to the Fund and the Partnership can continue and the Partnership can exercise any and all of its rights to preserve the trademarks and related intellectual property governed by the License and Royalty Agreement. However, if a default or an event of default were to occur, the Fund and the Partnership agree not to take actions on their security until the Lender has been repaid in full. However, payments by SIR, to the Fund and the Partnership, will be permitted for such amounts as are required to fund their monthly operating expenses, up to an annual limit. In addition, the Fund, the Partnership and SIR will have the right, acting cooperatively, to reduce payments of Royalties and/or interest on the SIR Loan by up to 50% without triggering a cross default under the Credit Agreement, for a period of up to nine consecutive months. SIR and each Obligor provided an undertaking to cooperate and explore all options with the Fund to maximize value to the Fund's unitholders and SIR and its shareholders in exchange for the Subordinating Parties not demanding repayment or enforcing security as a result of any such Related Party Obligation Default. The Intercreditor Agreement also contains various other typical covenants of the Fund and the Partnership.

As at August 27, 2023, SIR's liquidity was comprised of $6.0 million cash on hand and $20.0 million available to borrow under its credit facility (August 28, 2022 - $6.5 million and $20.0 million).

Two new restaurants were added to the Royalty Pooled Restaurants effective January 1, 2023 (January 1, 2022 - nil). Refer to page 13 for further details of all changes and adjustments under the License and Royalty Agreement. After the net adjustments to the Royalty Pooled Restaurants on January 1, 2023, SIR held 1,200,660 Class A GP Units, representing a 12.54% residual interest in the Partnership. Under the terms of the Exchange Agreement, SIR has the right to convert some or all of the Class A GP Units into Fund Units on a one-for-one basis, which, as at August 27, 2023, have a market value of approximately $19.2 million. Under the Credit Agreement and without prior consent from the Lender, SIR may convert Class A GP Units into Fund Units and promptly sell such units for the purposes of financing construction projects for new and existing restaurants, provided in any year the sale of the units does not exceed the lower of $7.0 million and 0.4 million units.

Contractual Obligations

In 2004, the Partnership granted SIR a 99-year license to use the SIR Rights in most of Canada in consideration for a Royalty, payable by SIR to the Partnership, equal to 6% of the revenue of the restaurants included in Royalty Pooled Restaurants. Payment of the Royalty is secured by the Partnership General Security Agreement. On July 6, 2015, SIR, the Fund and the Partnership amended the agreement to subordinate and postpone their claims against SIR in favour of the senior lender. The Partnership and the Fund have not guaranteed the Credit Agreement (Please refer to SIR Royalty Income Fund section).

The security interest for all amounts payable by SIR to the Partnership under the License and Royalty Agreement, as set out in the Partnership General Security Agreement, is substantially the same as, and ranks equally with, the security interest granted by SIR to the Fund in respect of the SIR Loan. SIR consolidates the Partnership, and this transaction between SIR and the Partnership is eliminated in SIR's condensed interim consolidated financial statements, however the obligation for payments remains.

On January 1 of each year (the "Adjustment Date"), the restaurants subject to the License and Royalty Agreement are adjusted for new SIR restaurants opened for at least 60 days preceding such Adjustment Date. At each Adjustment Date, SIR will be entitled to convert its Class B GP Units to Class A GP Units based on a formula defined in the Partnership Agreement.

As at the date of this report, SIR has commitments to lease four properties in Barrie, London, and Guelph, Ontario, and in the Don Mills neighbourhood in Toronto upon which it plans to build four new Scaddabush restaurants. Final costs of construction are subject to uncertainties as to their amounts and timing. Items such as finalization of design and final construction quotations could change the total cost of these projects. There can be no assurance at this time that these new planned Scaddabush restaurants will be opened or will become part of the Royalty Pooled Restaurants.

Off-Balance Sheet Arrangements

Per IFRS 16, operating leases relating to SIR's head office and restaurant locations with minimum annual payments are no longer considered off-balance sheet arrangements. SIR did not have any material off-balance sheet arrangements as at August 27, 2023, nor did it have any subsequent to Q4 2023.

Transactions with Related Parties

SIR has entered into related party transactions with shareholders and directors or companies controlled by shareholders and directors of SIR. The transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Transactions with Related Parties	16-Week Period Ended August 27, 2023	16-Week Period Ended August 28, 2022	52-Week Period Ended August 27, 2023	52-Week Period Ended August 28, 2022
	(in thousands of dollars) (unaudited)			
Property and equipment				
Fixtures purchased from a shareholder of SIR	17	18	85	20
Equipment purchased from a company owned by a director and shareholder of SIR, together with a member of executive management of SIR	81	59	357	141

- SIR advanced $0.01 million to a company owned by a shareholder and director, together with a member of executive management of SIR, during the 52-week period ended August 27, 2017. This advance is non-interest bearing and is payable on demand. SIR purchased fixtures from this company for $0.02 million and $0.03 million during Q4 2023 and Fiscal 2023, respectively (Q4 2022 and Fiscal 2022 - $0.02 million and $0.06 million).
- During the 52-week period ended August 25, 2019, SIR advanced $0.2 million to a shareholder and director. This advance bears interest at prime plus 2.25%. SIR received repayments of $nil and $0.13 million for Q4 2023 and Fiscal 2023, respectively (Q4 2022 and Fiscal 2022 - $0.02 million and $0.051 million). SIR recognized interest income on this loan of $nil and $0.005 million during Q4 2023 and Fiscal 2023, respectively (Q4 2022 and Fiscal 2022 - $0.003 million and $0.01 million). The loan was fully repaid by the shareholder on April 9, 2023.

Transactions with the SIR Royalty Income Fund

Advances receivable from the Fund and its subsidiaries as at August 27, 2023 were $3.0 million (August 28, 2022 – $2.9 million). Advances receivable are non-interest bearing and due on demand.

During Q4 2023 and Fiscal 2023, the Partnership recognized an impairment loss on the advances receivable from the Trust, GP and Fund based on management's assessment of the company-specific risks. A rate of 7% was applied to the advances receivable and a provision of $nil was recognized at August 27, 2023 (August 28, 2022 – $nil).

During Q4 2023 and Fiscal 2023, distributions of $3.7 million and $10.9 million, respectively, were declared to the Fund by the Partnership, compared to distributions of $2.8 million and $5.2 million declared for Q4 2022 and Fiscal 2022, respectively. The Fund, indirectly through the Trust, is entitled to receive a pro rata share of all residual distributions. Distributions previously declared, but unpaid as at August 27, 2023 were $4.4 million.

Interest expense on the SIR Loan totaled $0.9 million and $3.0 million for Q4 2023 and Fiscal 2023, respectively, and $0.9 million and $3.0 million for Q4 2022 and Fiscal 2022, respectively.

SIR, through the Partnership, has entered into an arrangement with the Fund and the Trust whereby the Partnership will provide or arrange for the provision of services required in the administration of the Fund and the Trust. The Partnership has arranged for these services to be provided by SIR GP Inc., in its capacity as the managing general partner of the Partnership. The Partnership provided these services to the Fund and the Trust for consideration of $0.007 million and $0.026 million for Q4 2023 and Fiscal 2023, respectively ($0.006 million and $0.019 million for Q4 2022 and Fiscal 2022, respectively), which was the amount of consideration agreed to by the related parties.

Critical Accounting Estimates and Judgments

Management believes that there have been no substantial changes in the nature of critical accounting estimates since the year ended August 28, 2022. The reader will find this information in the annual MD&A for the year ended August 28, 2022.

Changes in Accounting Policies, Including Recently Issued Accounting Pronouncements

Recently adopted accounting pronouncements

IAS 16, Property, Plant and Equipment

This standard has been amended to prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use, clarify that an entity is "testing whether the asset is functioning properly" when it assesses the technical and physical performance of the asset and require certain related disclosures. The amendments are effective for annual periods beginning on or after January 1, 2022. The amended standard has been implemented by the Company and did not have a material impact on these consolidated financial statements.

IAS 37, Provisions

This standard has been amended to clarify that, before a separate provision for an onerous contract is established, an entity recognizes an impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract and to clarify the meaning of costs to fulfill a contract. The amendments are effective for annual periods beginning on or after January 1, 2022. The amended standard has been implemented by the Company and did not have a material impact on these consolidated financial statements.

Recently issued accounting pronouncements

IAS 1, Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued an amendment to IAS 1 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. In October 2022, the IASB issued an amendment to IAS 1, Non-current Liabilities with Covenants, to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The 2022 amendments also introduce additional disclosure requirements to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The 2022 amendments changed the effective date of the 2020 amendments. The mandatory effective date would be annual periods beginning on or after January 1, 2024, with early adoption permitted. The Company has not yet assessed the impact of the amendment on the consolidated financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

The narrow-scope amendment aims to improve accounting policy disclosures and to help distinguish between changes in accounting estimates and changes in accounting policies. The amendment is effective for annual periods beginning on or after January 1, 2023. The Company has not yet assessed the impact of the amendment on the consolidated financial statements.

IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In January 2023, the IASB issued amendments to IAS 12 that aim to provide temporary relief from accounting for deferred taxes arising from the implementation of the Pillar Two model rules. The amendment is effective for annual period beginning on or after January 1, 2023. The Company has not yet assessed the impact of the amendment on the consolidated financial statements.

IFRS 16, Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The mandatory effective date would be annual periods beginning on or after January 1, 2024, with early adoption permitted. The Company has not yet assessed the impact of the amendment on the consolidated financial statements.

IAS 7, Disclosures on Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures regarding supplier finance arrangements. The mandatory effective date would be annual periods beginning on or after January 1, 2024. The Company has not yet assessed the impact of the amendment on the consolidated financial statements.

Financial Instruments

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the consolidated statement of operations or in comprehensive loss. SIR's financial instruments consist of cash and cash equivalents, trade and other receivables, loans and advances, trade and other payables, long-term debt, loan payable to the Fund, and Ordinary LP Units and Class A LP Units of the Partnership. The fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying amounts due to their short-term maturity. The carrying value of the loans and advances approximates fair values as the effective interest rate approximates current market rates. The fair value of the long-term debt as at August 27, 2023 is $21.9 million and is determined based on the estimated contractual schedule of payments as the interest rate varies with the current market rates or, in the case of finance lease obligations, the effective interest rate approximates current market rates. The fair value of the Ordinary LP Units and Class A LP Units of the Partnership could only be determined through the valuation of the financial instruments. The Ordinary LP Units and Class A LP Units of the Partnership are held by the Fund and there is no active market for the Ordinary LP Units and Class A LP Units. As a result, the determination of its fair value is not practicable within the constraints of timeliness and cost.

The loan payable to the Fund is due to a related party and there is no active market for the debt. SIR intends to hold the loan payable to the Fund until its maturity on October 12, 2044. The fair value of the loan payable to the Fund as at September 30, 2023 is estimated to be $27.0 million (January 1, 2023 - $26.7 million).

The fair value of the loan payable to the Fund is estimated by discounting the expected cash flows using a current market interest rate adjusted for the Company's credit risk. In determining the appropriate discount rate, management considered available market information as well as the credit risk for SIR.

Management has estimated the discount rate by considering comparable corporate bond rates, risk free rates and SIR's credit risk.

As at September 30, 2023, the discount rate remained consistent at 11.75% from December 31, 2022. The estimated decrease in the corporate bond rate of 0.59% was offset by an increase of 0.59% in the Canadian risk-free rate.

SIR's financial instruments exposed to credit risk include cash and cash equivalents, trade and other receivables and loan and advances. SIR minimizes the credit risk of cash and cash equivalents by depositing funds with reputable financial institutions. SIR's trade and other receivables primarily comprise amounts due from major credit card companies, therefore, management believes that SIR's trade and other receivables credit risk exposure is limited. SIR monitors the collectability of its loans and advances, predominantly due from related parties, by reviewing them for impairment on an individual basis and recording the instrument at its estimated recoverable amount. SIR has determined that the loans and advances to U.S. S.I.R. L.L.C. are impaired based on estimated future cash flows. Accordingly, the carrying values of these loans and advances are recorded at their estimated recoverable amounts, which were determined to be nil by discounting the expected future cash flows.

SIR is exposed to interest rate risk with respect to its credit facility because it has a floating interest rate. The loan payable to the Fund has a fixed interest rate. Accordingly, changes in interest rates for this financial liability would not impact the consolidated statement of operations and comprehensive loss or the carrying value of this financial liability. However, the fair value of this financial liability will vary with changes in the interest rates.

SIR is exposed to price risk as the expected cash flows used in the estimate of the amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership are derived from the market price of the Fund units adjusted for taxes and SIR's loan payable to the Fund. Accordingly, the change in the carrying value of the Ordinary LP Units and Class A LP Units changes with changes in the market price of the Fund units.

Risks and Uncertainties

The performance of SIR is dependent on many factors. The restaurant industry generally, and in particular, the casual and fine dining segment of this industry, is intensely competitive with respect to price, service, location, food quality and qualified staff. Increases in minimum wage rates and other labour legislation may affect the growth and profitability of SIR, as a significant portion of its restaurant employees are paid at wage rates related to minimum wage. SIR Restaurants are subject to laws that prohibit or limit smoking in enclosed workplaces and/or certain outdoor public places, such as restaurant patios. There are many well-established competitors with greater financial and other resources than SIR. Competitors include national and regional chains, as well as individually owned restaurants. Recently, competition has increased in the mid-price, full-service, casual and fine dining sectors in which many of the SIR Restaurants operate. Some of SIR's competitors have been in existence for a substantially longer period than SIR and may be better established in the markets where SIR Restaurants are or may be located.

In addition, factors such as business and economic conditions, changes in foreign exchange, availability of credit, inflation, increased food, labour and benefits costs, taxes, government regulations (including those governing alcoholic beverages and cannabis legislation), weather, seasonality, public safety issues and the availability and quality of food, services and products sold in the restaurants, and growth in off-premise traffic due to an increase in delivery and takeout orders affect the restaurant industry in general and therefore SIR. For additional information, see the Fund's Annual Information Form for further discussion on risks and uncertainties related to the Fund and SIR.

SIR also faces risks and uncertainties related to the pandemic as outlined in the Outlook section below.

The Fund's distributions are subject to change based on a number of factors, including the cash reserves of the Fund, the Trust and the Partnership. The Trustees will continue their practice of regularly reviewing the Fund's distribution levels.

Outlook

SIR is a privately held Canadian corporation in the business of creating, owning and operating full-service restaurants in Canada. All of SIR's restaurants are corporately owned. SIR does not franchise any of its existing brands. SIR remains committed to the corporately owned restaurant model as it believes this structure gives it greater control over its brands and improved agility to proactively respond to changes in market conditions.

SIR continues to monitor consumer spending behavior amid current evolving macroeconomic factors, including inflation and higher interest rates, and their potential impact on the Canadian economy and consumer confidence. Ongoing business impacts due to changes in the minimum wage, rising commodity costs and supply shortages have all been influential in the bar and restaurant industry's changes in pricing overall.

As of May 1, 2023, the province of Quebec raised its minimum wage from $14.25 to $15.25 per hour. The province of Ontario instituted a minimum wage increase from $15.50 to $16.55 per hour as of October 1, 2023. Nova Scotia and Newfoundland implemented a minimum wage increase from $14.50 to $15.00 per hour starting October 1, 2023.

SIR continues to innovate and provide immersive new product and service offerings to increase dine-in guest visits to its restaurants and to capitalize on the rapid growth of take-out and delivery services in commercial foodservice. The recent amendment to SIR's Credit Agreement with its Lender provides greater certainty and availability of funding, enabling SIR to continue to invest in restaurant renovations, new restaurants and other initiatives to help drive growth.

In consideration of the ongoing conditions mentioned above and the timing of new restaurant construction and renovations, the related opening schedules will be reviewed regularly by SIR and adjusted as necessary.

During Fiscal 2023, SIR completed renovations to seven Jack Astor's restaurants in Whitby, Barrie, Brampton, Kanata, Etobicoke and Kingston, Ontario, and in the Don Mills neighbourhood in Toronto. SIR also completed renovations to a Reds location in the Square One Shopping Centre in Mississauga, Ontario during the year. Subsequent to Fiscal 2023, SIR completed renovations to six Jack Astor's restaurants in London, Vaughan, Newmarket, Ottawa and Scarborough, Ontario and at Dundas Square in Toronto. The Company plans to invest in similar restaurant renovations throughout Fiscal 2024.

As at the date of this report, SIR has commitments to lease four properties in Barrie, London, and Guelph, Ontario, and in the Don Mills neighbourhood in Toronto, upon which it plans to build four new Scaddabush restaurants. There can be no assurance at this time that these new planned Scaddabush restaurants will be opened or will become part of the Royalty Pooled Restaurants.

Description of non-IFRS measures

Management believes that disclosing certain non-IFRS financial measures provides a useful supplemental measure to evaluate SIR's performance. By considering these measures in combination with the most closely comparable IFRS measure, management believes that investors are provided with additional and more useful information about SIR than investors would have if they simply considered IFRS measures alone.

The non-IFRS financial measures do not have standardized meanings prescribed by IFRS. SIR's method of calculating these non-IFRS financial measures may differ from that of other issuers and, accordingly, may not be comparable to measures used by other issuers.

<u>Same Store Sales and Same Store Sales Growth</u>

SIR believes that SSS and SSSG are useful measures and provide investors with an indication of the change in year-over-year sales. SIR's method of calculating SSS and SSSG may differ from those of other issuers and, accordingly, SSS and SSSG may not be comparable to measures used by other issuers. SSSG is the percentage increase in SSS over the prior comparable period. SSS includes revenue from all SIR Restaurants except for those locations that were not open for the entire comparable periods in Fiscal 2023 and Fiscal 2022 and Abbey's Bakehouse as it is a seasonal restaurant. When a SIR Restaurant is closed, the revenue for the closed restaurant is excluded from the calculation of SSS and SSSG for both the quarter in which the restaurant is closed and the current year-to-date. Please refer to the reconciliation of consolidated revenue to SSS on page 8 and to the definition of SSS in the Revenue section on page 10.

<u>Adjusted Net Earnings (Loss)</u>

Adjusted Net Earnings (Loss) is calculated by removing the change in amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership from the net earnings (loss) for the period. Adjusted Net Earnings (Loss) is a non-GAAP financial measure and does not have a standardized meaning prescribed by IFRS. Management believes that in addition to net earnings (loss), Adjusted Net Earnings (Loss) is a useful supplemental measure to evaluate SIR's performance. Changes in the amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership is a non-cash transaction and varies with changes in the market price of the Fund units. The exclusion of the change in amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership eliminates this non-cash impact. Management cautions investors that Adjusted Net Earnings (Loss) should not replace net earnings or loss or cash flows from operating, investing and financing activities (as determined in accordance with IFRS), as an indicator of SIR's performance. SIR's method of calculating Adjusted Net Earnings (Loss) may differ from the methods used by other issuers. Please refer to the reconciliations of net earnings (loss) for the period to Adjusted Net Earnings (Loss) on page 6 of this document.

<u>EBITDA and Adjusted EBITDA</u>

References to EBITDA are to the net earnings (loss) for the period before provision for (recovery of) income taxes, interest expense, interest on lease obligations, interest on loan payable to SIR Royalty Income Fund, depreciation and amortization, and change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership.

References to Adjusted EBITDA are to SIR's EBITDA plus or minus interest (income) and other expense (income) – net, goodwill impairment, impairment of non-financial assets, loss on disposal of property and equipment, cash rent payments, and pre-opening costs. Pre-opening costs are added back to EBITDA because management views these costs as investments in new restaurants and not as on-going costs of operations.

Management believes that, in addition to net earnings or loss, EBITDA and Adjusted EBITDA are useful supplemental measures in evaluating SIR's performance, as these are useful estimates of the core business' contribution to cash flow from operations and approximate the funds generated by SIR which are available to meet its financing obligations and capital expenditure requirements. Management interprets trends in EBITDA and Adjusted EBITDA as indicators of relative operating performance. EBITDA and Adjusted EBITDA are non-GAAP financial measures and do not have standardized meanings prescribed by IFRS. Management cautions investors that EBITDA and Adjusted EBITDA should not replace net earnings or loss or cash flows from operating, investing and financing activities (as determined in accordance with IFRS), as an indicator of SIR's performance. SIR's method of calculating EBITDA and Adjusted EBITDA may differ from the methods used by other issuers. Therefore, SIR's EBITDA and Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Please refer to the reconciliation of net earnings (loss) and comprehensive income (loss) for the period to EBITDA and Adjusted EBITDA on page 6 of this document.

Forward-Looking Information

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 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 except as expressly required by law. 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. This Management's Discussion and Analysis is provided as of November 23, 2023.

In formulating the forward-looking statements contained herein, SIR 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 short to medium term. For more information concerning the Fund's risks and uncertainties, please refer to the Fund's Annual Information Form dated March 16, 2023 for the period ended December 31, 2022, which is available under the Fund's profile at www.sedarplus.ca.

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. See 'Risk Factors' in the Fund's Annual Information Form dated March 16, 2023 for the period ended December 31, 2022.

Additional information related to the Fund, the Partnership, and SIR can be found at www.sedarplus.ca under SIR Royalty Income Fund and on SIR's website at www.sircorp.com