



SCADDABUSH
ITALIAN KITCHEN & BAR®



SIR Royalty Income Fund

Investor Presentation – May 2024

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 14, 2024 Annual Information Form, for the period ended December 31, 2023, and the Fund's most recent MD&A, which are 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.

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



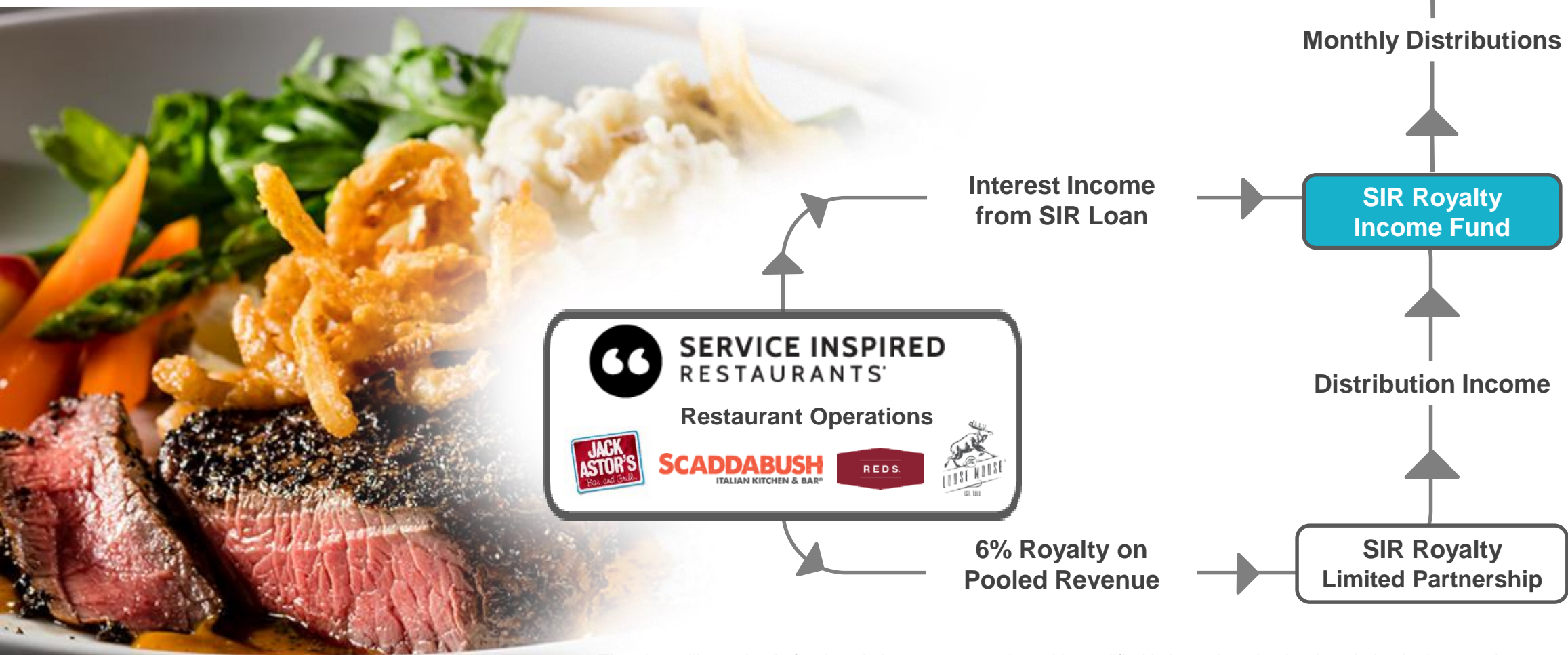
SIR Royalty Income Fund (TSX: SRV.UN)

- SIR is a leading Canadian operator of casual and fine dining restaurants
- 54 restaurants, primarily in Ontario
- 7 brands / 4 brands currently included in Royalty Pool
- ~ 4,140 employees
- Fiscal 2023 revenue: \$271.7 million

- IPO: October 2004
- Market capitalization: ~ \$111 million
- Recent close: \$13.21 (May 22, 2024)
- Units outstanding: ~ 8.4 million
- Monthly cash distribution per unit: \$0.095
- Current yield: ~ 8.6%



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 February 11, 2024, SIR Corp. held a 10.55% residual interest in SIR Royalty Limited Partnership.

Board of Trustees

Name & Domicile	Principal Occupation
Stephen Dewis ^{1 3} Ontario, Canada	Corporate Director / 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	Corporate Director / Former Chief Executive Officer, Janes Family Foods
Sandra Levy ^{2 3} Ontario, Canada	Corporate Director / Former Chief People and Culture Officer, Canadian Olympic Committee
Norm Mayr, <i>Chair</i> ^{1 3} British Columbia, Canada	Corporate Director / Former KPMG Audit Partner

1. Member of Audit Committee
2. Member of Governance Committee
3. Independent

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 10.55% interest in the Fund



SERVICE INSPIRED
RESTAURANTS

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 / growth initiatives in response to consumer trends and competitive activity

Strategic Advantage: Brand Diversification



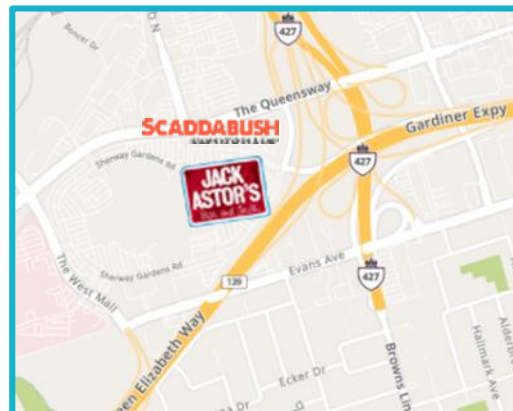
Square One, Mississauga



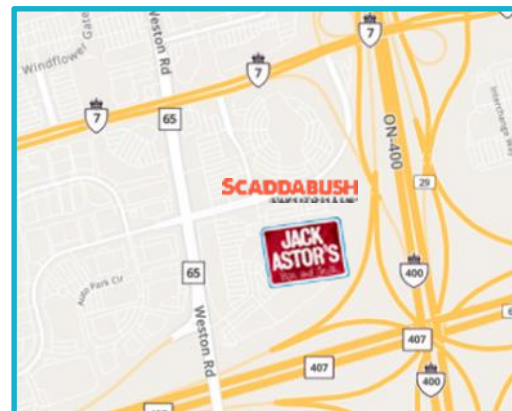
Scarborough Town Centre



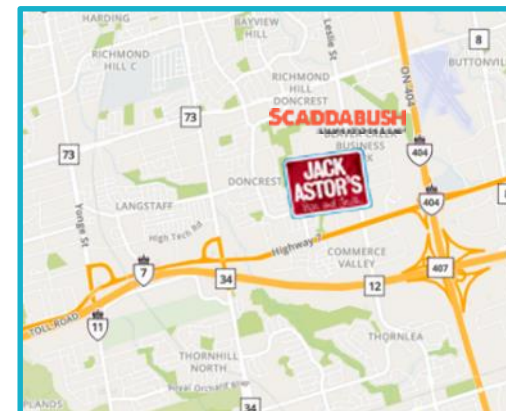
Front Street, Toronto



Sherway Gardens



Vaughan



Richmond Hill

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

49 Royalty Pooled Restaurants (effective Jan. 1, 2024)



Locations in Ontario:

30

●

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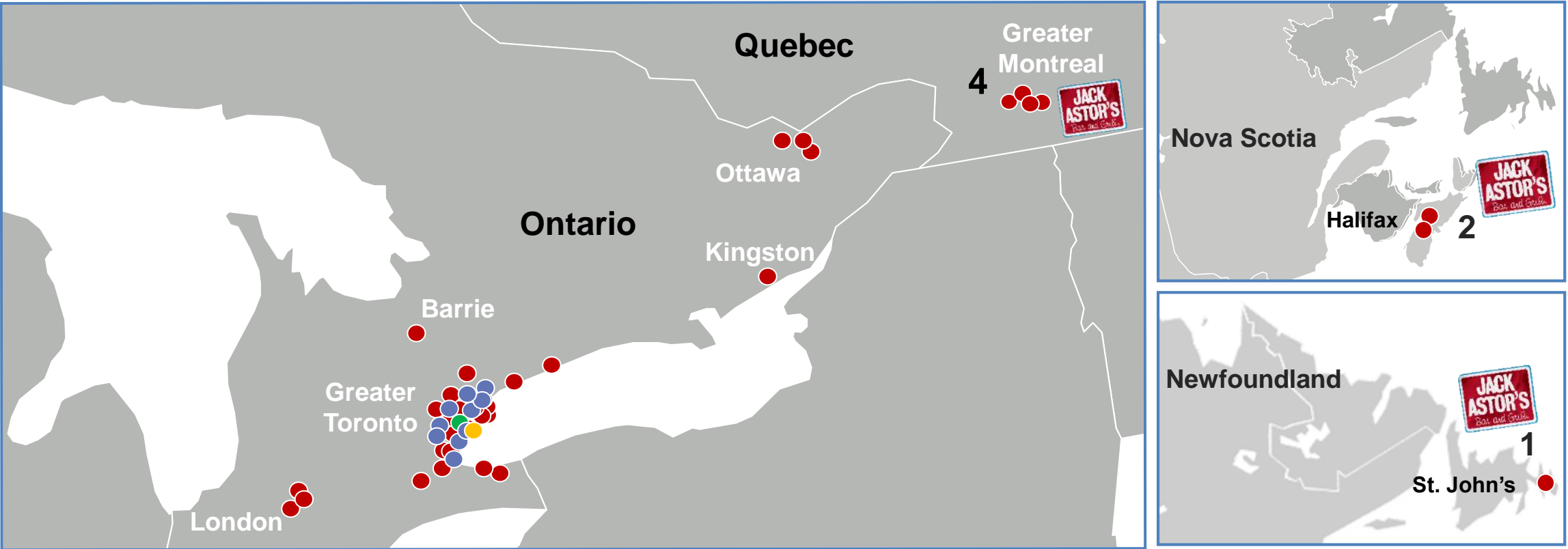
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Investing in Existing Restaurants



39 total renovations since 2016

17 locations renovated since 2022, with more planned in 2024

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

Investing in New Restaurants

- The new Scaddabush in Whitby, ON (opened in Sept. 2023) was added to Royalty Pooled Restaurants in January 2024
- The new Scaddabush restaurants in the Don Mills neighbourhood of Toronto (opened in Feb. 2024) and London, ON (opened in April 2024) are expected to be added to Royalty Pooled Restaurants in January 2025
- SIR has commitments to lease three properties in Barrie, Guelph and Oshawa, Ontario and is planning to build two new Scaddabush restaurants and one new Jack Astor's
- "Edna + Vita", a new Italian themed fine-dining restaurant, opened in April 2024 at the site of the former Reds Wine Tavern in downtown Toronto
- Second Duke's Refresher + Bar location opened in May 2024 at Queen St. E. and Broadview Avenue in downtown Toronto

Recently Closed Restaurants

- Reds Wine Tavern, Reds Kitchen + Wine Bar Fallsview (Niagara Falls, ON) and Scaddabush (Mimico, ON) were removed from Royalty Pooled Restaurants effective January 1, 2024
- SIR is evaluating alternative uses for the Scaddabush (Mimico) location
- Settlement reached with landlord to terminate the lease at Fallsview as of March 31, 2024



**SERVICE INSPIRED
RESTAURANTS'**

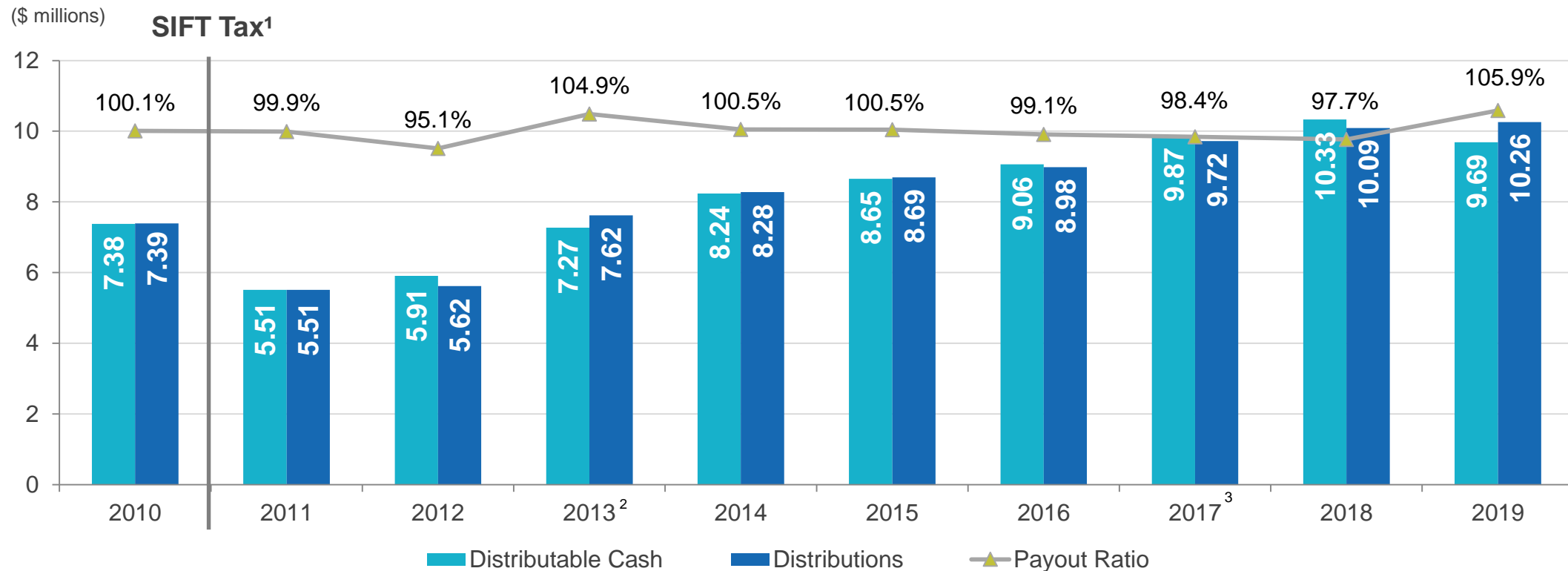


EDNA+VITA



Continued investment in new and existing restaurants

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

COVID-19 Pandemic



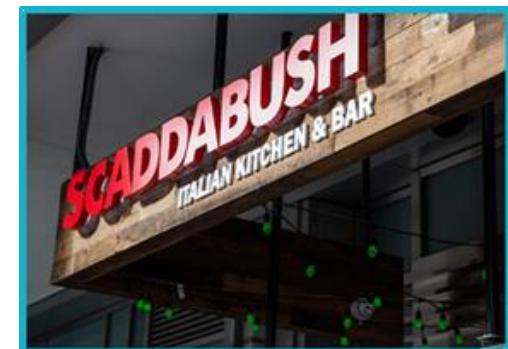
- Dine-in operations at all SIR restaurants suspended beginning on March 16, 2020
- Cash distributions to Fund unitholders were suspended effective April 2020
- SIR Limited Partnership deferred the collection of restaurant royalties and the Fund deferred interest on the SIR Loan
- SIR's senior lender 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 restaurants
- SIR was particularly impacted due to its concentration of restaurants in the GTA, which had among the most prohibitive operating restrictions in North America



Recovering from COVID-19 Pandemic



- Increased vaccinations and easing of operating restrictions drove significant increases in Royalty Pooled Revenue and Same Store Sales in 2021-2022
- Most remaining operating restrictions related to COVID-19 lifted in March 2022, including all capacity limits
- Royalty Pooled Revenue increased **75.8%** in 2022 compared to 2021
- Same Store Sales increased **76.7%** in 2022 compared to 2021
- SIR strived to maximize outdoor dining revenues through investment in numerous newly built and / or extended and heated patios
- Received government assistance during the pandemic from temporary support programs
 - Received \$31.2 million of assistance in the 52 weeks ended August 29, 2021
 - Received \$15.2 million of assistance in the 52 weeks ended August 28, 2022
 - Support programs fully expired in May 2022



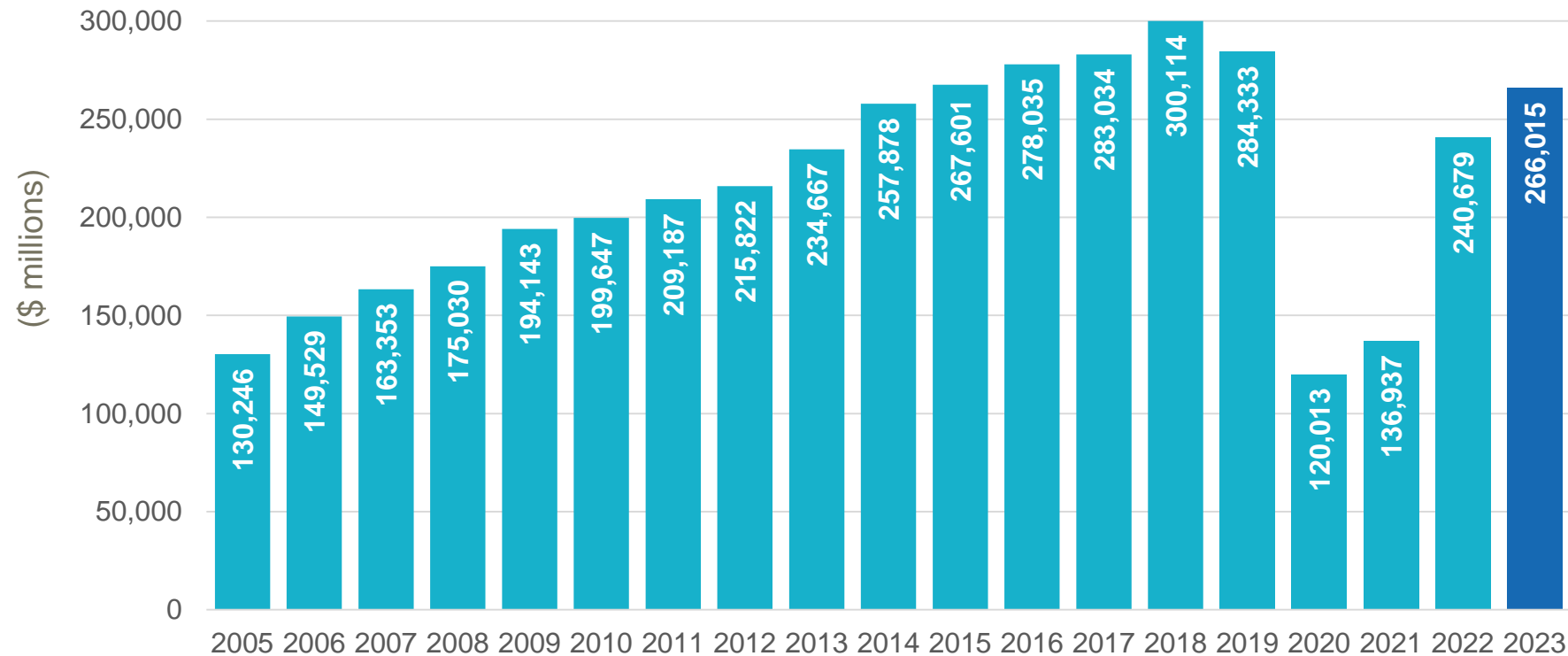
Amended Credit Agreement and Resumption of Distributions



- Amendments to SIR's Credit Agreement with its senior lender in 2021 enabled SIR to restart the payment of royalties and interest to the Fund and the SIR Royalty Limited Partnership
 - Final scheduled payments of deferred royalties and interest made in June 2022
- The Fund resumed monthly cash distributions at **\$0.07 / unit** in July 2021
- Monthly distributions increased to **\$0.09 / unit** In September 2021, and to **\$0.095 / unit** in October 2022, reflecting improving performance of Royalty Pooled Restaurants
- **Special cash distributions paid** in December 2021 (**\$0.10 / unit**), July 2022 (**\$0.135 / unit**), December 2022 (**\$0.05 / unit**) and December 2023 (**\$0.0425 / unit**) reflecting excess distributable cash available
- Tenth amending agreement with senior lender in June 2023 extends the maturity date of the credit agreement to July 2026, providing greater certainty and availability of funding, enabling SIR to continue to invest in restaurant renovations, new restaurants and other initiatives to drive growth



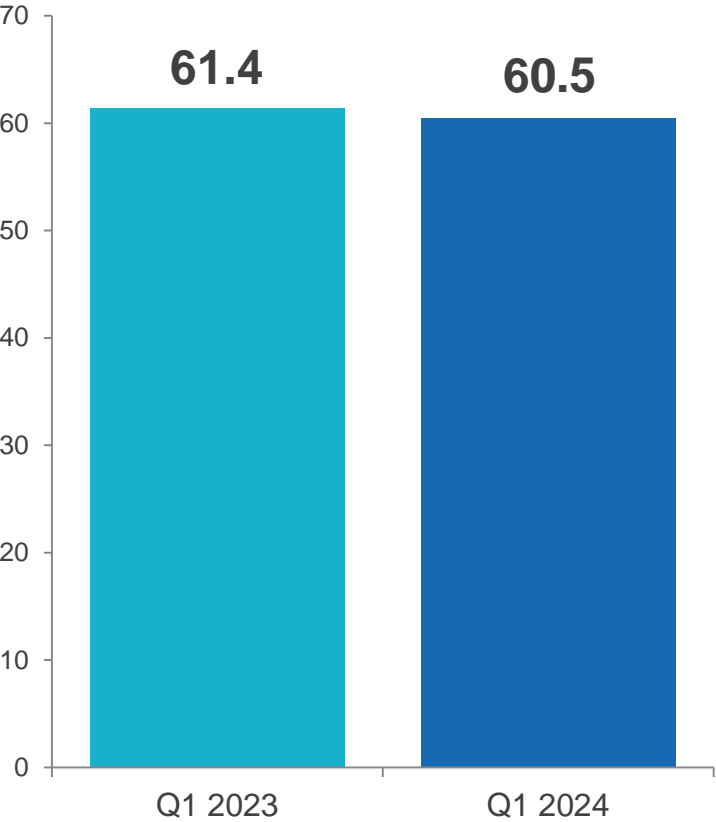
Historical Pooled Revenue



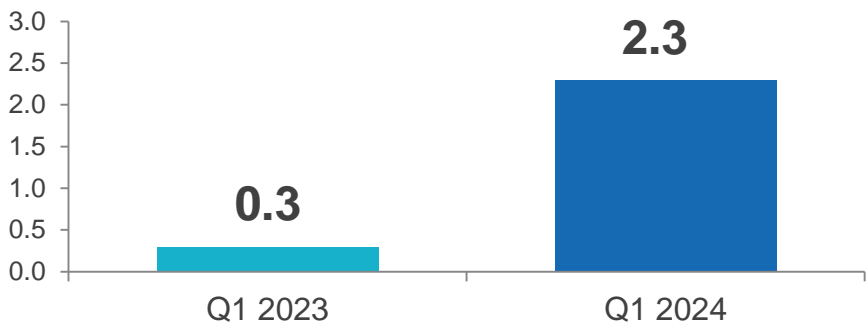
Strong recovery in Pooled Revenue following the cessation of all pandemic-related operating restrictions in March 2022

Q1 2024 Financial Review (Three months ended March 31)

Pooled Revenue (\$ millions)



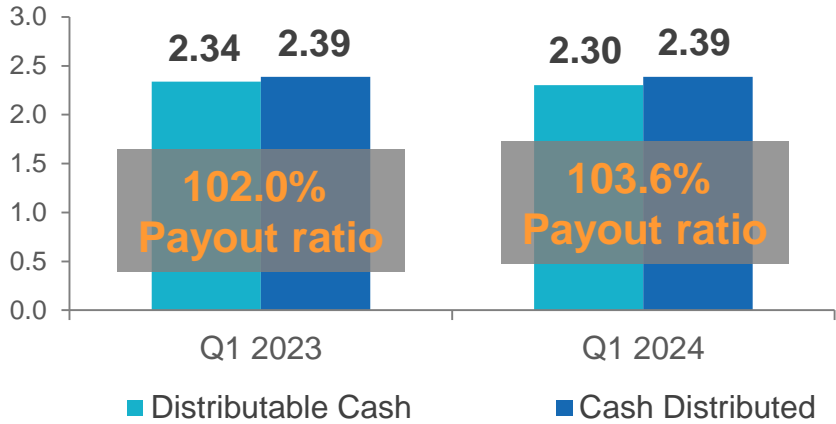
Net Earnings (\$ millions) ¹



Same Store Sales



Cash Distributions (\$ millions)

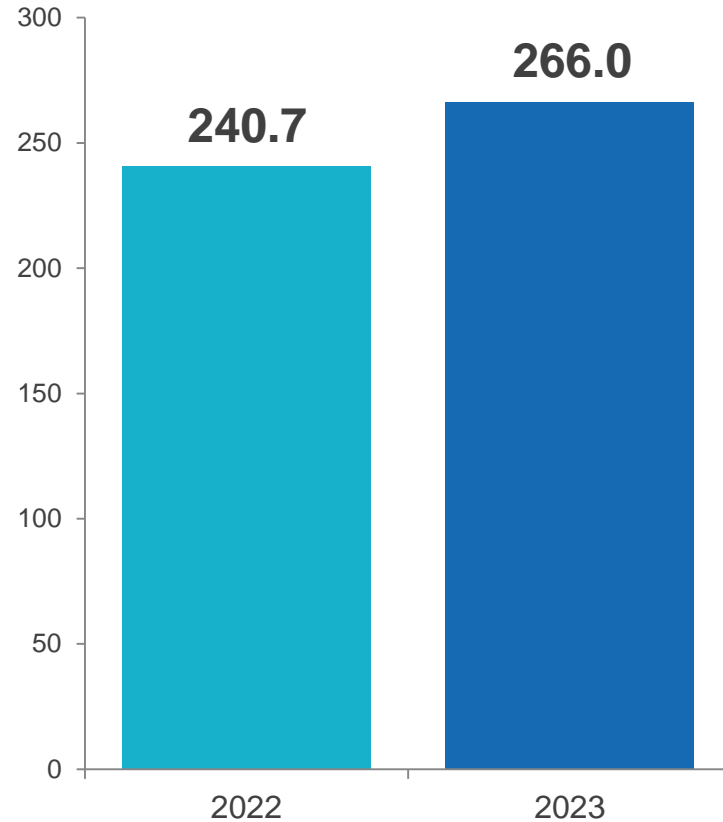


The Fund's payout ratio since inception in 2004 up to and including Q1 2024 is 100%, which is in line with long-term target of 100% per annum

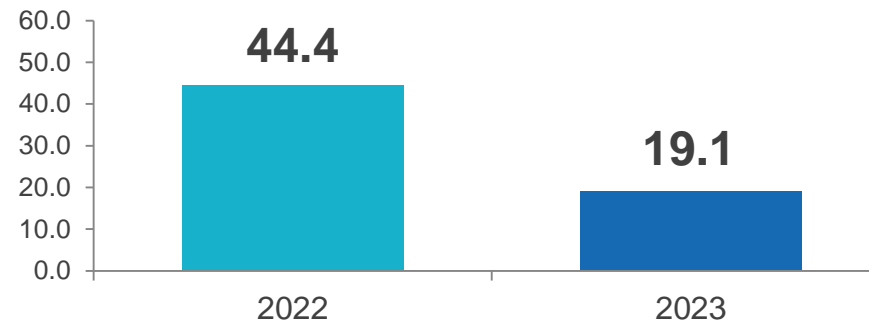
1. The increase in net earnings in Q1 2024 was primarily due to an increase in the estimated value of the SIR Loan of \$0.8 million in Q1 2024, compared to a decrease of \$1.3 million in Q1 2023.

2023 Financial Review

Pooled Revenue (\$ millions)



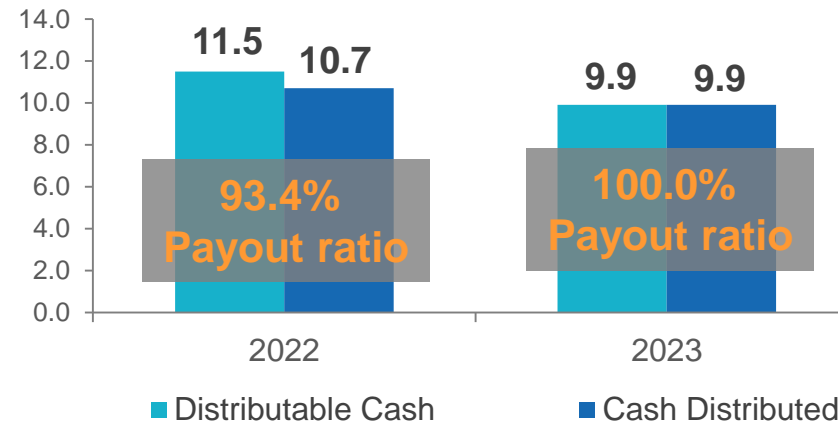
Net Earnings (\$ millions) ¹



Same Store Sales

 **8.5%**

Cash Distributions (\$ millions) ²

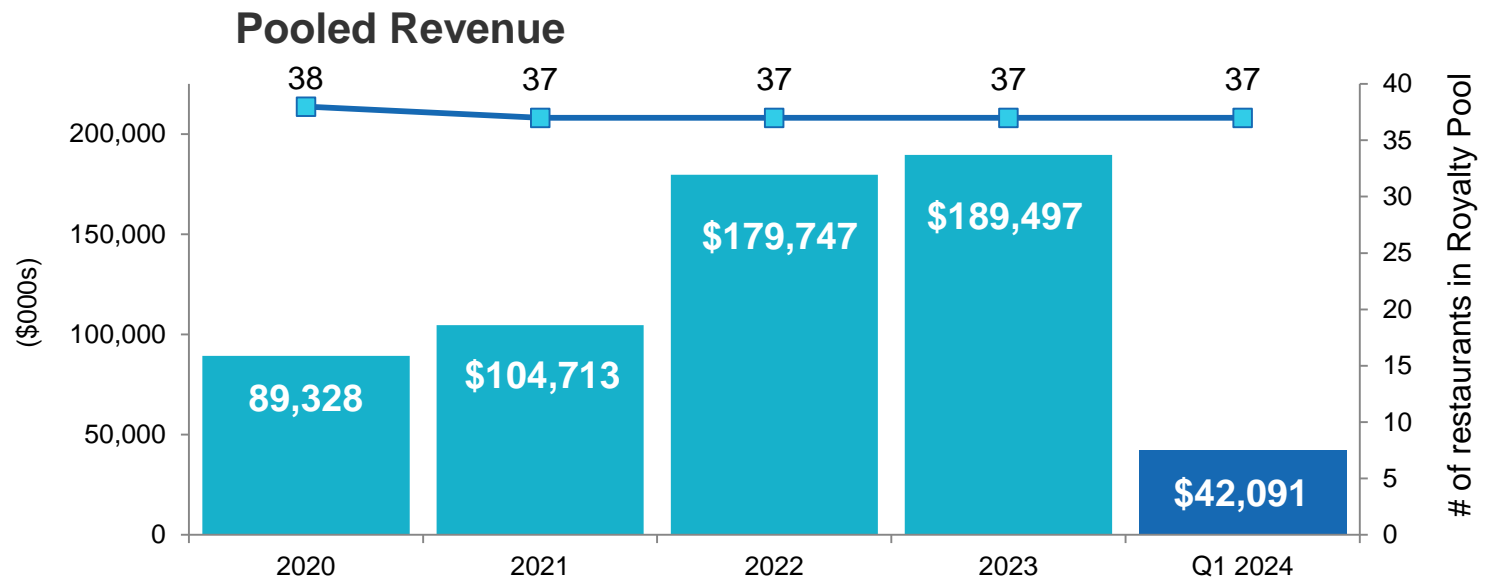


The Fund's payout ratio since inception in 2004 up to and including 2023 is 100%, which is in line with long-term target of 100% per annum

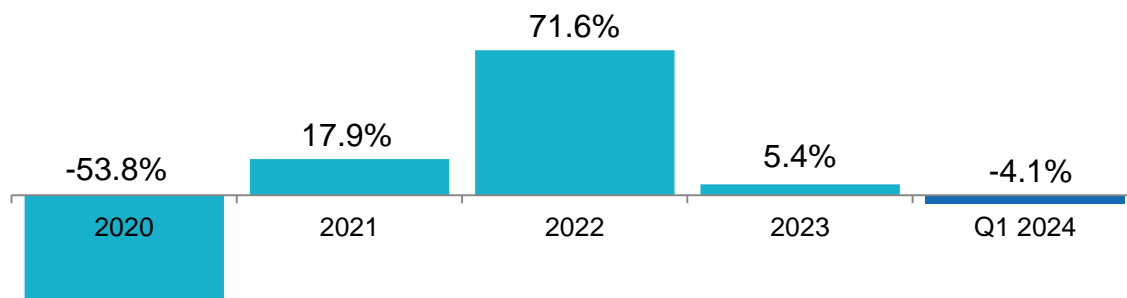
1. Net earnings in 2022 were positively impacted by a \$30.1 million recovery of previous impairments on the Fund's investment in the SIR Royalty Limited Partnership and other financial assets.
2. The decline in Distributable Cash in 2023 compared to 2022 reflects the normalization of income in a post-pandemic environment without material loss provisions or recoveries, which has affected tax installments and as such increased taxation expense to date.



69.5% of Royalty Pooled Revenue in Q1 2024

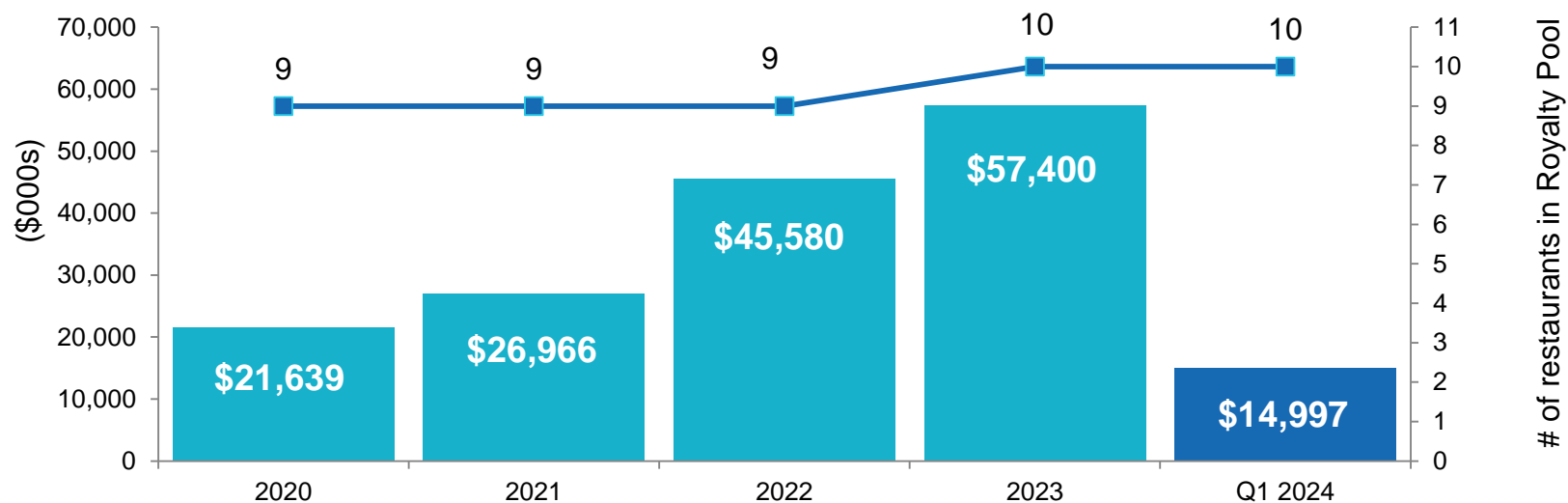


Same Store Sales

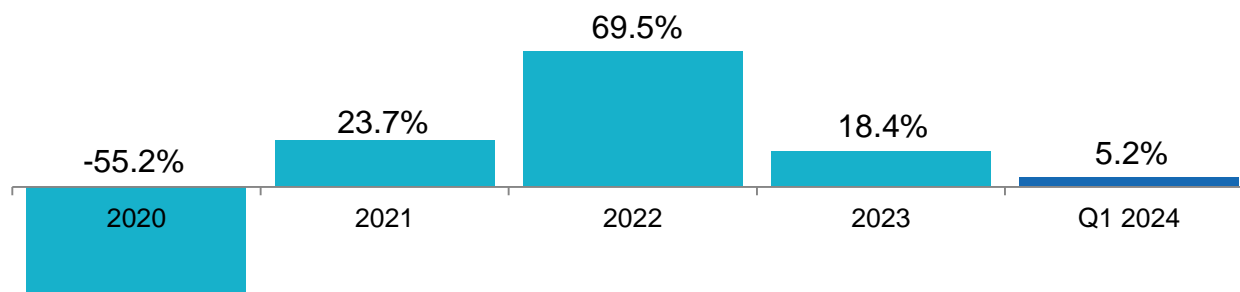


24.8% of Royalty Pooled Revenue in Q1 2024

Pooled Revenue



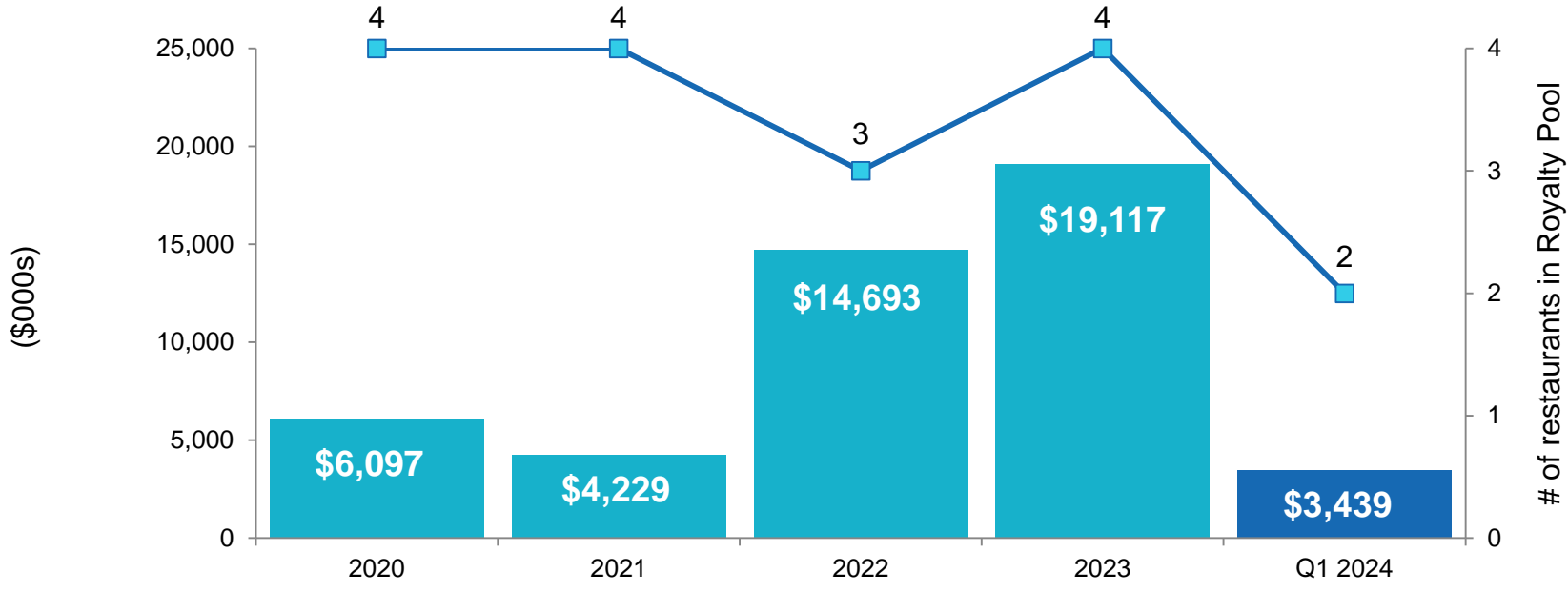
Same Store Sales



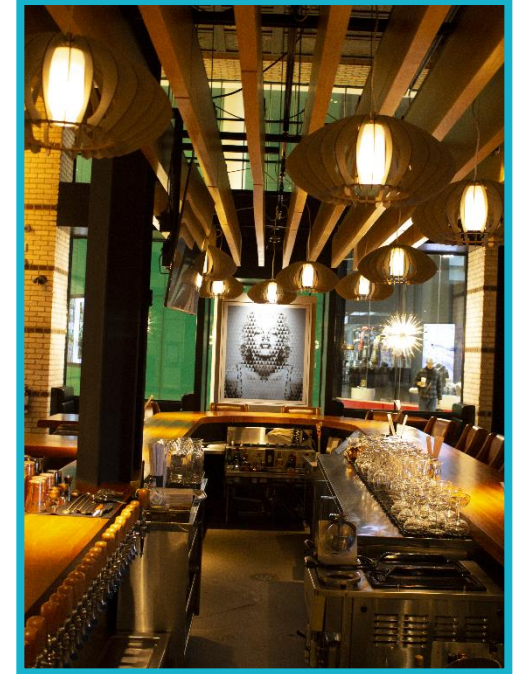
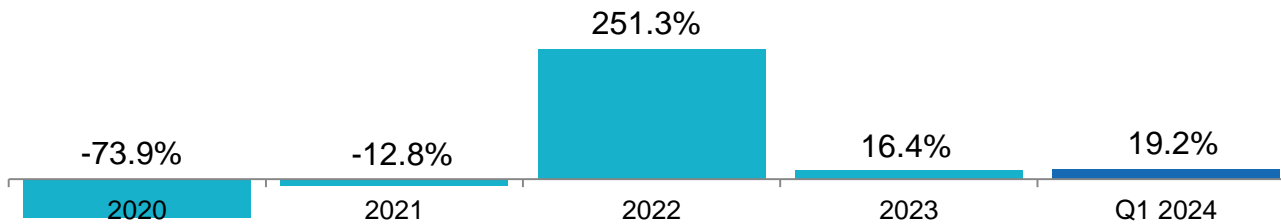


5.7% of Royalty Pooled Revenue in Q1 2024

Pooled Revenue



Same Store Sales



Outlook

- SIR remains focused on quality and innovation, as well as service training and excellence
- SIR's corporate ownership model enables rapid implementation of performance-enhancing initiatives
- **"Service-Inspired Rewards"** has become a popular loyalty program that further enhances guests' experiences
- SIR continues to invest in new restaurants and renovations to existing restaurants to further elevate its brands and drive growth
 - 17 Jack Astor's locations renovated since 2022, with more planned in 2024
 - Reds Square One location renovated in Q3 2023
 - Two new Scaddabush restaurants opened to date in 2024
 - SIR is currently planning the development of two new Scaddabush and one new Jack Astor's (in Barrie, Guelph, and Oshawa, Ontario)
 - "Edna + Vita", a new Italian themed fine-dining restaurant, opened in April 2024 at the site of the former Reds Wine Tavern in Toronto
 - SIR is evaluating alternative uses for the recently closed Scaddabush (Mimico) location

