



EDNA+VITA



# SIR Royalty Income Fund

Investor Presentation – March 2025



EDNA+VITA



SERVICE INSPIRED RESTAURANTS

## 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 SIR Royalty Income Fund (the "Fund") or SIR Corp. ("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 SIR Royalty Limited Partnership, (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: market conditions; 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; the risk of cybersecurity breaches; 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.

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](http://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 MD&A available on SEDAR+ and at [www.sircorp.com](http://www.sircorp.com).



SCADDABUSH

REDS

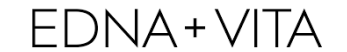


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SERVICE INSPIRED  
RESTAURANTS

# Overview



## SERVICE INSPIRED RESTAURANTS

SIR Corp. (“SIR”) is a leading Canadian operator of casual and fine dining restaurants

- 54 restaurants, primarily in Ontario
- 6 restaurant brands / 5 brands currently included in Royalty Pool
- ~ 4,020 employees
- Fiscal 2024 revenue: \$271.3 million

## SIR Royalty Income Fund (TSX: SRV.UN)

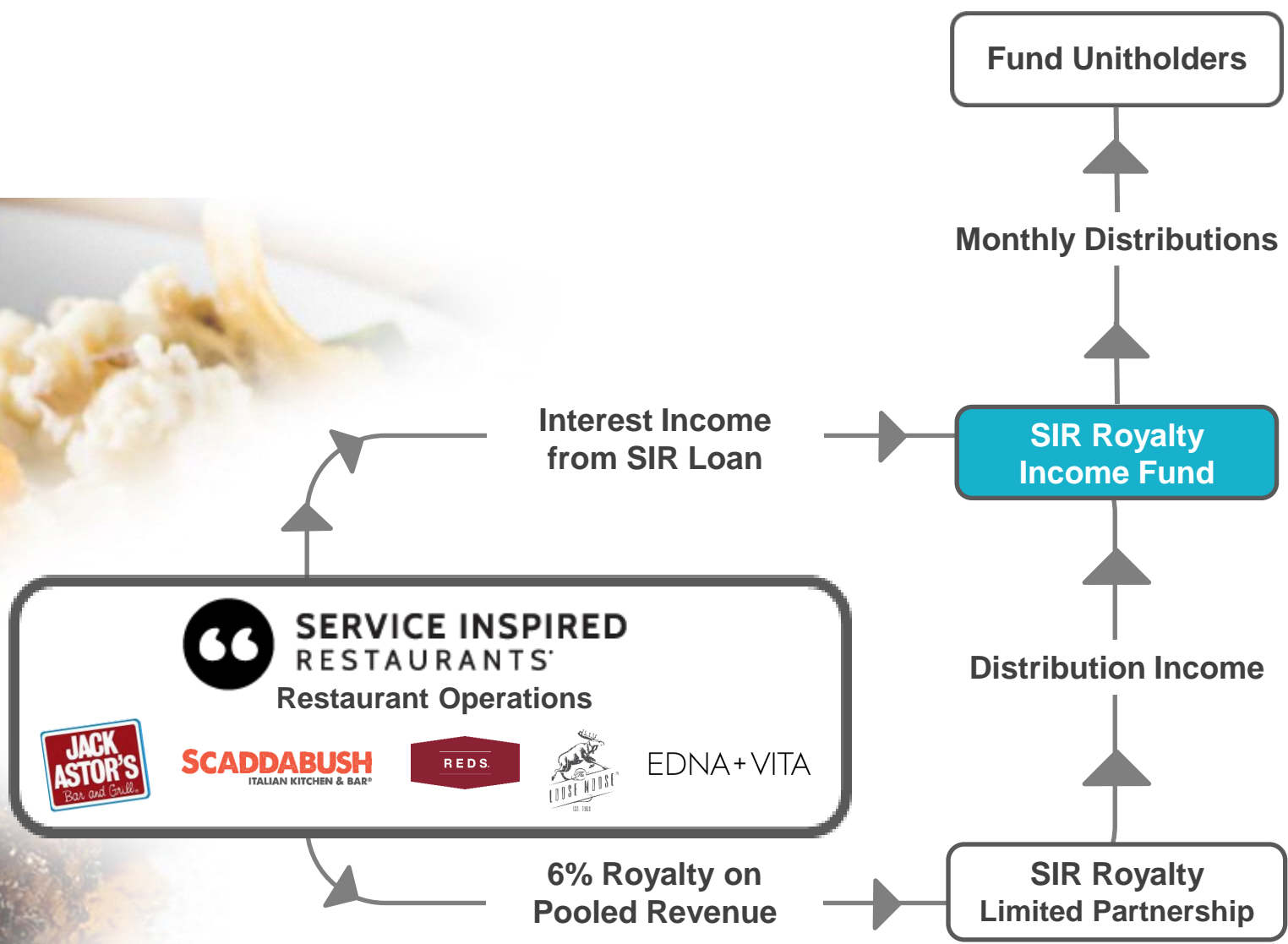
- IPO: October 2004
- Market capitalization: ~ \$108 million
- Recent close: \$12.89 (March 31, 2025)
- Units outstanding: ~ 8.4 million
- Monthly cash distribution per unit: \$0.095
- Current yield: ~ 8.8%



SERVICE INSPIRED RESTAURANTS



# Sources of Fund Income



The above illustration is for descriptive purposes only and is qualified in its entirety by the description in the actual agreements and by the Fund's prospectus on SEDAR+. As at January 1, 2025, SIR Corp. held a 15.78% residual interest in SIR Royalty Limited Partnership.

# Board of Trustees

Name & Domicile	Principal Occupation
<b>Stephen Dewis</b> <sup>1 3</sup> Ontario, Canada	Corporate Director / Former Partner at Ernst & Young LLP
<b>Michael Fisher</b> <sup>1 2 3</sup> Ontario, Canada	Corporate Director / Former Global Head of Trading for Fixed Income, Currencies and Commodities, BMO Capital Markets
<b>Lembit Janes</b> <sup>2 3</sup> Ontario, Canada	Corporate Director / Former Chief Executive Officer, Janes Family Foods
<b>Sandra Levy</b> <sup>2 3</sup> Ontario, Canada	Corporate Director / Former Chief People and Culture Officer, Canadian Olympic Committee
<b>Norm Mayr, <i>Chair</i></b> <sup>1 3</sup> 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
  - 30 + years experience in finance and accounting in the restaurant industry
  - CFO of SIR GP Inc.
  - Previous: VP Finance, Oliver Bonacini Hospitality



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**SIR Corp. has an effective 15.78% interest in the Fund**



SCADDABUSH



DUKE'S  
ESTABLISHED  
BAR



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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, changes can be affected without lengthy approvals or negotiations
- Ability to change restaurant design with minimal lead time
- Enables constant menu and service innovation

## Consistency

- Consistent guest 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***



# Brand Diversification | High-Traffic Locations



Square One, Mississauga



Scarborough Town Centre



Front Street, Toronto



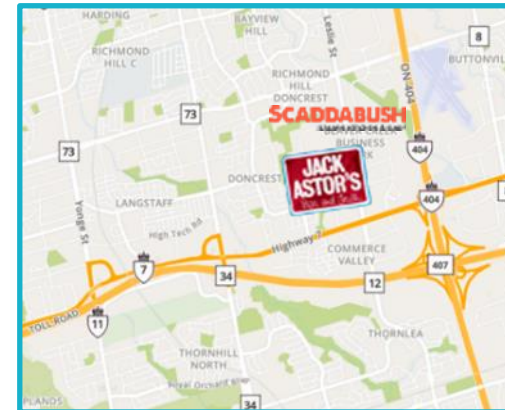
Toronto Airport



Sherway Gardens



Vaughan



Richmond Hill



Whitby

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



SCADDABUSH

REDS



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SERVICE INSPIRED RESTAURANTS

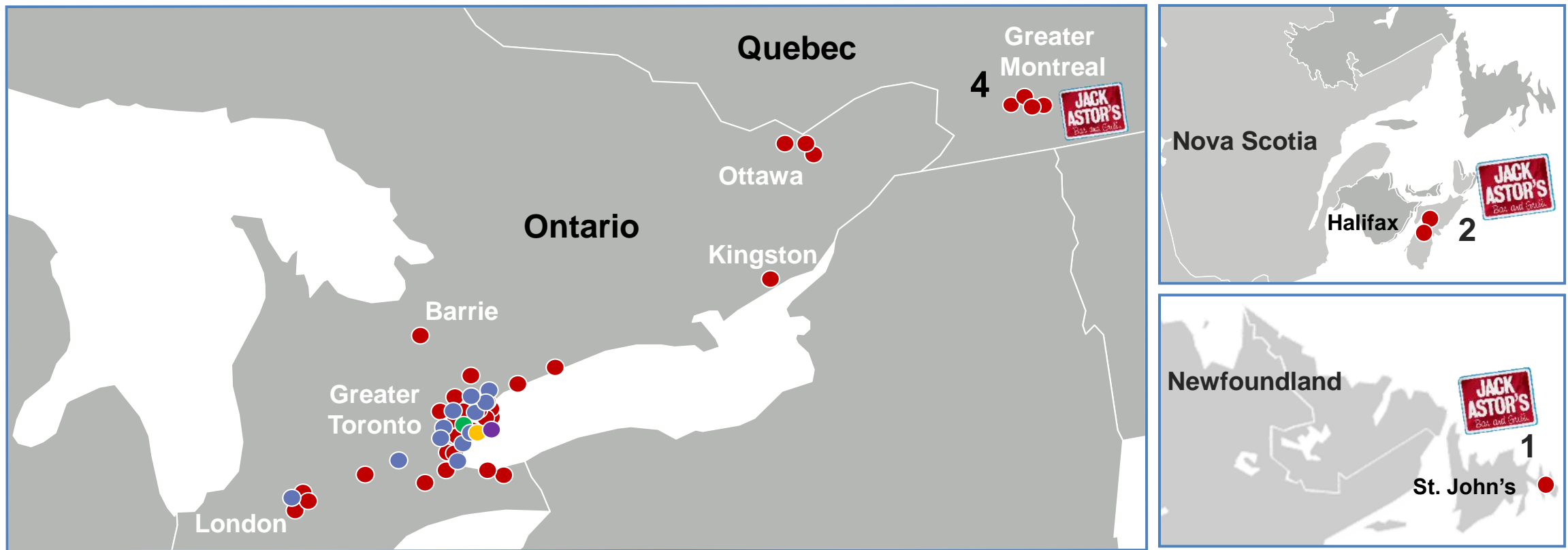


# 52 Royalty Pooled Restaurants (effective Jan. 1, 2025)



Locations in Ontario:

- 29 ● 
- 1 ● 
- 1 ● EDNA+VITA
- 13 ● 
- 1 ● 



# Investing in Existing Restaurants



*Jack Astor's renovation program implements a refreshing, more contemporary and immersive guest-facing experience*

**17** Jack Astor's renovated since pandemic restrictions lifted in March 2022



SCADDABUSH  
ITALIAN KITCHEN & BAR

REDS



EDNA + VITA

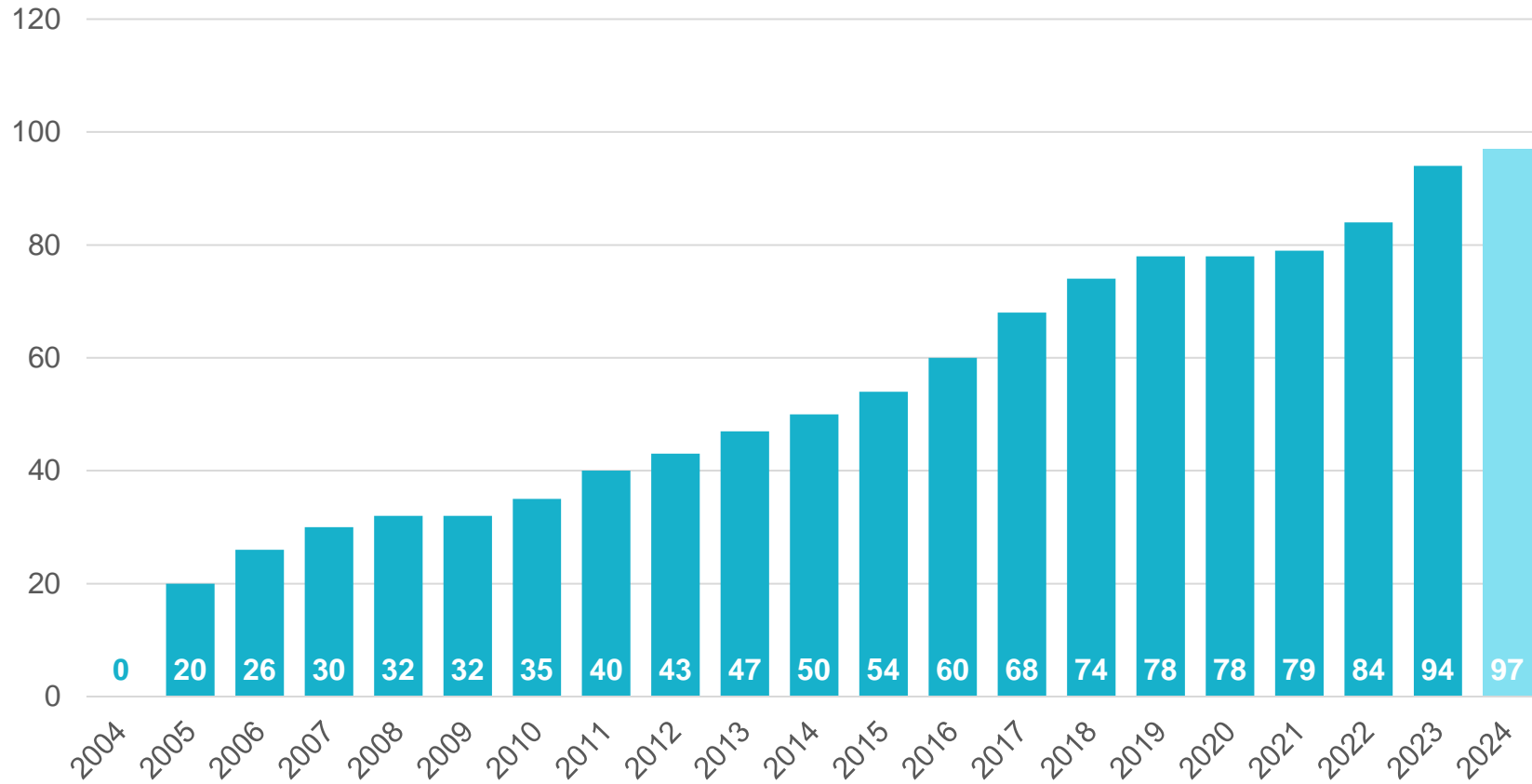


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# Investing in Existing Restaurants



## Cumulative Renovations & Enhancements Completed



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ITALIAN RESTAURANT & BAR

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# Investing in New Restaurants

- Three new Scaddabush restaurants added to Royalty Pool in January 2025: Don Mills (opened in Feb. 2024), London, ON (opened in April 2024), and Guelph, ON (opened in Aug. 2024)
- “Edna + Vita”, a new Italian themed, fine-dining restaurant (opened in April 2024) added to Royalty Pool in January 2025
- A second Duke’s Refresher + Bar location opened in May 2024 at Queen St. E. and Broadview Ave. in downtown Toronto (*currently not in consideration for the Royalty Pool*)
- SIR has commitments to lease two properties (in Barrie and Oshawa, ON) upon which it plans to build two new Scaddabush restaurants



**SERVICE INSPIRED  
RESTAURANTS**



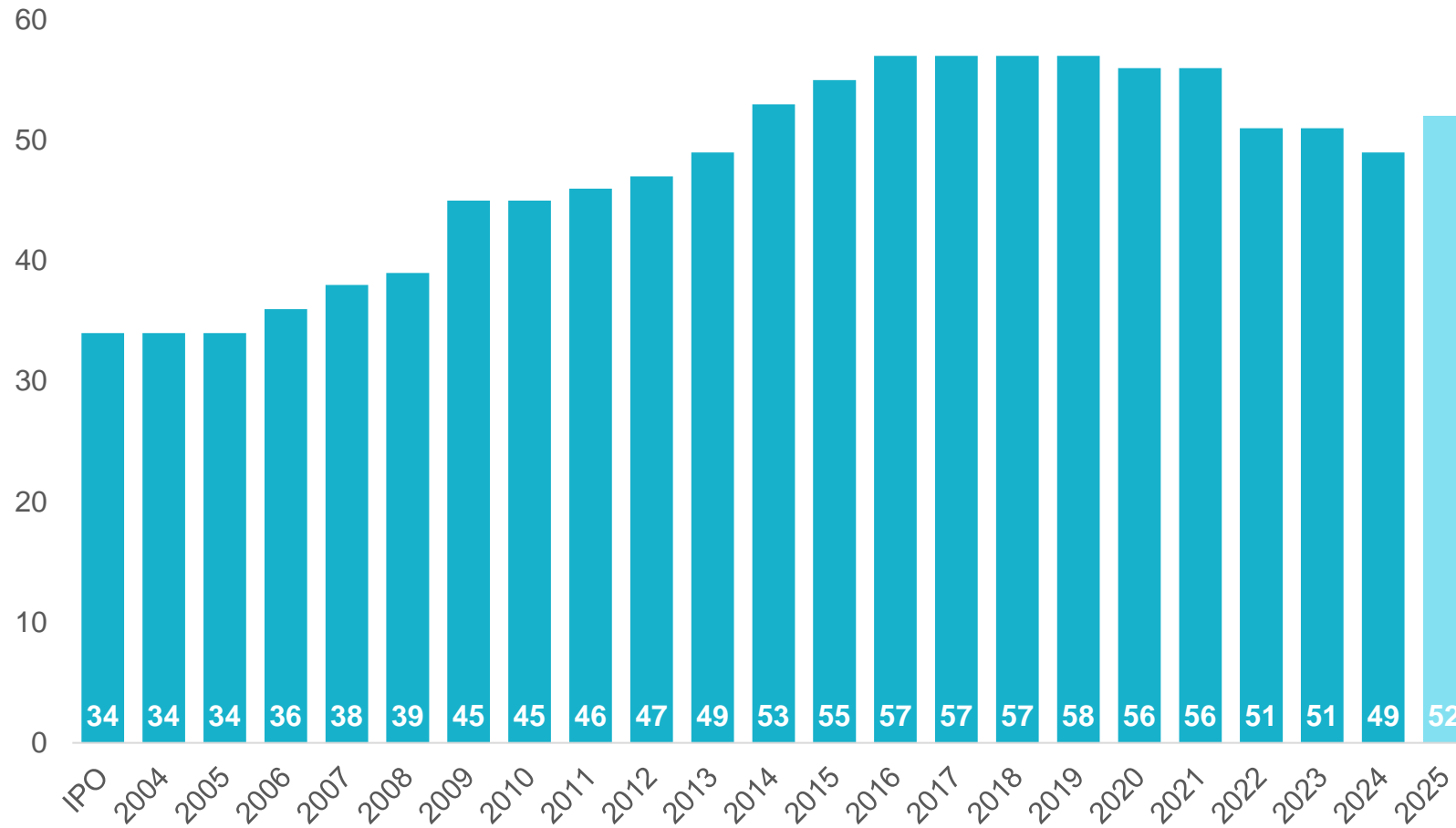
**SCADDABUSH**  
ITALIAN KITCHEN & BAR®



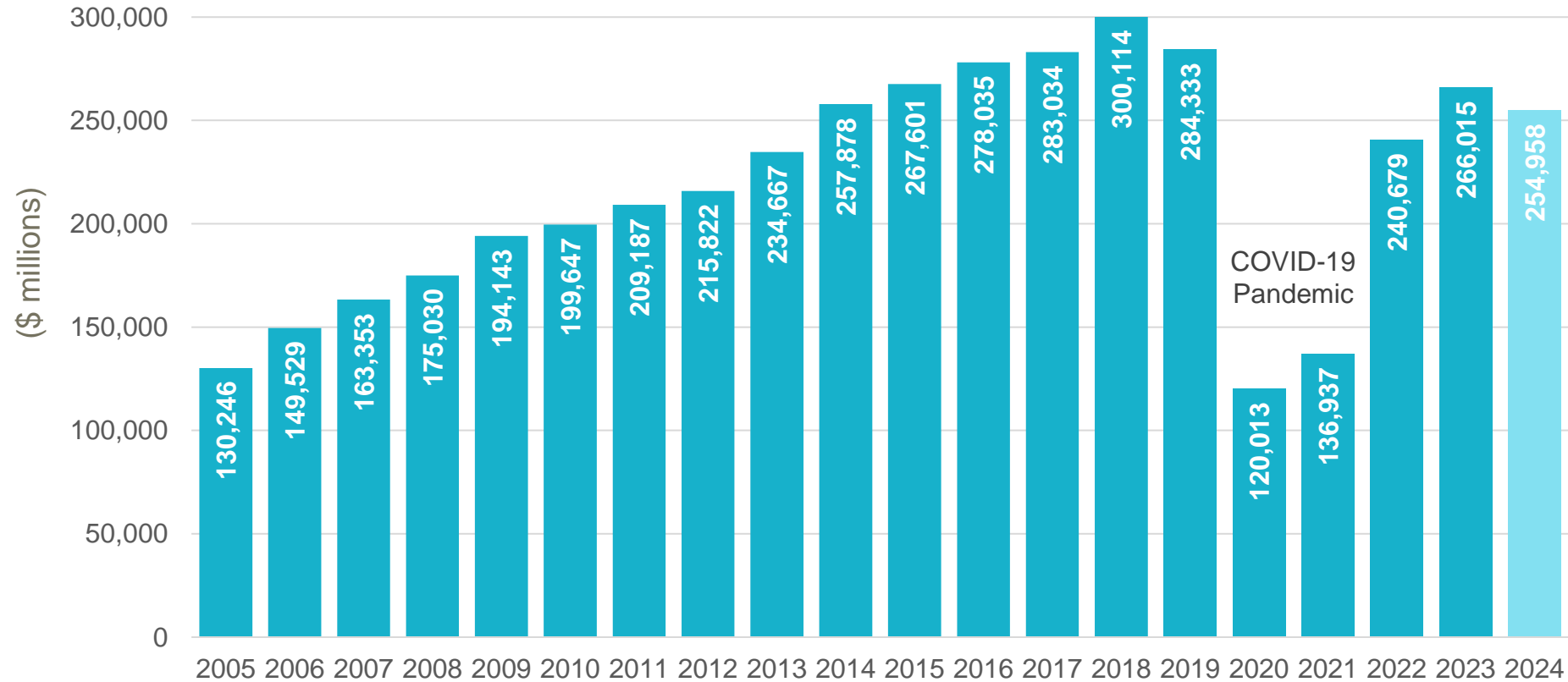
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*Continued investment in new and existing restaurants*

## # of Royalty Pooled Restaurants



# Historical Pooled Revenue



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



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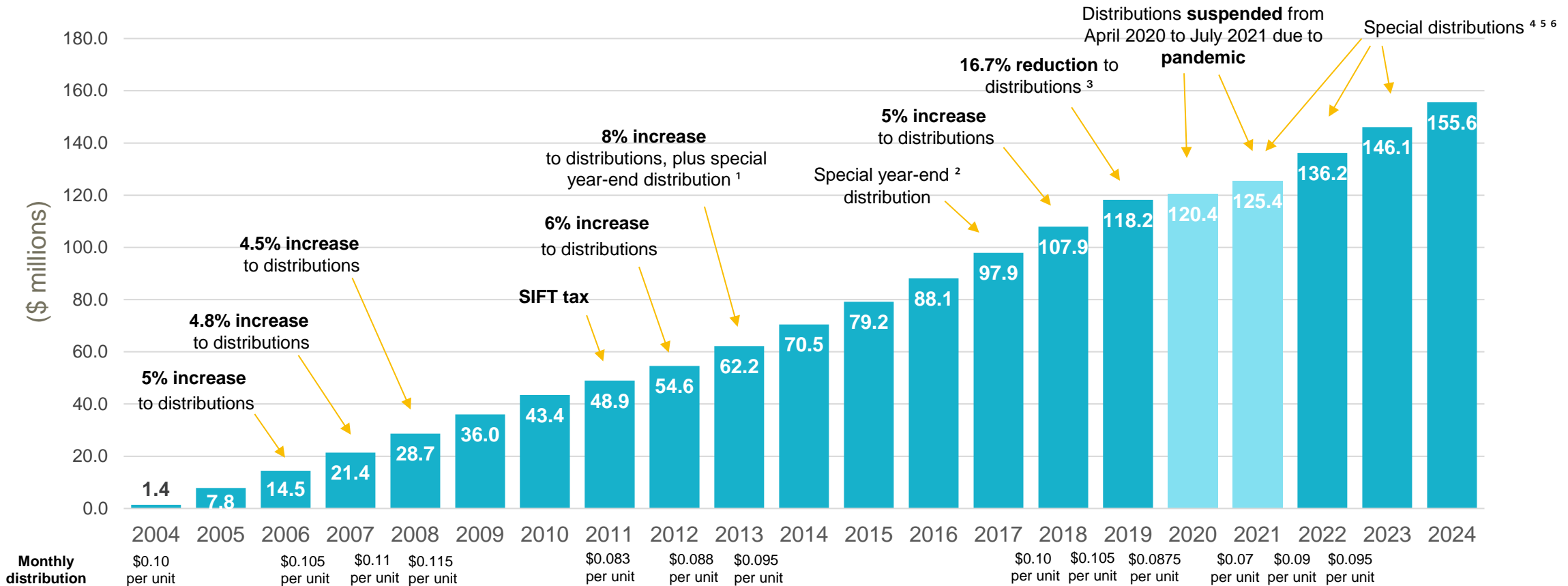
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RESTAURANTS



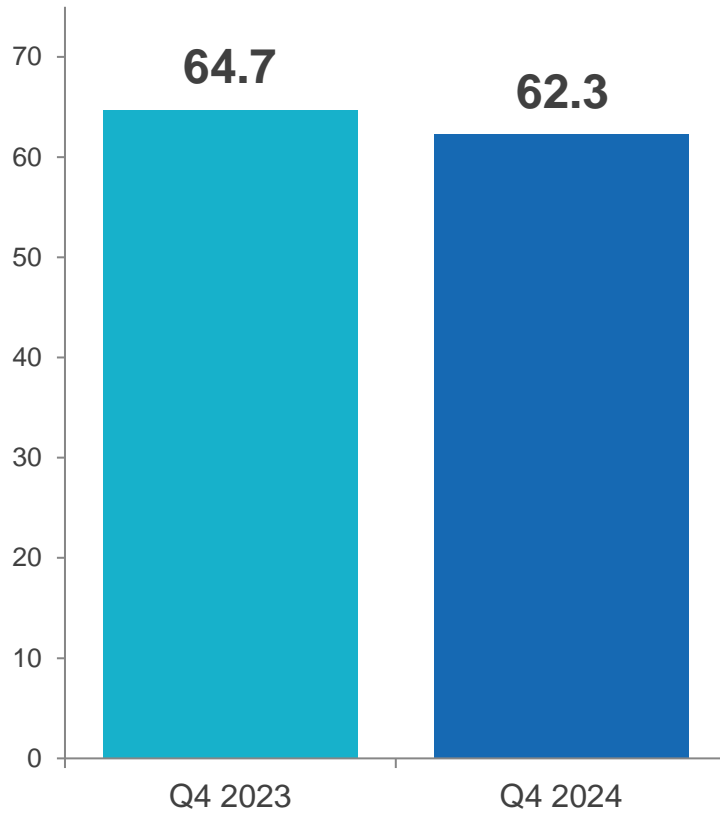
# Cumulative Cash Distributions & Adjustments Since Inception to Dec. 31, 2024



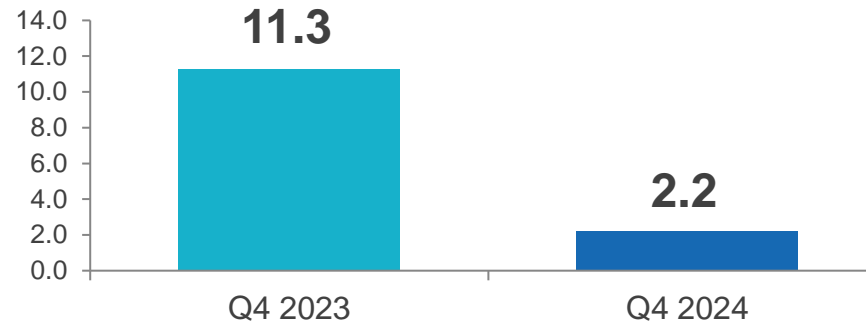
1. Cash distributed to unitholders in 2013 also includes the special year-end distribution of \$0.05 per unit
2. Cash distributed to unitholders in 2017 also includes the special year-end distribution of \$0.02 per unit
3. Monthly distribution reduced from \$0.105 per unit to \$0.0875 per unit in November 2019 to align with Royalty Pooled Revenue
4. Cash distributed to unitholders in 2021 also includes the special year-end distribution of \$0.10 per unit
5. Cash distributed to unitholders in 2022 also includes the July special distribution of \$0.135 per unit and the special year-end distribution of \$0.05 per unit
6. Cash distributed to unitholders in 2023 also includes the special year-end distribution of \$0.0425 per unit

# Q4 2024 Financial Review (Three months ended December 31)

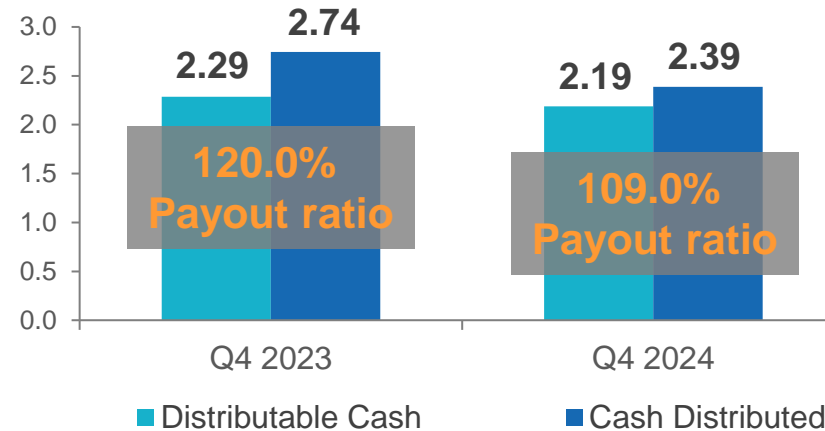
**Pooled Revenue** (\$ millions)



**Net Earnings** (\$ millions) <sup>1</sup>



**Cash Distributions** (\$ millions)



**Same Store Sales (“SSS”)**



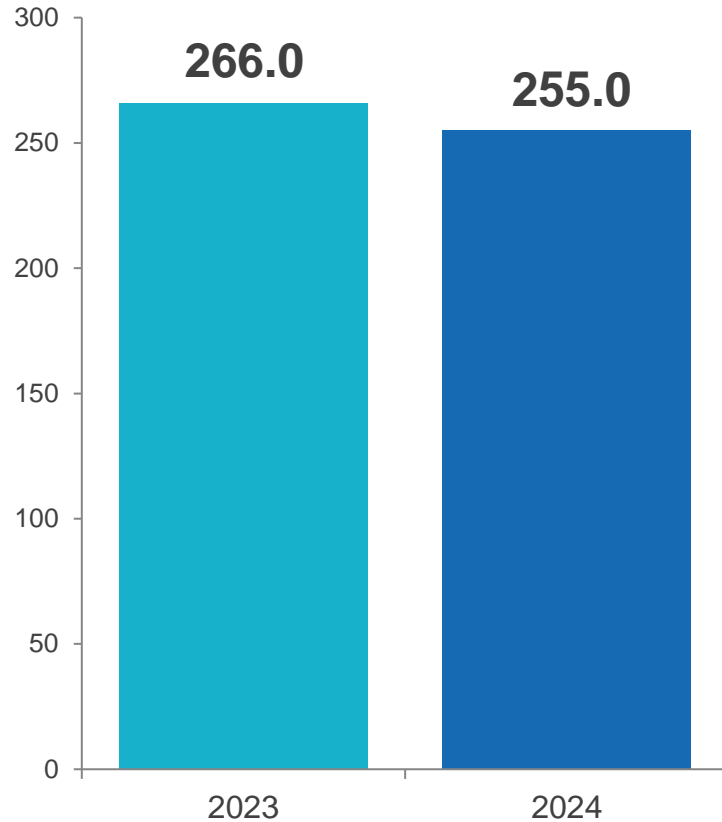
The decline in SSS primarily reflects the impact of the cybersecurity incident and lower guest counts and reduced takeout / delivery sales at certain Jack Astor’s locations, partially offset by increased pricing and SSS growth for Scaddabush and the Signature Restaurants. Pooled Revenue was impacted by the closure of four restaurants (three in 2023 and one in 2024), and lower SSS.

The Fund’s payout ratio since inception in 2004 up to and including Q4 2024 is 100.0%, which is in line with its long-term target of 100% per annum.

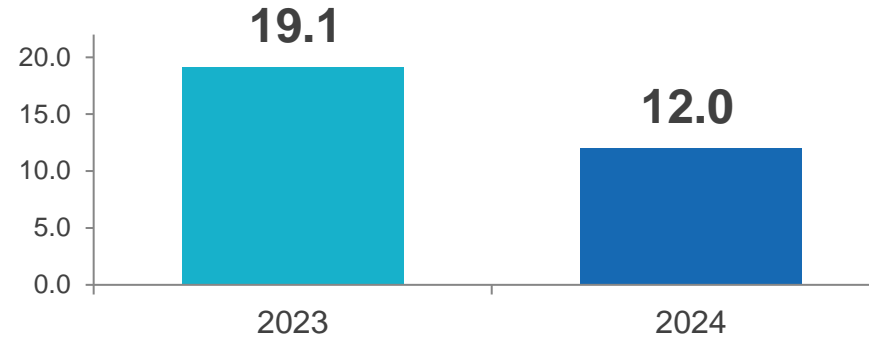
1. The decrease in net earnings in Q4 2024 was primarily attributable to a smaller increase in the estimated fair value of the SIR Loan in Q4 2024 compared to Q4 2023. The estimated fair value of the SIR Loan increased by \$0.8 million in Q4 2024, compared to \$9.8 million in Q4 2023.

# 2024 Financial Review (12 months ended December 31)

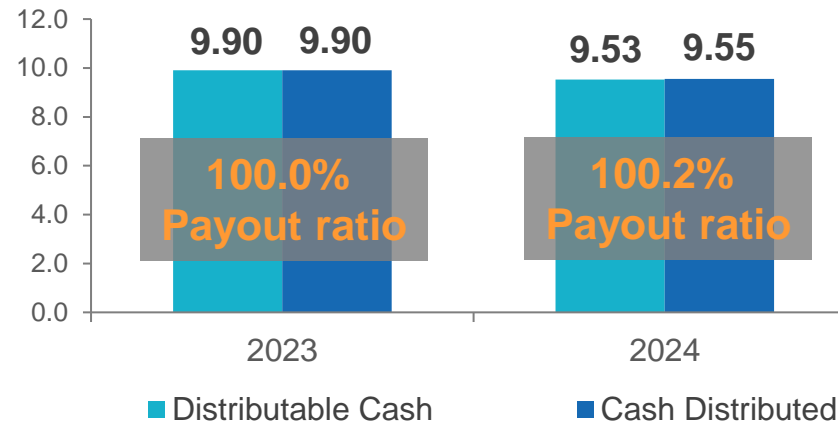
## Pooled Revenue (\$ millions)



## Net Earnings (\$ millions) <sup>1</sup>



## Cash Distributions (\$ millions)



## Same Store Sales

↓ **2.6%**

The decline in SSS primarily reflects lower guest counts and reduced takeout / delivery sales at certain Jack Astor's locations and the impact of the cybersecurity incident, partially offset by increased pricing and SSS growth for Scaddabush and the Signature Restaurants. Pooled Revenue was impacted by the closure of four restaurants (three in 2023 and one in 2024), and lower SSS.

The Fund's payout ratio since inception in 2004 up to and including 2024 is 100.0%, which is in line with its long-term target of 100% per annum.

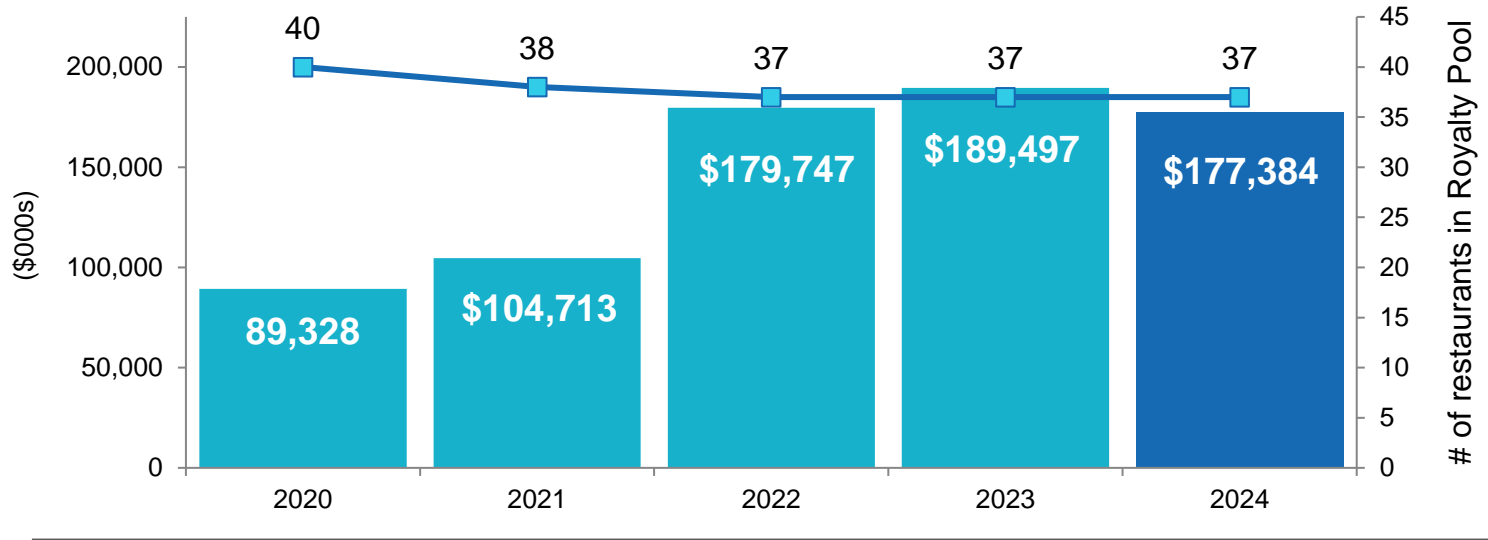
1. The decrease in net earnings in 2024 was primarily attributable to a smaller increase in the estimated fair value of the SIR Loan in 2024 compared to 2023. The estimated fair value of the SIR Loan increased by \$5.5 million in 2024, compared to \$12.3 million in 2023.



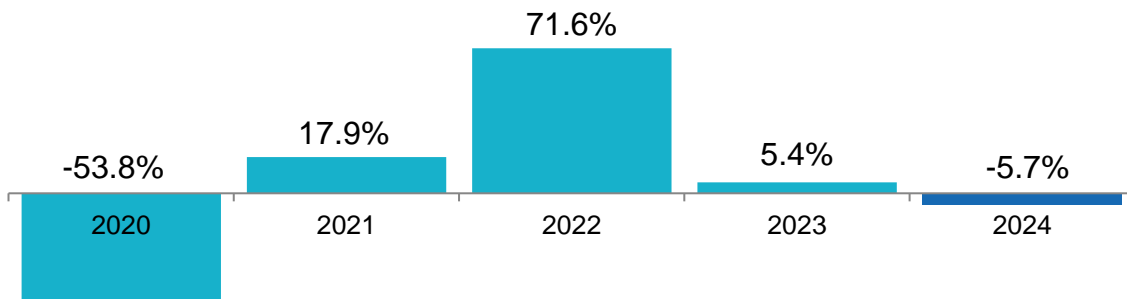


# 69.6% of Royalty Pooled Revenue in 2024

## Pooled Revenue



## Same Store Sales



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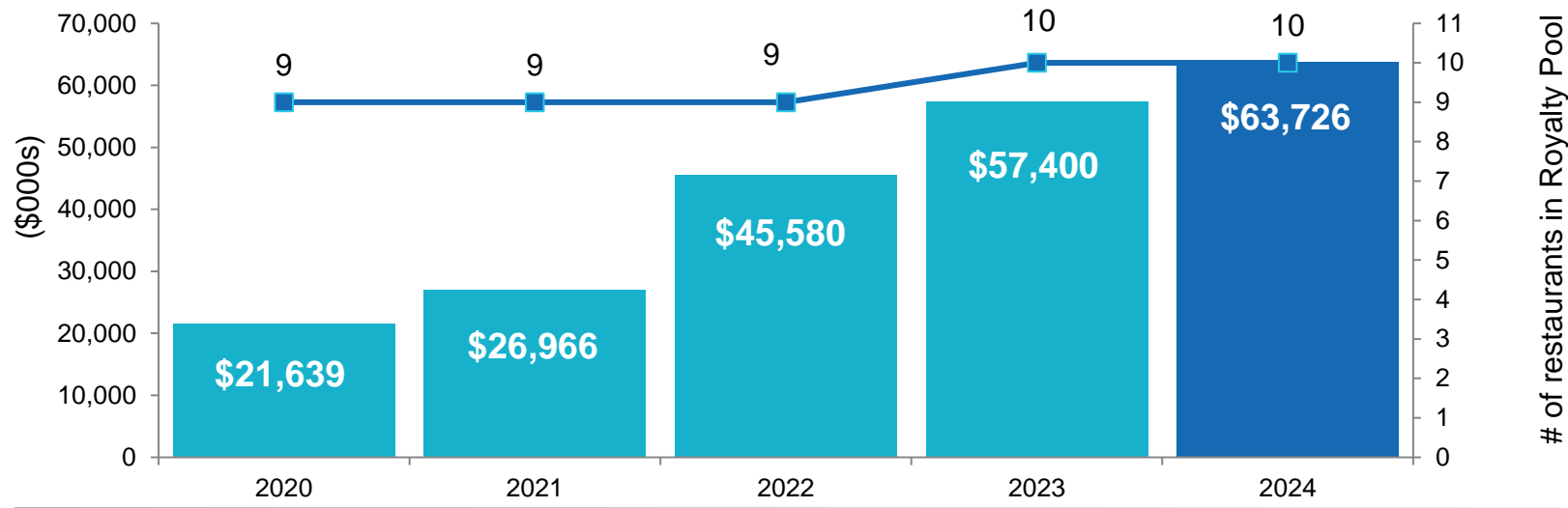
EDNA + VITA



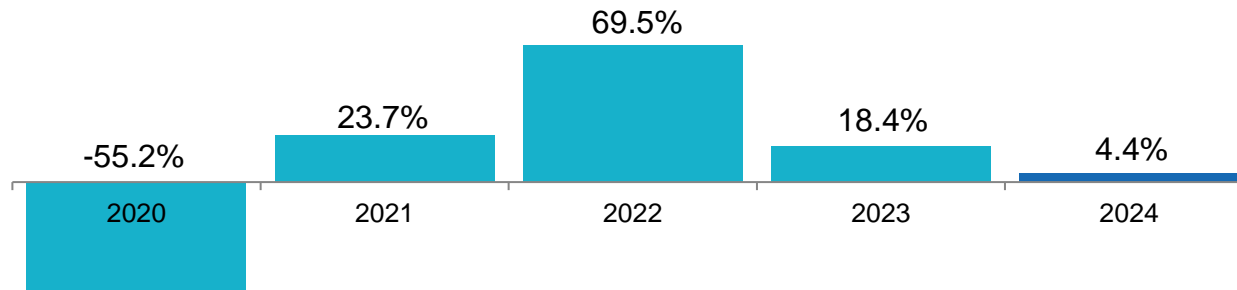
SERVICE INSPIRED RESTAURANTS

# 25.0% of Royalty Pooled Revenue in 2024

## Pooled Revenue



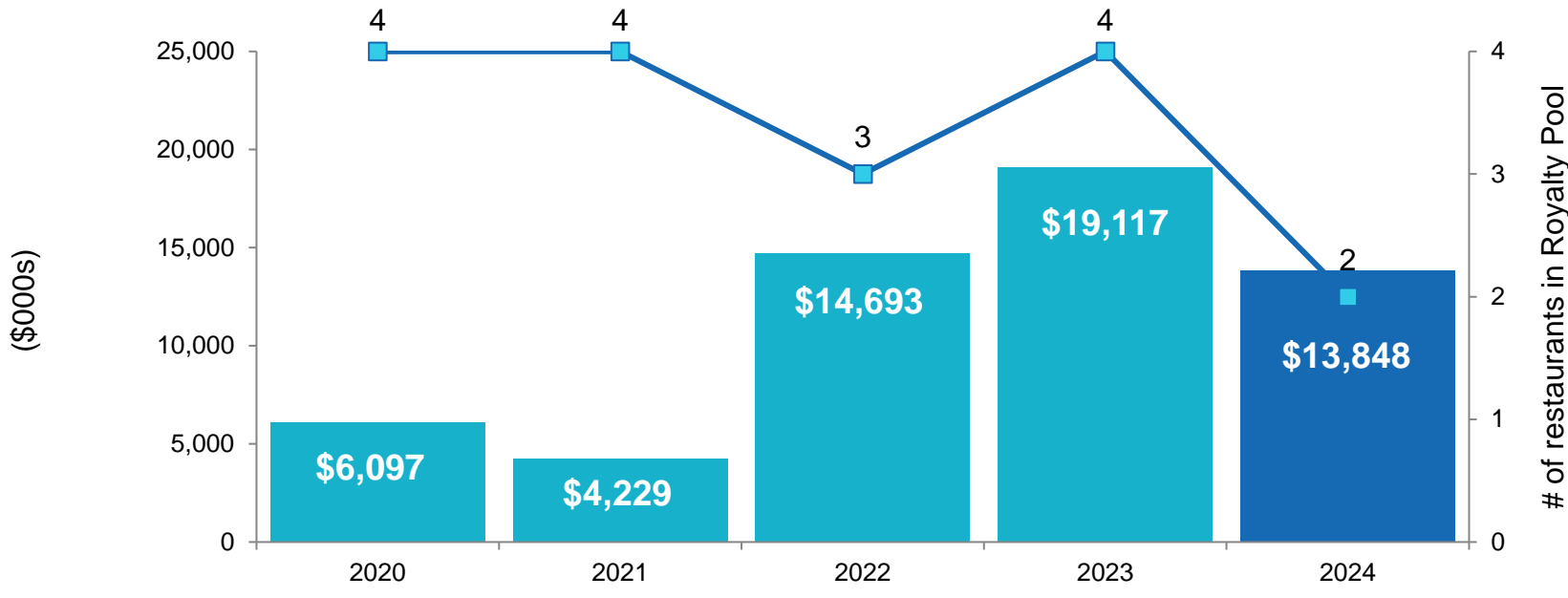
## Same Store Sales



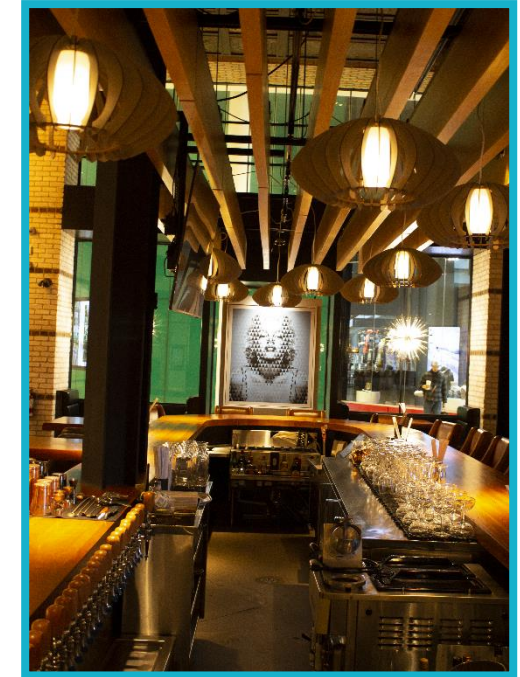
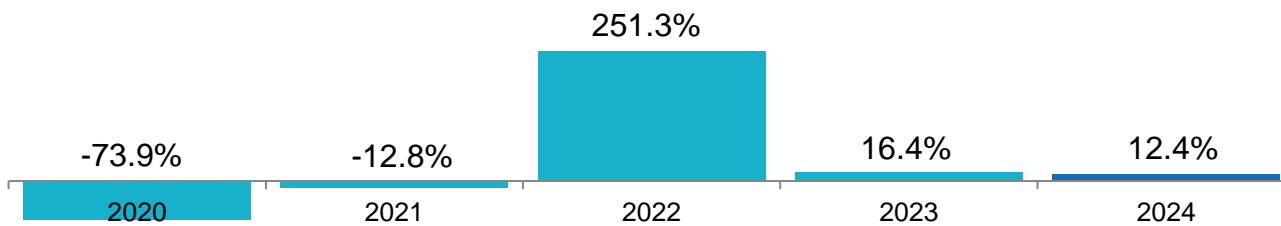


# 5.4% of Royalty Pooled Revenue in 2024

## Pooled Revenue



## Same Store Sales



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SERVICE INSPIRED RESTAURANTS

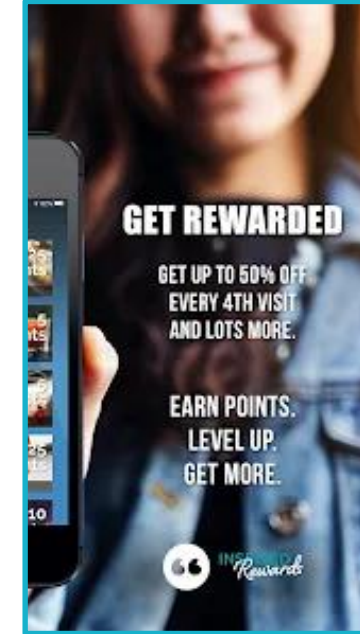


# Outlook



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- 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
- **"Inspired Rewards"** has become a popular loyalty program that further enhances guests' experiences
- SIR has invested in new restaurants / renovations to existing restaurants to further elevate its brands and drive growth
  - 17 Jack Astor's locations renovated since March 2022
  - Reds Square One location renovated in Q3 2023
  - Three new Scaddabush restaurants and Edna + Vita added to Royalty Pool effective January 2025
  - SIR is currently planning the development of two new Scaddabush restaurants (in Barrie and Oshawa, ON)



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REDS

DUKE'S  
RESTAURANT  
BAR



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