

SIR Corp.

Condensed Interim Consolidated
Financial Statements
(Unaudited)

**For the 12-week period ended
November 23, 2025**

(in thousands of Canadian dollars)

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SIR Corp.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

(in thousands of Canadian dollars)

	November 23, 2025 \$	August 31, 2025 \$
Assets		
Current assets		
Cash	12,645	13,429
Trade and other receivables (note 6(c))	8,630	8,602
Inventories	3,641	3,452
Prepaid expenses, deposits and other assets	2,024	2,352
Loans and advances	10	10
	<u>26,950</u>	<u>27,845</u>
Non-current assets		
Right-of-use assets – net (note 4)	52,982	53,949
Property and equipment	45,698	43,528
Goodwill and intangible assets	5,350	5,165
	<u>130,980</u>	<u>130,487</u>
Liabilities		
Current liabilities		
Trade and other payables	33,213	30,711
Current portion of long-term debt (note 5)	3,187	3,187
Current portion of lease obligation (note 4)	17,280	17,480
Current portion of Ordinary LP Units and Class A LP Units of the Partnership (note 6(b))	10,674	10,674
Current portion of provisions and other long-term liabilities	7,597	7,387
	<u>71,951</u>	<u>69,439</u>
Non-current liabilities		
Long-term debt (note 5)	33,856	34,547
Long-term portion of lease obligation (note 4)	55,458	56,418
Loan payable to SIR Royalty Income Fund (note 6(a))	36,297	36,277
Provisions and other long-term liabilities	1,490	944
Ordinary LP Units and Class A LP Units of the Partnership (note 6(b))	114,524	121,295
	<u>313,576</u>	<u>318,920</u>
Shareholders' Deficiency		
Capital stock	20,357	20,357
Contributed surplus	280	280
Deficit	<u>(203,233)</u>	<u>(209,070)</u>
	<u>(182,596)</u>	<u>(188,433)</u>
	<u>130,980</u>	<u>130,487</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SIR Corp.**Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)**
(Unaudited)

(in thousands of Canadian dollars)

	12-week Period ended November 23, 2025 \$	12-week Period ended November 17, 2024 \$
Corporate restaurant operations		
Food and beverage revenue (note 3)	64,742	58,708
Retail revenue	27	2
Gift card revenue	144	127
	<u>64,913</u>	<u>58,837</u>
Costs of corporate restaurant operations	<u>57,642</u>	<u>54,697</u>
Earnings from corporate restaurant operations	7,271	4,140
Corporate costs	<u>4,292</u>	<u>3,329</u>
Earnings before interest and income taxes	2,979	811
Interest expense	587	594
Interest on loan payable to SIR Royalty Income Fund (notes 6(a))	711	709
Interest (income) expense and other (income) expense – net	(112)	110
Interest on lease obligation (note 4)	905	993
Change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership (note 6(b))	<u>(4,949)</u>	<u>3,704</u>
Net income (loss) and comprehensive income (loss) for the period	<u>5,837</u>	<u>(5,299)</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SIR Corp.Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
(Unaudited)

(in thousands of Canadian dollars)

	12-week period ended November 23, 2025			
	Capital stock \$	Contributed surplus \$	Deficit \$	Total \$
Balance – Beginning of period	20,357	280	(209,070)	(188,433)
Stock-based compensation	-	-	-	-
Net income and comprehensive income for the period	-	-	5,837	5,837
Balance - End of period	<u>20,357</u>	<u>280</u>	<u>(203,233)</u>	<u>(182,596)</u>

	12-week period ended November 17, 2024			
	Capital stock \$	Contributed surplus \$	Deficit \$	Total \$
Balance – Beginning of period, as previously reported	20,357	193	(178,720)	(158,170)
Revision (note 6(b))	-	-	(3,729)	(3,729)
Balance – Beginning of period, revised	20,357	193	(182,449)	(161,899)
Stock-based compensation	-	1	-	1
Net loss and comprehensive loss for the period	-	-	(5,299)	(5,299)
Balance - End of period	<u>20,357</u>	<u>194</u>	<u>(187,748)</u>	<u>(167,197)</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SIR Corp.

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

(in thousands of Canadian dollars)

	12-week period ended November 23, 2025 \$	12-week period ended November 17, 2024 \$
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	5,837	(5,299)
Items not affecting cash		
Change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership (note 6(b))	(4,949)	3,704
Depreciation and amortization	5,174	5,200
Stock based compensation	22	1
Interest expense on long-term debt and SIR Loan	1,298	1,303
Interest on lease obligations (note 4)	905	993
(Gain) loss on disposal of property and equipment and other assets	(117)	618
Supplier and other rebates received	550	50
Distributions paid to Ordinary LP and Class A LP unitholders (note 6(b))	(1,822)	(2,499)
Net change in working capital items (note 7)	1,252	(1,145)
Cash provided by operating activities	8,150	2,917
Investing activities		
Purchase of property and equipment and intangible assets	(3,066)	(3,701)
Financing activities		
Increase in bank indebtedness	-	60
Proceeds from issuance of long-term debt	-	6,250
Principal repayment of long-term debt	(792)	(3,861)
Payment of lease obligations (note 4)	(4,202)	(4,166)
Interest paid	(874)	(1,382)
Financing fees paid	-	(28)
Cash used in financing activities	(5,868)	(3,127)
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

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SIR Corp.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

November 23, 2025

1 Nature of operations and fiscal year

Nature of operations

SIR Corp. (the Company) is a private company amalgamated under the Business Corporations Act of Ontario. As at November 23, 2025, the Company owned a total of 53 (August 25, 2024 - 54) Concept and Signature restaurants in Canada (in Ontario, Quebec, Alberta, Nova Scotia and Newfoundland) (the SIR Restaurants). The Concept restaurants are Jack Astor's Bar and Grill® (Jack Astor's®) and Scaddabush Italian Kitchen & Bar® (Scaddabush). The Signature restaurants are Reds® Square One (which also operates an Abbey's Bakehouse® retail outlet), Loose Moose Tap & Grill® and Edna + Vita™. The Company also owned one Dukes Refresher® & Bar (Duke's Refresher) location in downtown Toronto and a seasonal Abbey's Bakehouse in Muskoka, Ontario, which are considered Signature restaurants and are not currently part of Royalty Pooled Restaurants (note 6(b)).

On October 1, 2004, SIR Royalty Income Fund (the Fund) filed a final prospectus for a public offering of units of the Fund. The net proceeds of the offering of \$51,167,000 were used by the Fund to acquire certain bank debt of the Company (the SIR Loan) (note 6(a)) and, indirectly, through SIR Holdings Trust (the Trust), all of the Ordinary LP Units of SIR Royalty Limited Partnership (the Partnership) (note 6(b)). On October 12, 2004, the Partnership acquired from the Company the Canadian trademarks used in connection with the operation of the majority of the Company's restaurants in Canada.

The address of the Company's registered office is 5360 South Service Road, Suite 200, Burlington, Ontario. The consolidated financial statements were approved for issuance by the Board of Directors on December 17, 2025.

Fiscal year

The Company's fiscal year is made up of 52 or 53-week periods ending on the last Sunday in August. The fiscal quarters for the Company consist of sequential accounting periods of 12, 12, 12 and 16 or 17 weeks, respectively. The fiscal year for 2026 consists of 52 weeks (2025 – 53 weeks).

2 Basis of presentation

The Company prepares its condensed interim consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) for interim financial reporting, including International Accounting Standard (IAS) 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the years ended August 31, 2025 and August 25, 2024, which have been prepared in accordance with IFRS Accounting Standards.

The note disclosures for these condensed interim consolidated financial statements only present material changes to the disclosure found in the Company's audited consolidated financial statements for the 53-week period ended August 31, 2025 and the 52-week period ended August 25, 2024. There have been no changes to the Company's accounting policies from those disclosed in its consolidated financial statements for the years ended August 31, 2025 and August 25, 2024.

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IFRS Accounting Standards issued but not yet effective

IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. The amendments are effective for reporting periods beginning on or after January 1, 2026.

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.

3 Disaggregated revenue

The Company has determined that a disaggregation of revenue using Concept and Signature restaurants is adequate for its circumstances. Food and beverage revenue by segment is determined as follows:

	12-week period ended	
	November 23, 2025	November 17, 2024
	\$	\$
	<hr/> (in thousands of dollars) <hr/>	
Jack Astor's	37,538	35,673
Scaddabush	21,341	18,020
Signature Restaurants	5,863	5,015
	<hr/> 64,742	<hr/> 58,708

SIR Corp.Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)**November 23, 2025****4 Right-of-use assets and lease obligations**

Right-of-use assets are included as follows in the consolidated balance sheet as at November 23, 2025:

	Property \$ (in thousands of dollars)	Equipment \$ (in thousands of dollars)	Total \$
At August 25, 2024	63,508	365	63,873
53-week period ended August 31, 2025			
Additions	5,248	4	5,252
Amortization	(13,818)	(77)	(13,895)
Impairments	(161)	-	(161)
Lease incentives	(1,120)	-	(1,120)
At August 31, 2025	53,657	292	53,949
12-week period ended November 23, 2025			
Additions	2,137	-	2,137
Amortization	(3,142)	(17)	(3,159)
Lease incentives	55	-	55
Right-of-use assets – net at November 23, 2025	52,707	275	52,982

For the 12-week period ended November 23, 2025, the lease obligation transactions were as follows:

	12-week period ended November 23, 2025 \$ (in thousands of dollars)	November 17, 2024 \$ (in thousands of dollars)
Balance – beginning of period	73,898	81,774
Additions	2,137	-
Modifications	-	-
Repayments	(4,202)	(4,166)
Interest	905	993
Balance – end of period	72,738	78,601
Less: current portion of lease obligations	(17,280)	(17,240)
Long-term portion of lease obligations	55,458	61,361

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5 Bank indebtedness and long-term debt

The Company has a Credit Agreement with a syndicate of two Schedule 1 Canadian chartered banks (the Lenders). The Credit Agreement provides for a three-year facility for a maximum principal amount of \$68,000,000 consisting of a \$5,000,000 revolving term credit facility (the Operating Facility), a \$38,000,000 revolving term loan (the Term Facility) and a \$25,000,000 non-revolving term loan (the Delayed Draw Facility). The Company and the Lenders have also entered into a purchase card agreement providing credit of up to an additional \$1,500,000. The Term Facility was fully drawn at closing and was used to extinguish SIR's previous senior debt.

The Operating Facility is for general corporate and operating purposes, with full repayment due on May 15, 2028. As at November 23, 2025, no funds were drawn on the Operating Facility.

The initial advance on the Term Facility is repayable in quarterly instalments of \$792,000, 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 \$1,000,000 and in multiples of \$100,000, to finance capital spending on renovated restaurants. Each subsequent advance will be repayable in equal quarterly instalments based on a twelve-year amortization, with the remaining outstanding principal balance due on May 15, 2028. As at November 23, 2025, \$37,208,000 was drawn on the Term Facility.

The initial advance on the Delayed Draw Facility was \$912,000, repayable in quarterly instalments of \$20,000 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 \$250,000, to finance capital spending on new restaurants. Each subsequent advance will be subject to interest only payments for the first four quarters and interest plus principal repayable thereafter in equal quarterly instalments based on an eleven-year amortization, with the remaining outstanding principal balance due on May 15, 2028. As at November 23, 2025, \$912,000 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. A standby fee, dependent on the Senior Net Funded Debt to Adjusted EBITDA Ratio, is charged on the undrawn balance of each facility.

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 actions 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

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security as a result of any such Related Party Obligation Default. The Intercreditor Agreement also contains various other typical covenants of the Fund and the Partnership.

As at November 23, 2025, the Company has drawn \$27,914,000 on the Term Facility and the Delayed Draw Facility, net of cash excluding the cash balance of the Partnership.

As at November 23, 2025, the Company's liquidity was comprised of \$10,206,000 in cash on hand (which excludes cash on hand from the Partnership of \$2,439,000), \$5,000,000 available to borrow under the Company's Operating Facility, and \$24,088,000 available to borrow under the Company's Term and Delayed Draw Facilities. The first quarterly instalment was paid on the Term Facility during the 12-week period ended November 23, 2025; however, as subsequent advances on the Term Facility must be done in a minimum amount of \$1,000,000, 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, provides 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 Credit Agreement is subject to certain conditions, including certain financial and non-financial covenants as determined by the Lenders.

The Company 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.

Borrowings subject to financial covenants	Financial covenant	Frequency tested	Ratios to be compliant as at November 23, 2025	Ratios as at November 23, 2025
\$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 \$37,208,000, which excludes deferred financing fees of \$1,077,000.

The Credit Agreement defines the two financial covenants, calculated on a rolling four quarter basis, with reference to SIR on a consolidated basis, as follows:

(a) Senior Net Funded Debt to Adjusted EBITDA Ratio is the ratio of: the numerator of which is Senior Net Funded Debt, and the denominator which is EBITDA.

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(b) Fixed Charge Coverage Ratio is defined for any period as the ratio of: the numerator of which is EBITDA, less the aggregate amount of Maintenance Capital Expenditures, cash Distributions and cash Taxes paid in such period, and the denominator of which is Funded Debt Service.

For the purposes of these financial covenants, the New Credit Agreement defines:

“EBITDA” as net income or net loss for the relevant period, calculated on a consolidated rolling four quarter basis, plus interest expense, income tax expense, depreciation and amortization, non-cash losses and expenses, expenses incurred and paid and proforma loss of revenue due to cybersecurity events (for the fiscal year ended August 31, 2025 only and up to a maximum aggregate amount, with limitations), cash distributions received from the Partnership, less non-cash income and cash rent payments.

“Adjusted EBITDA” as EBITDA for the relevant period, calculated on a consolidated rolling four quarter basis, plus restaurant closure costs and operating losses up to a maximum aggregate amount, certain pre-opening new restaurant opening expenses, any extraordinary or non-recurring cash expenses (as approved by the Lenders), less any extraordinary or non-recurring gains for the relevant period.

“Funded Debt Service” is the aggregate amount of interest paid or payable in cash plus the aggregate amount of scheduled principal payments and Capital Lease payments paid or payable in cash, both in respect of the Funded Debt, calculated on a consolidated basis.

“Maintenance Capital Expenditures” are Capital Expenditures that were not made for the purpose of new restaurants or for the replacement, substitution or restoration of capital assets of the Company’s office premises or existing operating restaurants.

The Credit Agreement is secured by substantially all of 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.

6 SIR Royalty Income Fund

(a) Loan payable to SIR Royalty Income Fund (the SIR Loan)

The \$40,000,000 SIR Loan bears interest at 7.5% per annum and is due on October 12, 2044. In conjunction with the Credit Agreement, on May 15, 2015, the Company, the Fund and the Partnership entered into an Intercreditor Agreement to subordinate and postpone their claims against the Company in favour of the Lender. The Fund and the Partnership have not guaranteed the Credit Agreement.

As at November 23, 2025, the Company was in compliance with the covenants stipulated by the SIR Loan Agreement.

Interest expense charged to the consolidated statements of operations and comprehensive (loss) income for the 12-week period ended November 23, 2025 was \$711,000 (12-week period ended November 17, 2024 - \$709,000), which includes interest on the SIR Loan of \$692,000 (12-week period ended November 17, 2024 - \$690,000) and amortization of financing fees of \$19,000 (12-week period ended November 17,

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2024 - \$19,000). Interest payable on the SIR Loan as at November 23, 2025 was \$442,000 (August 31, 2025 - \$250,000) and is recorded in trade and other payables.

The Company has recorded the SIR Loan at amortized cost. The Company has netted the financing fees against the SIR Loan and amortizes this cost over the term of the SIR Loan using the effective interest method. Unamortized financing fees netted against the SIR Loan as at November 23, 2025 were \$3,703,000 (August 31, 2025 - \$3,723,000).

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

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Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

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

	12-week period ended November 23, 2025 \$ (in thousands of dollars)	12-week period ended November 17, 2024 \$ (in thousands of dollars)
Balance - Beginning of 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
The following is a summary of the results of operations of the Partnership:		
Pooled Revenue*	61,803	52,195
Partnership royalty income*	3,708	3,132
Other income (expense)	23	6
Partnership expenses	(4)	(24)
Net earnings of the Partnership	3,727	3,114
The Company's interest in the earnings of the Partnership	(1,294)	(1,002)
Fund's interest in the earnings of the Partnership	2,433	2,112

*Includes revenue from the Royalty Pooled Restaurants. The Partnership owns the Canadian trademarks (the SIR Rights) formerly owned or licensed by the Company or its subsidiaries and used in connection with the operation of the majority of the Company's restaurants in Canada. Partnership royalty income is 6% of pooled revenue in accordance with the Licence and Royalty Agreement.

The long-term portion of the Ordinary LP and the Class A LP Units of the Partnership in the comparative figures has been recalculated to be consistent with the basis used in the current and prior year. Refer to the annual audited consolidated financial statements for the year ended August 31, 2025.

On October 12, 2004, the Partnership issued Ordinary LP and GP Units to the Fund for cash of \$11,167,000. The holders of the Ordinary LP Units and the Class A LP Units are entitled to receive a 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 the 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 the Class A LP Units are accounted for at amortized cost, with changes in the

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carrying value of Ordinary LP Units and the Class A LP Units of the Partnership recorded in the consolidated statements of operations and comprehensive (loss) income.

During the 12-week period ended November 23, 2025, distributions of \$2,439,000 (November 17, 2024 period ended November 17, 2024 - \$2,102,000) were declared to the Fund through the Partnership. Distributions paid during the 12-week period ended November 23, 2025 were \$1,822,000 (12-week period ended November 17, 2024 - \$2,499,000). The Fund, indirectly through the Trust, is entitled to receive a pro rata share of all residual distributions. Distributions payable to SIR Royalty Income Fund from the Partnership as at November 23, 2025 were \$4,492,000 (August 31, 2025 - \$3,876,000).

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

The Partnership owns the SIR Rights formerly owned or licensed by the Company or its subsidiaries and used in connection with the operation of the majority of the Company's restaurants in Canada. In 2004, the Partnership granted the Company a 99-year licence to use the SIR Rights in most of Canada in consideration for a Royalty, payable by the Company to the Partnership, equal to 6% of the revenue of the Royalty Pooled Restaurants (the Licence and Royalty Agreement).

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

On January 1, 2025, four new SIR Restaurants 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 Restaurants 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 \$7,080,935 (January 1, 2024 – decreasing the value of the SIR rights by \$1,612,625).

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,

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as a result, the distributions of the Class A GP Units were increased by a special conversion distribution of \$36,292 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 \$52,099 in December 2023 and paid in February 2024).

As at November 23, 2025, after the net effect of the adjustments to Royalty Pooled Restaurants on January 1, 2025, the Company's residual interest in the Partnership is 15.78% (August 31, 2025 – 15.78%). The Company continues to maintain control of the Partnership and, therefore, continues to consolidate the Partnership.

(c) Advances receivable from SIR Royalty Income Fund

Advances receivable from SIR Royalty Income Fund as at November 23, 2025 were \$3,116,000 (August 31, 2025 - \$2,948,000). Advances receivable are non-interest bearing and due on demand. Advances receivable are recorded in trade and other receivables.

The Company, 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. For the 12-week period ended November 23, 2025, the Partnership provided these services to the Fund and the Trust for consideration of \$6,000 (12-week period ended November 17, 2024 - \$6,000), which was the amount of consideration agreed to by the related parties.

7 Supplemental cash flow information to the consolidated statement of cash flows

The net change in working capital items is as follows:

	12-week period ended November 23, 2025 \$ (in thousands of dollars)	12-week period ended November 17, 2024 \$
Trade and other receivables	(41)	394
Inventories	(189)	147
Prepaid expenses, deposits and other assets	328	109
Trade and other payables	1,126	(1,776)
Provisions and other long-term liabilities	68	(19)
	<u>1,292</u>	<u>(1,145)</u>