



**SERVICE INSPIRED  
RESTAURANTS**

**SIR CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE 12-WEEK PERIOD ENDED NOVEMBER 23, 2025**

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**SIR CORP.**  
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***Executive Summary***

SIR Corp.'s ("SIR" or the "Company") first quarter of Fiscal 2026 comprises the 12-week period from September 1, 2025 to November 23, 2025. The following is a summary of operational and financial results for SIR's 12-week period ended November 23, 2025 ("Q1 2026"):

***Consolidated revenue and Same Store Sales<sup>(1)</sup> ("SSS"):***

- Food and beverage revenue from corporate restaurant operations for Q1 2026 totaled \$64.7 million, an increase of 10.3%, or \$6.0 million, compared to \$58.7 million for the 12-week period ended November 17, 2024 ("Q1 2025").
- Consolidated SSS<sup>(1)</sup> increased by 8.3% for Q1 2026.
- SIR's flagship Concept Restaurant brand, Jack Astor's® Bar and Grill ("Jack Astor's"), which generated approximately 60.7% of Pooled Revenue in Q1 2026, had a SSS<sup>(1)</sup> increase of 7.0% for Q1 2026.
- Scaddabush Italian Kitchen & Bar® ("Scaddabush") had a SSS<sup>(1)</sup> increase of 7.1% for Q1 2026.
- The Signature Restaurants had a SSS<sup>(1)</sup> increase of 22.2% for Q1 2026.

***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 new restaurant development and existing store renovations is a key performance-enhancing initiative. 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.

During Q1 2026, on September 1, 2025, SIR closed the Jack Astor's location in Barrie, Ontario for 30 days to complete a major renovation and train personnel on an entirely new service package, including new food and beverage menus. This renovation also included the unveiling of its new concept, Freida's Beverage Kitchen™ ("Freida's"). SIR believes that dining, at its core, is about connection – over great food, great drinks and shared experiences. Accordingly, SIR has revamped the menu so that every dish is designed for sharing, including a new pizza category, making each meal at Jack Astor's and Freida's an event to mix, match, and indulge together. SIR has developed Freida's as a place where the art of cocktail creation is crafted and celebrated through iconic categories of Margaritas, Classics, Dirty Sodas and more. Freida's is a vibrant space that blends theatre with every sip and is situated in the heart of Jack Astor's in Barrie. With the combination of Jack Astor's and Freida's, SIR is defining a new era of social dining, with two distinct identities under one roof and one shared mission – to make dining out feel alive again.

On September 15, 2025, due to current economic conditions and the anticipated impact of a forthcoming six-month closure of Queen Street East in downtown Toronto due to construction activity, SIR permanently closed the Duke's Refresher® + Bar ("Duke's Refresher") location at the intersection of Queen Street East and Broadview Avenue.

Subsequent to Q1 2026, on December 3, 2025, SIR opened a new Jack Astor's + Freida's location in Oshawa, Ontario. This new location is expected to be added to the Royalty Pooled Restaurants effective January 1, 2027.

As at the date of this report, SIR has leased two properties – in Windsor, Ontario and Aurora, Ontario – upon which it plans to develop two new Scaddabush locations. There can be no assurance at this time that the planned new restaurants in Windsor and Aurora will be opened, or that either of these two new locations will become part of the Royalty Pooled Restaurants.

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(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).

***Net Income (Loss) and Comprehensive Income (Loss), Adjusted Net Earnings<sup>(1)</sup>, EBITDA<sup>(1)</sup>, and Adjusted EBITDA<sup>(1)</sup>***

- Net income (loss) and comprehensive income (loss) was \$5.8 million for Q1 2026, compared to (\$5.3) million for Q1 2025.
- Adjusted Net Earnings (Loss)<sup>(1)</sup> were \$0.8 million in Q1 2026, compared to (\$1.6) million in Q1 2025.
- EBITDA<sup>(1)</sup> and Adjusted EBITDA<sup>(1)</sup> in Q1 2026 totaled \$8.2 million and \$4.5 million, respectively, compared to \$5.9 million and \$2.9 million, respectively, in Q1 2025.

***Cybersecurity Incident***

During Q1 2025, commencing on September 26, 2024, SIR experienced a cybersecurity incident (the "Cybersecurity Incident") that impacted a portion of its IT infrastructure. SIR immediately engaged third-party cybersecurity experts to assist with its containment, remediation and investigation efforts. Despite the related operational disruptions, guest payment platforms remained secure, and SIR continued to operate all of its restaurants. As a result of the Cybersecurity Incident, SIR experienced a decline in revenue, most notably during the 27-day period following the onset of the incident, while certain restaurant technology was being restored, as well as increased cost of operations, and other associated costs related to investigation and mitigation of loss services. SIR was able to predominantly restore operational technology and third-party delivery partner servers by October 23, 2024.

***SIR's Credit Agreement and Other Loans***

For more information regarding SIR's Credit Agreements, please refer to the SIR Royalty Income Fund (the "Fund") and SIR's prior interim and annual filings, including its filings on May 23, 2025, which can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Fund's profile.

On May 15, 2025, SIR entered into a new credit agreement (the "Credit Agreement") with a syndicate of two Schedule 1 Canadian chartered banks (the "Lenders") to refinance the previous credit facility. Upon refinancing, the previous credit agreement was considered an extinguishment under International Financial Reporting Standards ("IFRS"). The Credit Agreement provides for a three-year facility for a maximum principal amount of \$68.0 million consisting of: i) a \$5.0 million revolving term credit facility (the "Operating Facility"), ii) a \$38.0 million revolving term loan (the "Term Facility") and iii) a \$25.0 million non-revolving term loan (the "Delayed Draw Facility"). The Company and the Lender have also entered into a purchase card agreement providing credit of up to an additional \$1.5 million. The Term Facility was fully drawn at closing and was used to extinguish SIR's existing senior debt. For more information on SIR's Credit Agreement, please refer to the Liquidity and Capital Resources section on page 15.

***Overview***

SIR is a private company amalgamated under the Business Corporations Act of Ontario. As at November 23, 2025, 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 include Reds® Square One (which also operates an Abbey's Bakehouse® retail outlet), the Loose Moose Tap & Grill® (the "Loose Moose"), and Edna + Vita™. SIR also owns one Duke's Refresher restaurant (currently not part of Royalty Pooled Restaurants) located in downtown Toronto, which is also considered a Signature Restaurant. SIR owns 100% of its Canadian restaurants. As at November 23, 2025, 52 SIR Restaurants were included in Royalty Pooled Restaurants, including 36 Jack Astor's locations (including the Jack Astor's location in Longueuil, Quebec that was permanently closed on April 27, 2025), 13 Scaddabush locations, Reds Square One, the Loose Moose, and Edna + Vita.

On September 26, 2019, SIR opened a Duke's Refresher in the St. Lawrence Market neighborhood of downtown Toronto. On May 22, 2024, SIR opened a Duke's Refresher at the intersection of Queen Street East and Broadview Avenue in downtown Toronto. On September 15, 2025, due to current economic conditions and the anticipated impact of the current six-month closure of Queen Street East in Toronto, SIR closed this Duke's Refresher location.

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, no Duke's Refresher locations were added to the Royalty Pool on January 1, 2025. The Duke's Refresher brand is currently being managed and developed by SIR's Signature group. Accordingly, the Duke's Refresher location in downtown Toronto is classified as a Signature restaurant for SIR reporting purposes.

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. SIR's 2026 fiscal year contains 52 weeks (2025 – 53 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. Certain holidays and observances also affect dining patterns both favourably and unfavourably.

### ***Selected Consolidated Historical Financial Information***

The following tables set out selected financial information of SIR for the 12-week periods ended November 23, 2025 and November 17, 2024. The unaudited interim 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 Income (Loss)***

	<b>12-Week Period Ended</b>	
	<b>November 23, 2025</b>	<b>November 17, 2024</b>
	(in thousands of dollars)	
	(unaudited)	
<b>Corporate restaurant operations:</b>		
Revenue	64,913	58,837
Cost of corporate restaurant operations	57,642	54,697
<b>Earnings from corporate restaurant operations</b>	<b>7,271</b>	<b>4,140</b>
<b>Net income (loss) and comprehensive income (loss)</b>	<b>5,837</b>	<b>(5,299)</b>
<b>Adjusted Net Earnings (Loss)<sup>(1)</sup></b>	<b>888</b>	<b>(1,595)</b>

#### ***Statement of Financial Position***

	<b>November 23, 2025</b>	<b>August 31, 2025</b>
	(in thousands of dollars)	
	(unaudited)	
Total assets	130,980	130,487
Total non-current liabilities	241,625	249,481

#### ***Adjusted Net Earnings (Loss)<sup>(1)</sup>, EBITDA<sup>(1)</sup> and Adjusted EBITDA<sup>(1)</sup>***

Adjusted Net Earnings (Loss)<sup>(1)</sup>, EBITDA<sup>(1)</sup> and Adjusted EBITDA<sup>(1)</sup> are financial measures that do not have standardized meanings prescribed by IFRS. They are used by SIR to supplement its reporting of net income (loss) and comprehensive income (loss) and net cash flow. Adjusted Net Earnings (Loss)<sup>(1)</sup> consist of net income (loss) and comprehensive income (loss) excluding the change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership. EBITDA<sup>(1)</sup> and Adjusted EBITDA<sup>(1)</sup> consist of net income (loss) and comprehensive income (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)<sup>(1)</sup>, EBITDA<sup>(1)</sup> and Adjusted EBITDA<sup>(1)</sup> 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 income (loss) and comprehensive income (loss) for the 12-week periods ended November 23, 2025 and November 17, 2024 to Adjusted Net Earnings<sup>(1)</sup>:

	<b>12-Week Period Ended</b>	
	<b>November 23, 2025</b>	<b>November 17, 2024</b>
	(in thousands of dollars) (unaudited)	
Net income (loss) and comprehensive income (loss) for the period	5,837	(5,299)
Change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership	(4,949)	3,704
<b>Adjusted Net Earnings<sup>(1)</sup></b>	<b>888</b>	<b>(1,595)</b>

The following table reconciles net income (loss) and comprehensive income (loss) for the 12-week periods ended November 23, 2025 and November 17, 2024 to EBITDA<sup>(1)</sup> and Adjusted EBITDA<sup>(1)</sup>:

	<b>12-Week Period Ended</b>	
	<b>November 23, 2025</b>	<b>November 17, 2024</b>
	(in thousands of dollars)	
	(unaudited)	
Net income (loss) and comprehensive income (loss) for the period	5,837	(5,299)
Add (deduct):		
Interest expense	587	594
Interest on lease obligations	905	993
Interest on loan payable to SIR Royalty Income Fund	711	709
Depreciation and amortization	5,174	5,200
Change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership	(4,949)	3,704
<b>EBITDA<sup>(1)</sup></b>	<b>8,265</b>	<b>5,901</b>
Interest and other (income) expense – net	(112)	110
Recovery of financial assets	-	(9)
(Gain) loss on disposal of property and equipment	(117)	618
Cash rent	(4,009)	(3,810)
Preopening costs	472	79
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>4,499</b>	<b>2,889</b>
Income from Class A & B GP Units of the Partnership <sup>(2)</sup> (Not included in EBITDA <sup>(1)</sup> and Adjusted EBITDA <sup>(1)</sup> above)	602	312
6% Royalty obligations under License and Royalty Agreement <sup>(3)</sup>	3,708	3,132

(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.

## *Results of Operations*

### **Reconciliation of Revenue from Consolidated Financial Statements to Pooled Revenue**

	<b>12-Week Period Ended</b>	
	<b>November 23, 2025</b>	<b>November 17, 2024</b>
	(in thousands of dollars)	
	(unaudited)	
Food and beverage revenue reported in unaudited condensed interim consolidated financial statements	64,742	58,708
Less: Revenue from corporate restaurant operations excluded from the Royalty pool	(2,939)	(6,515)
Revenue for Restaurants in Royalty pool (Pooled Revenue)	<b>61,803</b>	<b>52,193</b>

### **Reconciliation of Revenue from Consolidated Financial Statements to Same Store Sales<sup>(1)</sup>**

	<b>12-Week Period Ended</b>	
	<b>November 23, 2025</b>	<b>November 17, 2024</b>
	(in thousands of dollars)	
	(unaudited)	
Food and beverage revenue reported in unaudited condensed interim consolidated financial statements	64,742	58,708
Less: Revenue from corporate restaurant operations excluded from Same Store Sales <sup>(1)</sup>	(2,097)	(857)
Same Store Sales <sup>(1)</sup>	<b>62,645</b>	<b>57,851</b>

### **Same Store Sales<sup>(1)</sup> Performance**

	<b>12-Week Period Ended</b>		
	<b>November 23, 2025</b>	<b>November 17, 2024</b>	<b>% Fav./ (Unfav.)</b>
	(in thousands of dollars)		
	(unaudited)		
Jack Astor's	37,538	35,070	7.0%
Scaddabush	19,291	18,020	7.1%
Signature Restaurants	5,816	4,761	22.2%
Same Store Sales <sup>(1)</sup>	<b>62,645</b>	<b>57,851</b>	<b>8.3%</b>



Disaggregated food and beverage revenue by Concept	12-Week Period Ended	
	November 23, 2025	November 17, 2024
	(in thousands of dollars) (unaudited)	
Jack Astor's	37,538	35,673
Scaddabush	21,341	18,020
Signature Restaurants	5,863	5,015
	<b>64,742</b>	<b>58,708</b>

### *Summary of Quarterly Results*

Statements of Operations	1 <sup>st</sup> Quarter Ended November 23, 2025 (12 weeks)	4 <sup>th</sup> Quarter Ended August 31, 2025 (17 weeks)	3 <sup>rd</sup> Quarter Ended May 4, 2025 (12 weeks)	2 <sup>nd</sup> Quarter Ended February 8, 2025 (12 weeks)	1 <sup>st</sup> Quarter Ended November 17, 2024 (12 weeks)	4 <sup>th</sup> Quarter Ended August 25, 2024 (16 weeks)	3 <sup>rd</sup> Quarter Ended May 5, 2024 (12 weeks)	2 <sup>nd</sup> Quarter Ended February 11, 2024 (12 weeks)
	(in thousands of dollars) (unaudited)							
Corporate Restaurant Operations								
Revenue	64,913	100,662	65,042	65,742	58,837	90,856	62,179	59,485
Cost of corporate restaurant operations	57,642	84,600	55,717	57,658	54,697	77,181	55,794	52,694
Earnings from corporate restaurant operations	<b>7,271</b>	<b>16,062</b>	<b>9,325</b>	<b>8,084</b>	<b>4,140</b>	<b>13,675</b>	<b>6,385</b>	<b>6,791</b>
Net income (loss) and comprehensive income (loss)	<b>5,837</b>	<b>(19,265)</b>	<b>(413)</b>	<b>(1,644)</b>	<b>(5,299)</b>	<b>10,009</b>	<b>32,971</b>	<b>(2,265)</b>
Adjusted Net Earnings (Loss) <sup>(1)</sup>	<b>888</b>	<b>7,172</b>	<b>2,538</b>	<b>1,703</b>	<b>(1,595)</b>	<b>6,079</b>	<b>657</b>	<b>603</b>

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

	1 <sup>st</sup> Quarter Ended November 23, 2025 (12 weeks)	4 <sup>th</sup> Quarter Ended August 31, 2025 (17 weeks)	3 <sup>rd</sup> Quarter Ended May 4, 2025 (12 weeks)	2 <sup>nd</sup> Quarter Ended February 9, 2025 (12 weeks)	1 <sup>st</sup> Quarter Ended November 17, 2024 (12 weeks)	4 <sup>th</sup> Quarter Ended August 25, 2024 (16 weeks)	3 <sup>rd</sup> Quarter Ended May 5, 2024 (12 weeks)	2 <sup>nd</sup> Quarter Ended February 11, 2024 (12 weeks)
	(in thousands of dollars) (unaudited)							
Net income (loss) and comprehensive income (loss)	5,837	(19,265)	(413)	(1,644)	(5,299)	10,009	32,971	(2,265)
Change in amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership	(4,949)	26,437	2,951	3,347	(3,704)	(3,930)	(32,314)	2,868
Adjusted Net Earnings (Loss) <sup>(1)</sup>	<b>888</b>	<b>7,172</b>	<b>2,538</b>	<b>1,703</b>	<b>(1,595)</b>	<b>6,079</b>	<b>657</b>	<b>603</b>

***Selected Consolidated Statement of Cash Flows Information:***

	1 <sup>st</sup> Quarter Ended November 23, 2025 (12 weeks)	4 <sup>th</sup> Quarter Ended August 31, 2025 (17 weeks)	3 <sup>rd</sup> Quarter Ended May 4, 2025 (12 weeks)	2 <sup>nd</sup> Quarter Ended February 9, 2025 (12 weeks)	1 <sup>st</sup> Quarter Ended November 17, 2024 (12 weeks)	4 <sup>th</sup> Quarter Ended August 25, 2024 (16 weeks)	3 <sup>rd</sup> Quarter Ended May 5, 2024 (12 weeks)	2 <sup>nd</sup> Quarter Ended February 11, 2024 (12 weeks)
	(in thousands of dollars) (unaudited)							
<b>Cash provided by operations</b>	8,150	20,141	10,964	3,505	2,917	18,887	6,401	1,773
<b>Cash used in investing activities</b>	(3,066)	(4,223)	(1,214)	(1,072)	(3,701)	(8,043)	(5,986)	(4,339)
<b>Cash (used in) provided by financing activities</b>	(5,868)	(6,887)	(7,734)	(2,590)	(3,127)	(5,901)	(786)	899
 (Decrease) increase in cash during the period	 (784)	 9,031	 2,016	 (157)	 (3,911)	 4,943	 (371)	 (1,667)
Cash – Beginning of period*	13,429	4,398	2,382	2,539	6,450	1,507	1,878	3,545
<b>Cash – End of period*</b>	<b>12,645</b>	<b>13,429</b>	<b>4,398</b>	<b>2,382</b>	<b>2,539</b>	<b>6,450</b>	<b>1,507</b>	<b>1,878</b>

\*Cash balance includes the cash balance of the Partnership

***Revenue***

There are a number of references to different revenue groupings used in the unaudited condensed interim consolidated financial statements, the notes to the unaudited condensed interim consolidated financial statements and this Management Discussion & Analysis (“MD&A”). The following definitions are provided for greater clarification of these groupings:

- i. Revenue (per the SIR condensed interim consolidated statements of operations and comprehensive income (loss)) – this is the total consolidated revenue of all SIR restaurants, including sales of packaged food and beverage products to third-party retailers and gift card related revenues for the period, as well as Abbey’s Bakehouse in Muskoka, Ontario. SIR also operates an Abbey’s Bakehouse retail outlet out of Reds Square One in Mississauga, Ontario. For the 12-week period ended November 23, 2025, revenue was \$64.9 million.
- ii. Same Store Sales<sup>(1)</sup> (“SSS”) – this is a subset of revenue used for tracking comparable year-over-year sales. For Q1 2026, SSS<sup>(1)</sup> includes all SIR restaurants, except for those restaurants that were not open for the entire comparable periods in Fiscal 2026 and Fiscal 2025, and the seasonal Abbey’s Bakehouse as it is not a SIR restaurant. Accordingly, SSS<sup>(1)</sup> performance for Q1 2026 does not include the new Scaddabush restaurant located in Barrie, Ontario, the closed Jack Astor’s locations in North York, Ontario and Longueuil, Quebec, and the Duke’s Refresher at the intersection of Queen Street East and Broadview Avenue in Toronto (now closed), since they were not open for both comparable periods in Fiscal 2026 and Fiscal 2025. For the 12-week period ended November 23, 2025, SSS<sup>(1)</sup> totaled \$62.6 million.
- 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/or New Closed Restaurants. As at November 23, 2025, there were 52 Royalty Pooled Restaurants. For Q1 2026, Pooled Revenue was \$61.8 million. The applicable Royalty payable to the Partnership on the Pooled Revenue for this period was \$3.7 million.

***Same Store Sales<sup>(1)</sup>***

SSS<sup>(1)</sup> are typically impacted by changes in guest traffic and average cheque amount. SIR believes that certain macroeconomic factors such as inflation and interest rate uncertainty have had a negative impact on consumer discretionary spending. 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 increased popularity of take-out and delivery services in commercial foodservice.

SIR had an overall SSS<sup>(1)</sup> increase of 8.3% for Q1 2026. The increase was primarily attributable to more favourable weather conditions for patio dining compared to the same period in the prior year, and the success of the Toronto Blue Jays which contributed to an increase in guest traffic particularly at SIR’s Toronto locations. The SSS<sup>(1)</sup> increase in Q1 2026 also reflects the negative impact of the Cybersecurity Incident during Q1 2025 across all brands. During the 27-day period in

which the Cybersecurity Incident impacted SIR's restaurant network, SIR restaurants were unable to access third-party delivery partner platforms, in addition to SIR's online application, *Inspired Rewards*<sup>®</sup>, resulting in nil sales via these revenue streams.

Jack Astor's, SIR's flagship Concept Restaurant brand, which contributed approximately 60.7% of Q1 2026 Pooled Revenue, had a SSS<sup>(1)</sup> increase of 7.0% for Q1 2026. All 35 Jack Astor's locations currently in operation are included in the calculation of SSS<sup>(1)</sup> performance for Q1 2026. As discussed above, Jack Astor's SSS<sup>(1)</sup> for Q1 2026 were positively impacted by increased guest counts due to the aforementioned Cybersecurity Incident during Q1 2025, favourable weather conditions and success of the Toronto Blue Jays, along with increased pricing. These positive impacts were partially offset by the impact of the closure of one Jack Astor's location for 30 days for renovations, compared to no closures due to renovations in Q1 2025. SIR management continues to monitor macroeconomic factors such as inflation and interest rate uncertainty and their impact on consumer discretionary spending, particularly related to the younger demographic of Jack Astor's customer base.

Scaddabush SSS<sup>(1)</sup> performance for Q1 2026 includes 13 out of the 14 locations currently in operation. The Scaddabush location in Barrie, Ontario is excluded from the calculation of SSS<sup>(1)</sup> in Q1 2026 as it was not open for the entire comparable period in Fiscal 2026 and Fiscal 2025. Scaddabush had a SSS<sup>(1)</sup> increase of 7.1% for Q1 2026, reflecting the aforementioned Cybersecurity Incident during Q1 2025, the continued popularity of this brand, and increased pricing.

The Signature Restaurants SSS<sup>(1)</sup> performance for Q1 2026 includes four restaurants (Reds Square One, the Loose Moose, Edna + Vita, and Duke's Refresher in the St. Lawrence Market neighbourhood of downtown Toronto). The Signature Restaurants generated a SSS<sup>(1)</sup> increase of 22.2% for Q1 2026. The SSS<sup>(1)</sup> increase for Q1 2026 was primarily attributable to increased guest counts due to the aforementioned Cybersecurity Incident during Q1 2025, favourable weather conditions and the success of the Toronto Blue Jays, as well as price increases.

### ***Cost of Corporate Restaurant Operations***

Cost of corporate restaurant operations totaled \$57.6 million, or 88.8% of revenue, in Q1 2026, compared to \$54.7 million, or 93.0% of revenue, in Q1 2025. The decrease in Q1 2026 as a percentage of revenue partially reflects SIR's response to the cybersecurity incident in Q1 2025 which resulted in increased costs of operations, and other associated costs related to investigation and mitigation of loss services. SIR opened two new restaurants in Q4 2024, which resulted in significant pre-opening costs that were partially recorded in Q1 2025, along with additional operational costs related to the new restaurants. The decrease in Q1 2026 as a percentage of revenue also reflects the realization of revenue from the new SIR restaurant opened during Fiscal 2025, along with decreases in labour and food and beverage costs as staff become more efficient in their new roles. The \$2.9 million increase in cost of corporate restaurant operations in Q1 2026 compared to Q1 2025 reflects higher guest counts and revenue in the period.

### ***Corporate Costs***

Corporate costs were \$4.3 million for Q1 2026, compared to \$3.3 million for Q1 2025. The increase in Q1 2026 is attributable to higher compensation costs, including additional stock compensation costs for vested stock options granted to certain SIR executives, and higher professional fees, including consulting and recruitment fees.

### ***Interest Expense***

Interest expense for Q1 2026 was \$0.6 million for both Q1 2026 and Q1 2025.

### ***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 condensed interim consolidated statements of operations and comprehensive income (loss). The change in the amortized cost is a non-cash transaction and accordingly, has no impact on cash flows. For Q1 2026, the change in amortized cost resulted in income of \$4.9 million, reflecting a decrease in the underlying Fund unit price compared to the end of Q4 2025. For Q1 2025, the change in amortized cost resulted in an expense of \$3.7 million, reflecting an increase in the underlying Fund unit price compared to the end of Q4 2023.

Interest on the SIR Loan totaled \$0.7 million for both Q1 2026 and Q1 2025.

***Net Income (Loss) and Comprehensive Income (Loss), and Adjusted Net Earnings***

Net income (loss) and comprehensive income (loss) was \$5.8 million for Q1 2026, compared to (\$5.3) million for Q1 2025. The positive variance primarily reflects increased earnings from restaurant operations and the change in the amortized cost of the Ordinary LP Units and Class A Units of the SIR Royalty Limited Partnership (the "Partnership") that SIR holds. The change in the amortized cost of the Ordinary LP Units and Class A Units of the Partnership resulted in income of \$4.9 million in Q1 2026, compared to an expense of \$3.7 million in Q1 2025. These non-cash changes in Q1 2026 and Q1 2025 are due to changes in the underlying unit price of the Fund compared to the end of Fiscal 2025 and Fiscal 2024, respectively.

Adjusted Net Earnings (Loss)<sup>(1)</sup> were \$0.8 million in Q1 2026 compared to (\$1.6) million in Q1 2025. The positive variance is primarily attributable to a \$2.1 million increase in earnings before interest and income taxes and a \$0.2 million decrease in other expenses.

***EBITDA<sup>(1)</sup> and Adjusted EBITDA<sup>(1)</sup>***

EBITDA<sup>(1)</sup> totaled \$8.2 million for Q1 2026, compared to \$5.9 million for Q1 2025. The increase is primarily attributable to the year-over-year increases in earnings before interest and income taxes, as discussed above.

Adjusted EBITDA<sup>(1)</sup> totaled \$4.5 million for Q1 2026, compared to \$2.9 million for Q1 2025. (See Selected Consolidated Historical Financial Information – Reconciliation of net income (loss) and comprehensive income (loss) for the period to EBITDA<sup>(1)</sup> and Adjusted EBITDA<sup>(1)</sup>).

***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 action 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 condensed interim consolidated statements of operations and comprehensive income (loss) in the amounts of \$0.7 million for both Q1 2026 and Q1 2025.

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

	12-Week Period Ended	
	November 23, 2025	November 17, 2024
	(in thousands of dollars)	
	(unaudited)	
Balance – Beginning of the period, as previously reported	131,969	103,293
Revision	-	3,729
Balance – Beginning of period, revised	131,969	107,022
Change in amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership	(4,949)	3,704
Distributions paid to Ordinary LP and Class A LP unitholders	(1,822)	(2,499)
Balance – End of period	125,198	108,227
Less: Current portion of Ordinary LP Units and Class A LP Units of the Partnership	(10,674)	(9,991)
Ordinary LP Units and Class A LP Units of the Partnership	114,524	98,236

	12-Week Period Ended	
	November 23, 2025	November 17, 2024
	(in thousands of dollars)	
	(unaudited)	
Pooled Revenue <sup>(4)</sup>	61,803	52,195
Partnership royalty income <sup>(5)</sup>	3,708	3,132
Other Income (expense)	23	6
Partnership expenses	(4)	(24)
Net earnings of the Partnership	3,727	3,114
SIR's residual interest in the earnings of the Partnership:		
Income from Class A & B GP Units of the Partnership	(602)	(312)
Income from Class C GP Units of the Partnership	(692)	(690)
	(1,294)	(1,002)
Fund's interest in the earnings of the Partnership	2,433	2,112

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

(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.

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 condensed interim consolidated statements of operations and comprehensive income (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. At 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, 2025, four new SIR Restaurant were added (January 1, 2024 – one) to the Royalty Pooled Restaurants in accordance with the Partnership Agreement. As consideration for the additional Royalty associated with the addition of four new SIR Restaurants on January 1, 2025 (January 1, 2024 – one) as well as the Second Incremental Adjustment for the one new SIR Restaurant added to Royalty Pooled Restaurants on January 1, 2024 (January 1, 2023 – two), SIR converted its Class B GP Units into Class A GP Units based on the formula 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 one (January 1, 2024 – three) SIR Restaurant during 2024. The net effect of these adjustments to Royalty Pooled Restaurants was that SIR converted 581,312 Class B GP Units into 581,312 Class A GP Units on January 1, 2025 (January 1, 2024 – SIR converted 212,825 Class A GP Units into Class B GP Units), increasing the value of the SIR Rights by \$7.1 million (January 1, 2024 – decreasing the value of the SIR rights by \$1.6 million).

In addition, the revenues of the one (January 1, 2023 – two) new SIR Restaurant added to Royalty Pooled Restaurants on January 1, 2024 were greater than 80% of the Initial Adjustment's estimated revenue and, as a result, the distributions of the Class A GP Units were increased by a special conversion distribution of \$0.04 million in December 2024 and paid in January 2025 (January 1, 2023 - the revenues of the two new SIR Restaurants were less than 80% of the Initial Adjustment's estimated revenue and, as a result, the distributions of the Class A GP Units were reduced by a special conversion refund of \$0.05 million in December 2023 and paid in February 2024).

SIR's residual interest in the Partnership is 15.78% as at November 23, 2025 (August 31, 2025 – 15.78%).

- (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*

	<b>17-Week Period Ended</b>	
	<b>November 23, 2025</b>	<b>November 17, 2024</b>
	(in thousands of dollars)	
	(unaudited)	
Cash provided by operations	8,150	2,917
Cash used in investing activities	(3,066)	(3,701)
Cash used in financing activities	(5,868)	(3,127)
Increase/(Decrease) in cash during the period	(784)	(3,911)
Cash – Beginning of period*	13,429	6,450
Cash – End of period*	12,645	2,539

\*Cash balance includes the cash balance of the Partnership

Cash provided by operations increased by \$5.2 million in Q1 2026 compared to Q1 2025. The increase was attributable to an \$11.1 million positive variance in net income for the period, a \$0.5 million increase in supplier rebates received, and a \$0.7 million decrease in distributions paid to the Ordinary LP and Class A unitholders, partially offset by an \$8.7 million decrease in the amortized cost of Ordinary LP and Class A LP units, and a \$0.8 increase in loss on disposal of property and equipment.

Cash used in investing activities decreased by \$0.6 million in Q1 2026. The decrease reflects lower property and equipment purchases.

Cash used in financing activities increased by \$2.7 million for Q1 2026 compared to Q1 2025. The increase was attributable to a \$6.3 million decrease in proceeds from the issuance of long term debt, partially offset by a \$3.0 million decrease in the repayment of long term debt and a \$0.5 million decrease in interest paid.

As at November 23, 2025, SIR had current assets of \$26.9 million (August 31, 2025 – \$27.8 million) and current liabilities of \$71.9 million (August 31, 2025 – \$69.4 million) resulting in a working capital deficit of \$45.0 million (August 31, 2025 – \$41.6 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.

As at November 23, 2025, SIR had a Credit Agreement with a syndicate of two Schedule 1 Canadian chartered banks. This 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 Lenders. 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 Lenders has a maturity date of May 15, 2028 (the “Maturity Date”) and as at November 23, 2025 provided for a maximum principal amount of \$68.0 million, consisting of:

- a \$5.0 million Operating Facility,
- a \$38.0 million Term Facility, and;
- a \$25.0 million Delayed Draw Facility

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

The Operating Facility is for general corporate and operating purposes, with the principal to be repaid in one bullet repayment on May 15, 2028. As at November 23, 2025, no funds were drawn on the Operating Facility.

The Term Facility is for extinguishing existing indebtedness and financing renovation capital expenditures. The initial advance on the Term Facility is repayable in quarterly instalments of \$0.8 million beginning with the first quarterly

repayment made on November 22, 2025, with the remaining outstanding principal balance due on May 15, 2028. Subsequent advances on the Term Facility may be requested (subject to availability and lender approval), in a minimum amount of \$1.0 million and in multiples of \$0.1 million, to finance capital spending on renovated restaurants. Each subsequent advance will be repayable in equal quarterly instalments based on a 12-year amortization, with the remaining outstanding principal balance due on May 15, 2028. As at November 23, 2025, \$37.2 million was drawn on the Term Facility.

The Delayed Draw Facility is for financing growth capital expenditures for new restaurants. The initial advance on the Delayed Draw Facility was \$0.9 million, repayable in quarterly instalments of \$0.02 million beginning with the first quarterly repayment to be made on August 28, 2026, and the remaining outstanding principal balance due on May 15, 2028. Subsequent advances on the Delayed Draw Facility may be requested (subject to availability and lender approval), in a minimum amount of \$0.3 million, to finance capital spending on new restaurants. Each subsequent advance will be interest only for the first four quarters and repayable thereafter in equal quarterly instalments, based on an 11-year amortization, with the remaining outstanding principal balance due on May 15, 2028. As at November 23, 2025, \$0.9 million was drawn on the Delayed Draw Facility.

The Operating Facility, the Term Facility and the Delayed Draw Facility bear interest at the prime rate and/or the term CORRA rate plus an applicable margin that is dependent on the Senior Net Funded Debt to Adjusted EBITDA Ratio as defined in the Credit Agreement. A standby fee is charged on the undrawn balance of each facility. The standby fee is also dependent on the Senior Net Funded Debt to Adjusted EBITDA Ratio.

For more details regarding the previous 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](http://www.sedarplus.ca) under the Fund's profile.

Under the new 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 action on their security until the Lenders have 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.

The Credit Agreement is secured by substantially all the assets of the Company and most of its subsidiaries, which are also guarantors. The Partnership and the Fund have not guaranteed the Credit Agreement.

As at November 23, 2025, SIR's liquidity was comprised of \$10.2 million of cash on hand (net of the cash balance of the Partnership) and \$29.1 million available to borrow under its Credit Agreement. The first quarterly instalment was paid on the Term Facility in Q1 2026; however, as subsequent advances on the Term Facility must be in a minimum amount of \$1.0 million, the amount available to borrow under the Term Facility will remain unchanged until the second quarterly instalment is made.

Management believes these resources, combined with cash generated by operations, provide sufficient cash resources to fund its working capital requirements, scheduled debt repayments, and current commitments for estimated construction costs for new restaurants. However, availability under the previous Credit Agreement was subject to certain conditions, including certain financial and non-financial covenants as determined by the Lender. As at November 23, 2025, the Company was in compliance with all of the covenants.

SIR prepares budgets and forecasts to evaluate its ability to meet future cash obligations. The Company continues to assess changes in the marketplace, including economic conditions and consumer confidence. Based on these assessments, the timing of restaurant construction and opening schedules will be reviewed regularly by SIR's Management and adjusted as necessary.



<b>Borrowings subject to financial covenants</b>	<b>Financial covenant</b>	<b>Frequency tested</b>	<b>Ratios to be compliant as at November 23, 2025</b>	<b>Ratios as at November 23, 2025</b>
\$37,208,000*	Senior Net Funded Debt to Adjusted EBITDA Ratio (a)	Quarterly	Maximum of 3.50:1	1.43:1
\$37,208,000*	Fixed Charge Coverage Ratio (b)	Quarterly	Minimum of 1.10:1	2.28:1

\*The fair value of the borrowings subject to financial covenants pursuant to the Credit Agreement is \$37.2 million, which excludes deferred financing fees of \$1.1 million.

For the purposes of these financial covenants, definitions of Senior Net Funded Debt to Adjusted EBITDA Ratio and Fixed Charge Coverage Ratio, along with all definitions contained within these ratios, can be found in the Fund's and SIR's prior interim filings, which can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Fund's profile.

Four new restaurants were added to the Royalty Pooled Restaurants effective January 1, 2025 (January 1, 2024 - one). Refer to page 14 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, 2025, SIR held 1,569,147 Class A GP Units, representing a 15.78% 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 November 23, 2025, had a market value of approximately \$22.3 million. Under the Credit Agreement and without prior consent from the Lenders, SIR could 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 did 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 leased two properties – in Windsor, Ontario and Aurora, Ontario – upon which it plans to develop two new Scaddabush locations. 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 the planned new restaurants in Windsor and Aurora will be opened, or that either of these two new locations will become part of the Royalty Pooled Restaurants.

### ***Off-Balance Sheet Arrangements***

SIR did not have any material off-balance sheet arrangements as at November 23, 2025, nor did it have any subsequent to Q1 2026.

### ***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.

<b><i>Transactions with Related Parties</i></b>	<b>12-Week Period Ended</b>	
	<b>November 23, 2025</b>	<b>November 17, 2024</b>
	(in thousands of dollars) (unaudited)	
<b>Property and equipment</b>		
Fixtures purchased from a shareholder of SIR	18	5
Equipment purchased from a company owned by a director and shareholder of SIR, together with a member of executive management of SIR	16	11
<b>Professional fees</b>		
Consulting services provided by a company that shares a common director with SIR	211	-

- SIR purchased fixtures from a shareholder of SIR for \$0.018 million during Q1 2026 (Q1 2025 - \$0.005 million).
- 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 equipment from this company for \$0.016 million during Q1 2026 (Q1 2025 - \$0.011 million).
- SIR incurred professional fees of \$0.2 million during Q1 2026 (Q1 2025 - nil) for consulting services provided by a company that shares a common director with SIR.

### ***Transactions with the SIR Royalty Income Fund***

Advances receivable from the Fund and its subsidiaries as at November 23, 2025 were \$3.1 million (August 31, 2025 – \$2.9 million). Advances receivable are non-interest bearing and due on demand.

During Q1 2026, distributions of \$1.8 million were declared to the Fund by the Partnership, compared to distributions of \$2.1 million declared in Q1 2025. 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 November 23, 2025 were \$4.5 million.

Interest expense on the SIR Loan totaled \$0.7 million for both Q1 2026 and Q1 2025.

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 \$0.006 million for Q1 2026 (Q1 2025 - \$0.006 million), 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 31, 2025. The reader will find this information in the annual MD&A for the fiscal year ended August 31, 2025.

## ***Changes in Accounting Policies, Including Recently Issued Accounting Pronouncements***

### **IFRS recently issued but not yet effective**

#### **IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**

On May 30, 2024, the IASB issued targeted amendments to IFRS 9, 'Financial Instruments', and IFRS 7, 'Financial Instruments: Disclosures'. The amendments respond to recent questions arising in practice and include new requirements not only for financial institutions but also for corporate entities. These new requirements will apply from January 1, 2026, with early application permitted. The Company has not yet assessed the impact of the amendment on the condensed interim consolidated financial statements.

#### **IFRS 18, Presentation and Disclosure in Financial Statements**

On April 9, 2024, the IASB issued a new standard – IFRS 18, 'Presentation and Disclosure in Financial Statements' – in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. The Company has commenced its evaluation of IFRS 18, which will be effective for annual reporting periods beginning on or after January 1, 2027, including for interim financial statements. At this stage, the Company has not yet assessed the impact of the standard on the condensed interim consolidated financial statements.

### ***Financial Instruments***

Management believes that there have been no substantial changes in the nature of critical accounting estimates since the year ended August 31, 2025. The reader will find this information in the annual MD&A for the year ended August 31, 2025.

### ***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 legalization), tariffs, weather, seasonality, cybersecurity, 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. 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. If SIR is unable to successfully compete in the casual and fine dining sectors of the restaurant industry, Pooled Revenue may be adversely affected, the amount of the Royalty reduced and the ability of SIR to pay the Royalty or interest on the SIR Loan may be impaired. Please refer to the March 13, 2025 Annual Information Form for further discussion on risks and uncertainties related to the Fund and SIR.

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 brands. SIR remains committed

to the corporately owned restaurant model as it believes this structure gives it greater control over its brands and greater agility to proactively respond to changes in market conditions.

SIR continues to monitor consumer spending behavior in light of current evolving macroeconomic factors, including inflation, interest rates and the impact of new cross-border tariffs between Canada and the United States, and their potential impact on the Canadian economy and consumer confidence. Ongoing business impacts due to changes in the minimum wage and rising commodity costs have been influential in the bar and restaurant industry's changes in pricing overall.

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 growth of take-out and delivery services in commercial foodservice.

The new Scaddabush location in Barrie, Ontario (opened on June 25, 2025) is expected to be added to the Royalty Pooled Restaurants effective January 1, 2026.

The permanently closed Jack Astor's restaurant in the Greenfield Park neighborhood of Longueuil, Quebec (closed on April 27, 2025) will cease to be a Royalty Pooled Restaurant effective January 1, 2026.

Subsequent to Q1 2026, on December 3, 2025, SIR opened a new Jack Astor's + Freida's Beverage Kitchen location in Oshawa, Ontario. This new location is expected to be added to the Royalty Pooled Restaurants effective January 1, 2027.

As at the date of this report, SIR has leased two properties – in Windsor, Ontario and Aurora, Ontario – upon which it plans to develop two new Scaddabush locations. There can be no assurance at this time that the planned new restaurants in Windsor and Aurora will be opened, or that either of these two new locations will become part of the Royalty Pooled Restaurants.

With its new Credit Agreement in place, SIR is pursuing additional sites to expand its Scaddabush concept. SIR will also continue its practice of investing in existing restaurants to drive improved sales and earnings. In consideration of the ongoing economic and market conditions mentioned above, any new restaurant openings and existing restaurant renovation plans will be reviewed regularly and adjusted as necessary.

### ***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.

#### **Same Store Sales and Same Store Sales Growth**

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 2026 and Fiscal 2025 and the seasonal restaurant, Abbey's Bakehouse, as it is not a SIR 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.

#### **Adjusted Net Earnings (Loss)**

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 income (loss) and comprehensive income (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 income (loss) and comprehensive income (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 income (loss) and comprehensive income (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 income (loss) and comprehensive income (loss) for the period to Adjusted Net Earnings (Loss) on page 6 of this document.

### EBITDA and Adjusted EBITDA

References to EBITDA are to the net income (loss) and comprehensive income (loss) for the period before provision for (recovery of) income taxes, interest expense, interest on lease obligations, interest on loan payable to the 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 income (loss) and comprehensive income (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 income (loss) and comprehensive income (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 income (loss) and comprehensive income (loss) for the period to EBITDA and Adjusted EBITDA on page 712 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: 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 conflicts in Ukraine and the Middle East; 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; the impact of cybersecurity breaches; 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 December 18, 2025.*

*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. For more information concerning the Fund's risks and uncertainties, please refer to 'Risk Factors' in the Fund's Annual Information Form dated March 13, 2025 for the period ended December 31, 2024, which is available under the Fund's profile at [www.sedarplus.ca](http://www.sedarplus.ca).*

*Additional information related to the Fund, the Partnership, and SIR can be found at [www.sedarplus.ca](http://www.sedarplus.ca) under SIR Royalty Income Fund and on SIR's website at [www.sircorp.com](http://www.sircorp.com)*