SIR ROYALTY INCOME FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD QUARTER 2026

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2026

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SIR ROYALTY INCOME FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

(FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2026)

Executive Summary

Operational and financial results for the three-month ("Q3 2026") and nine-month ("YTD 2026") periods ended September 30, 2026 for SIR Royalty Income Fund (the "Fund") include:

Pooled Revenue and Same Store Sales ("SSS") [(1)]

- The Royalty Pooled Restaurants had SSS[(1)] increases of 3.8% and 2.7% in Q3 2026 and YTD 2026, respectively, compared to the corresponding periods a year ago. Pooled Revenue increased by 6.4% to $76.0 million in Q3 2026, compared to $71.4 million for the three-month period ended September 30, 2025 ("Q3 2025"), and increased by 5.0% to $219.5 million in YTD 2026, compared to $209.1 million for the nine-month period ended September 30, 2025 ("YTD 2025").
- Jack Astor's Bar & Grill®, ("Jack Astor's"), which accounted for approximately 60.5% of Pooled Revenue in Q3 2026, had SSS[(1)] increases of 3.1% and 1.5% in Q3 2026 and YTD 2026, respectively.
- Scaddabush Italian Kitchen & Bar® ("Scaddabush") had SSS[(1)] increases of 4.1% and 4.1% in Q3 2026 and YTD 2026, respectively.
- The Signature Restaurants had SSS[(1)] increases of 9.8% and 8.2% in Q3 2026 and YTD 2026, respectively.

Royalty Income and Equity Income from SIR Royalty Limited Partnership (the "Partnership")

- Royalty income in the Partnership increased to $4.6 million in Q3 2026 from $4.3 million in Q3 2025, and increased to $13.2 million in YTD 2026 from $12.5 million in YTD 2025.
- Equity income from the Partnership, which represents the Fund's pro rata share of the residual distributions of the Partnership, was $3.0 million in Q3 2026 compared to $2.9 million in Q3 2025, and $8.8 million in YTD 2026 compared to $8.3 million in YTD 2025.

Net Earnings

- Net earnings were $0.2 million for Q3 2026, compared to $1.1 million for Q3 2025. Net earnings per Fund unit were $0.03 (basic and diluted) for Q3 2026, compared to $0.13 (basic and diluted) for Q3 2025.
- Net earnings were $4.5 million for YTD 2026, compared to $5.7 million for YTD 2025. Net earnings per Fund unit were $0.54 (basic and diluted) for YTD 2026, compared to $0.68 (basic and diluted) for YTD 2025.

Distributable Cash[(1)] and Payout Ratio[(1)]

- Distributable cash[(1)] per Fund unit was $0.33 (basic) and $0.33 (diluted) for Q3 2026, compared to $0.31 (basic and diluted) for Q3 2025. Distributable cash[(1)] per Fund unit was $0.93 (basic) and $0.93 (diluted) for YTD 2026, compared to $0.89 (basic and diluted) for YTD 2025. The impact of the dilution in both Q3 2026 and YTD 2026 is immaterial.
- The Fund's payout ratio[(1)] was 96.2% in Q3 2026 compared to 95.7% in Q3 2025, and 101.8% in YTD 2026 compared to 97.5% in YTD 2025. The payout ratio[(1)] since the Fund's inception, up to and including Q3 2026, was 100.1%, in line with the Fund's target payout ratio of 100%.

(1) Same store sales ("SSS"), same store sales growth ("SSSG"), Distributable cash and payout ratio 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 21).

Same Store Sales ("SSS") [(1)]

SIR Corp. ("SIR" or the "Company") reported to the Fund that the Royalty Pooled Restaurants had cumulative SSS[(1)] increases in both Q3 2026 and YTD 2026. SSS[(1)] are typically impacted by changes in guest traffic, average cheque amount and other factors as identified below. Segmented SSS[(1)] performance for Q3 2026 and YTD 2026 is detailed in the following table:

in thousands of dollars except percentage of change in segmented SSS[(1)]) (unaudited)	Three-month period ended				Nine-month period ended			
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	Segmented SSS[(1)]	Segmented SSS[(1)]	Change in Segmented SSS[(1)]	Change in Segmented SSS[(1)]	Segmented SSS[(1)]	Segmented SSS[(1)]	Change in Segmented SSS[(1)]	Change in Segmented SSS[(1)]
Jack Astor's	45,967	44,596	3.1%	0.8%	132,074	130,148	1.5%	(0.8%)
Scaddabush	22,822	21,926	4.1%	7.8%	66,294	63,691	4.1%	5.9%
Signature	5,392	4,909	9.8%	16.2%	15,544	14,369	8.2%	3.2%
Overall SSS[(1)]	**74,181**	**71,431**	**3.8%**	**3.3%**	**213,912**	**208,208**	**2.7%**	**1.1%**

The SSS[(1)] increases across all brands in Q3 2026 compared to Q3 2025 partially reflects the positive impact of the 2026 FIFA World Cup that started on June 11, 2026 and ended on July 19, 2026. The World Cup tournament had a positive impact on SSS[(1)] due to increased guest traffic, particularly in the Greater Toronto Area ("GTA"), where the majority of SIR's restaurants are located. Toronto hosted one World Cup game during Q3 2026. Q3 2026 SSS[(1)] were also positively impacted by increased pricing. YTD 2026 SSS[(1)] across all brands reflects the positive impact of increased guest counts as a result of the World Cup, and increased pricing. Toronto hosted five World Cup games during Q2 2026. These positive factors were partially offset by the GST/HST holiday that was in place from December 14, 2024 to February 15, 2025, which resulted in higher guest counts during Q1 2025 compared to Q1 2026, and the negative impact of more severe winter weather in the GTA during Q1 2026 compared to Q1 2025. This more severe winter weather included a record single-day snowfall in the GTA on January 25, 2026, and one of the largest cumulative winter snowfalls in the GTA on record.

Jack Astor's, which accounted for approximately 60.5% of Pooled Revenue in Q3 2026, had SSS[(1)] increases of 3.1% and 1.5% in Q3 2026 and YTD 2026, respectively. Jack Astor's SSS[(1)] performance includes 35 of the 36 locations that are currently in operation. The new Jack Astor's in Oshawa, Ontario – opened on December 3, 2025 – is excluded from the calculation of SSS[(1)] in Q3 2026 as it was not open and included in Pooled Revenue for the entire comparable periods in Fiscal 2026 and Fiscal 2025. SIR management continues to monitor macroeconomic factors such as inflation and interest rates and their potential impact on consumer discretionary spending, particularly related to the younger demographic of Jack Astor's customer base.

Scaddabush SSS[(1)] performance for Q3 2026 includes 13 out of the 17 locations that are currently in operation. The Scaddabush locations in Barrie, Windsor, Aurora, and Kanata, Ontario – opened on June 25, 2025, April 1, 2026, July 29, and September 23, 2026, respectively – are excluded from the calculation of SSS[(1)] as they were not open and included in Pooled Revenue for the entire comparable periods in Fiscal 2026 and Fiscal 2025. Scaddabush had SSS[(1)] increases 4.1% and 4.1% for Q3 2026 and YTD 2026, respectively.

The Signature Restaurants SSS[(1)] performance includes three restaurants (REDS® Square One, the Loose Moose Tap & Grill®, and Edna + Vita®). The Signature Restaurants had SSS[(1)] increases of 9.8% and 8.2% in Q3 2026 and YTD 2026, respectively.

Pooled Revenue

The Fund is indirectly dependent on the amount of the Royalty paid by SIR to the Partnership. The amount of this Royalty is dependent on Pooled Revenue, which is the revenue generated by the SIR Restaurants included in the Royalty Pooled Restaurants. As at September 30, 2026, there were 52 restaurants included in the Royalty Pooled Restaurants. Increases or decreases in Pooled Revenue are derived from SSS[(1)] growth or declines, and new or permanently closed SIR Restaurants subject to the SIR Rights. Pooled Revenue is affected by the risks associated with the operations and financial condition of SIR, the commercial foodservice industry generally and the casual and fine dining segment of the commercial foodservice industry in particular.

The following table sets out Pooled Revenue for the three-month and nine-month periods ended September 30, 2026 and September 30, 2025:

Summary of Pooled Revenue

(unaudited in thousands of dollars except number of restaurants included in Pooled Revenue)	Three-month period ended September 30, 2026		Three-month period ended September 30, 2025		Nine-month period ended September 30, 2026		Nine-month period ended September 30, 2025	
	Pooled Revenue	Restaurants included in Pooled Revenue	Pooled Revenue	Restaurants included in Pooled Revenue	Pooled Revenue	Restaurants included in Pooled Revenue	Pooled Revenue	Restaurants included in Pooled Revenue
Jack Astor's	45,967	35	44,596	36	132,074	35	131,061	36
Scaddabush	24,645	14	21,926	13	71,859	14	63,691	13
Signature	5,392	3	4,909	3	15,544	3	14,369	3
Total included in Pooled Revenue	76,004	52	71,431	52	219,477	52	209,121	52

The increases in Pooled Revenue in Q3 2026 compared to Q3 2025 and in YTD 2026 compared to YTD 2025 primarily reflect the additional revenue generated from the one new Scaddabush restaurant in Barrie, Ontario that was added to the Royalty Pool effective January 1, 2026, and consolidated SSS[(1)] growth for both the quarter and YTD, partially offset by the one closed restaurant (the former Jack Astor's in Greenfield Park in Longueuil, Quebec) that was removed from the Royalty Pool effective January 1, 2026.

Restaurant Renovations

SIR's Management is committed to maximizing the performance of all of its restaurants. SIR believes that investing in restaurant renovations is a key performance-enhancing initiative.

During 2025, SIR closed the Jack Astor's 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 SIR's newest 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 revamped the menu so that many dishes are designed for sharing, including a new pizza category, making each meal at Jack Astor's + 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. With the combination of Jack Astor's + Freida's now operating under one roof in Barrie, Ontario and in Oshawa and Richmond Hill in the GTA, SIR is defining a new era of social dining.

During Q2 2026, the Jack Astor's location in Richmond Hill was closed for 36 days to complete a major renovation, including the introduction of the Jack Astor's + Freida's concept.

New and Closed Restaurants

SIR currently owns 57 restaurants in Canada. Since the Fund's Initial Public Offering ("IPO") in October 2004 up until the date of this report, SIR has opened 53 new restaurants including: 23 Jack Astor's, four Canyon Creek Chophouse® ("Canyon Creek") restaurants, 19 Scaddabush restaurants, three REDS restaurants, three Duke's Refresher® + Bar locations ("Duke's Refresher"), and one Edna + Vita location. SIR also opened one seasonal restaurant (Abbey's Bakehouse®) and an Abbey's Bakehouse and retail outlet at REDS Square One in Mississauga, Ontario. During this same period, SIR closed 30 restaurants including: eight Jack Astor's restaurants, eight Canyon Creek restaurants, five Alice Fazooli's restaurants, two Scaddabush restaurants, three REDS restaurants, two Duke's Refresher restaurants, and two Signature restaurants.

On June 25, 2025, SIR opened a new Scaddabush restaurant in Barrie, Ontario. This new restaurant was added to the Royalty Pooled Restaurants on January 1, 2026.

SIR permanently closed the Jack Astor's restaurant located in the Greenfield Park neighbourhood of Longueuil, Quebec, effective April 27, 2025. This restaurant ceased to be a Royalty Pooled Restaurant effective January 1, 2026.

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

On April 1, 2026, SIR opened a new Scaddabush location in Windsor, Ontario. This new restaurant is expected to be added to the Royalty Pooled Restaurants effective January 1, 2027.

On July 29, 2026, SIR opened a new Scaddabush location in Aurora, Ontario. This new restaurant is expected to be added to the Royalty Pooled Restaurants effective January 1, 2027.

On September 23, 2026, SIR opened a new Scaddabush location in Kanata, Ontario. This new restaurant 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 London, Ontario and Dartmouth, Nova Scotia – upon which it plans to develop two new Scaddabush locations. SIR has also leased a property in Windsor, Ontario upon which it plans to develop a new Jack Astor's + Freida's location. There can be no assurance at this time that these planned new restaurants will be opened, or that they will become part of the Royalty Pooled Restaurants.

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

Renegade Chicken Trial

On January 27, 2022, SIR began offering Renegade Chicken takeout and delivery services on a trial basis out of certain Jack Astor's locations. Renegade Chicken offers a selection of fried chicken sandwiches, tenders, and wings, complemented by fresh cut in-house fries and targets the growing consumer demand for fried chicken within the fast-casual dining sector. SIR agreed to remit to the Partnership an amount equivalent to 6% of revenues earned from this trial. This program was extended on multiple occasions, with the most recent extension covering eight Jack Astor's locations, occurring on August 7, 2024, thereby extending the trial period to August 31, 2025. SIR elected not to extend the trial on August 31, 2025. Renegade Chicken now only operates out of the Duke's Refresher location in downtown Toronto, which is not part of Royalty Pooled Restaurants.

Distributions

Distributions to unitholders are intended to be made monthly in arrears based on distributable cash[(1)] and cash redemptions of Fund units and subject to the Fund retaining such reasonable working capital and other reserves as may be considered appropriate by the Trustees of the Fund. It is the Fund's intention to pay even distributions and, if possible, maintain consistent monthly distributions to unitholders. The Fund intends to make monthly distributions of its available distributable cash[(1)] to the extent possible.

During YTD 2026, distributions of $0.105 per Fund unit were declared and paid in the months of January to September 2026. Subsequent to September 30, 2026, on October 7, 2026 a distribution of $0.105 per Fund unit was declared to be paid on October 30, 2026, to unitholders of record as at October 16, 2026.

The payout ratio[(1)] of cash distributed to distributable cash[(1)] is intended to average 100% per annum over the long term. The Fund has the objective of paying even monthly distributions to unitholders, while its underlying cash flow from the Partnership is subject to seasonal fluctuations (as experienced by SIR). As a result, there are times during the year when the Fund's payout ratio[(1)] exceeds or is lower than 100%. The payout ratio[(1)] of cash distributed to distributable cash[(1)] for Q3 2026 was 96.2%, compared to 95.7% for Q3 2025, and 101.8% for YTD 2026 compared to 97.5% for YTD 2025. The payout ratio[(1)] since the Fund's inception in 2004, up to and including Q3 2026, is 100.1%, which is in line with the Fund's target payout ratio of 100%.

Please refer to page 11 for distributable cash[(1)] and a description of the Fund's payout ratio[(1)] and page 13 for a summary of monthly distributions since inception.

Overview and Business of the Fund

On October 1, 2004, the Fund filed a final prospectus for an initial public offering of units of the Fund (the "Offering"). The net proceeds of the Offering of $51.2 million were used by the Fund to acquire, directly, certain bank debt of SIR and indirectly, through SIR Holdings Trust (the "Trust"), all of the Ordinary LP Units of the Partnership. The Partnership owns the Canadian trademarks (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. The Partnership has 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"). The Partnership also issued its own securities to SIR in return for the SIR Rights acquired. The Fund indirectly participates in the revenue generated under the License and Royalty Agreement through its investment in the Partnership. The Partnership's financial statements are provided separately at www.sedarplus.ca under the SIR Royalty Income Fund profile "Other" category and on SIR's website

at www.sircorp.com.

The units of the Fund are publicly traded on the Toronto Stock Exchange under the symbol SRV.UN.

Overview and Business of SIR and the Partnership

SIR, which stands for Service Inspired Restaurants, is a private company amalgamated under the Business Corporations Act of Ontario. As at the date of this report, SIR owned 57 Concept Restaurants and Signature Restaurants in Canada (in Ontario, Quebec, Nova Scotia, and Newfoundland). The Concept Restaurants include Jack Astor's Bar and Grill, including Jack Astor's + Freida's, and Scaddabush Italian Kitchen & Bar. 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 located in downtown Toronto, which is also considered a Signature Restaurant, but is currently not part of Royalty Pooled Restaurants. SIR owns 100% of its Canadian restaurants. As at September 30, 2026, 52 SIR Restaurants were included in Royalty Pooled Restaurants, including 35 Jack Astor's locations, 14 Scaddabush locations, REDS Square One, the Loose Moose, and Edna + Vita.

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 could 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 SIR's 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 occurred before August 31, 2025, Duke's Refresher was not added to the Royalty Pool on January 1, 2026.

The Partnership has the option for a period of six months following delivery of notice of the Trigger Event by SIR to purchase, effective on the next Adjustment Date, any and all associated Canadian trademark rights in respect of Duke's Refresher (the "Duke's Refresher Rights"), subject to the Partnership licensing the Duke's Refresher Rights back to SIR for a period of 99 years. SIR and the Partnership have the opportunity to negotiate and agree upon the amount of the consideration to be paid to SIR for the Duke's Refresher Rights. Under circumstances that are similar to those involving the SIR Rights, it is expected that the principles underlying the valuation of the Royalty and the Determined Amount as they relate to the SIR Rights shall apply, with necessary changes, to the extent deemed appropriate under the circumstances. If the Partnership elects not to exercise its option, or if the Partnership and SIR fail to agree on the terms of the purchase of the Duke's Refresher Rights, the Partnership shall have a right of first refusal, so long as the License and Royalty Agreement concerning the SIR Rights remains in effect, and exercisable for a period of 30 days from the date the Partnership receives notice and details of the proposed terms of any third party offer, to purchase the Duke's Refresher Rights should SIR wish to sell, directly or indirectly, all or substantially all of the Duke's Refresher Rights to a third party dealing at arm's length with SIR.

If the Partnership elects not to exercise the foregoing option, then, subject to the right of first refusal, SIR shall be free to operate the business relating to Duke's Refresher and exploit the Duke's Refresher Rights on its own behalf or otherwise.

On January 1 of each year (the "Adjustment Date"), the restaurants subject to the Partnership Agreement are adjusted for new restaurants that have been open for at least 60 days prior to the Adjustment Date and which were not previously included in Royalty Pooled Restaurants. Under the formula as defined in the Partnership Agreement, the number of Class A GP Units issued to SIR on the Initial Adjustment date is equal to 80% of the estimated value of the additional Royalty revenue. Additional Class B GP Units may be converted to Class A GP Units in respect of these new SIR Restaurants if the actual revenues of the new SIR Restaurants exceed 80% of the Initial Adjustment Date's estimated revenue applied to the formula defined in the Partnership Agreement. Conversely, Class A GP Units would be converted to Class B GP Units by SIR if the actual revenues of the new SIR Restaurants are less than 80% of the Initial Adjustment Date's estimated revenue. On January 1 of each year, SIR will reconvert the Class A GP Units received to Class B GP Units for the permanent closure of a SIR Restaurant.

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 Adjustment Date's estimated revenue or there will be a reduction in the cash distributions to the Class A GP Unitholders if revenues are less than 80% of the Initial Adjustment Date's estimated revenue. The additional distribution results in an adjustment to SIR's share of the Partnership income to reflect the actual contribution of the revenues of the new SIR Restaurants for the fiscal year. As this amount is not declared until December 31st, when the actual revenues for the New Additional Restaurants are known, the effect of this adjustment is not included in the results of quarters one through three.

The Partnership has 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 6.0% of the revenue of the Royalty Pooled Restaurants. The Partnership also issued its own securities to SIR in return for the SIR Rights acquired.

The Class A GP Units are entitled to receive a pro rata share of all residual distributions of the Partnership and are exchangeable into Units of the Fund on a one for one basis.

On January 1, 2026, one new SIR Restaurant was added (January 1, 2025 – four) to the Royalty Pooled Restaurants in accordance with the Partnership Agreement. As consideration for the additional Royalty associated with the addition of one new SIR Restaurant on January 1, 2026 as well as the Second Incremental Adjustment for the four new SIR Restaurants added to Royalty Pooled Restaurants on January 1, 2025 (January 1, 2024 – one), 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, 2025 – one) SIR Restaurant during 2025. The net effect of these adjustments to Royalty Pooled Restaurants was that SIR converted 124,306 Class B GP Units into 124,306 Class A GP Units on January 1, 2026 (January 1, 2025 – SIR converted 581,312 Class B GP Units into Class A GP Units), increasing the value of the SIR Rights by $2.4 million (January 1, 2025 – increasing the value of the SIR Rights by $7.1 million).

In addition, the revenues of the four (January 1, 2024 – one) new SIR Restaurants added to Royalty Pooled Restaurants on January 1, 2025 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 $0.14 million in December 2025 and paid in January 2026 (January 1, 2024 – the revenues of the one new SIR Restaurant 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).

SIR's fiscal year is comprised of 13 periods of four weeks each, ending on the last Sunday in August. To preserve this year end, an additional week must be added approximately every five years. Fiscal quarters of SIR consist of accounting periods of 12, 12, 12 and 16 (or 17) weeks. SIR's fiscal year for 2025 consisted of 53 weeks. SIR's fiscal year for 2026 consists of 52 weeks.

Consolidated financial statements of SIR can be found at www.sedarplus.ca under the SIR Royalty Income Fund profile, under "Other" and on SIR's website at www.sircorp.com.

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 beginning in the late spring months and into the early fall months when patios have been open for an extended period. Additionally, certain holidays and observances also affect guest dining patterns both favourably and unfavourably. Accordingly, equity income from the Partnership recognized by the Fund will vary in conjunction with the seasonal fluctuations in revenue. The Fund's intention is to pay even distributions in order to reduce the effect of seasonality, and if possible, allow the Fund to maintain consistent monthly distributions to unitholders.

Selected Consolidated Financial Information

The condensed consolidated interim financial statements of the Fund are presented in Canadian dollars and are prepared in accordance with International Accounting Standards ("IAS") 34, 'Interim Financial Reporting', and should be read in conjunction with the audited annual consolidated financial statements of the Fund, including the notes thereto, which are presented in Canadian dollars and are prepared in accordance with International Financial Reporting Standards ("IFRS"). The condensed consolidated interim financial statements and the annual consolidated financial statements include the accounts of the Fund and its subsidiaries, namely the SIR Holdings Trust (the "Trust") and SIR GP Inc. The information in this Management Discussion & Analysis ("MD&A") should be read in conjunction with the audited annual consolidated financial statements of the Fund, including the notes thereto. The Fund has been in existence since August 23, 2004, and began operating on October 12, 2004, upon closing of the Offering.

(in thousands of dollars or units, except restaurants and per unit amounts) *(unaudited)*	**Three-month period ended**		**Nine-month period ended**	
	September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Royalty Pooled Restaurants	52	52	52	52
Pooled Revenue generated by SIR	76,004	71,431	219,477	209,121
Royalty income to Partnership - 6% of Pooled Revenue	4,560	4,285	13,169	12,546
Partnership administration fee	6	6	18	18
Recovery of (impairment) on amounts due from related parties	(7)	13	42	(40)
Partnership expenses	(28)	(19)	(90)	(71)
Partnership other income	5	5	17	5
Partnership earnings	4,536	4,290	13,156	12,458
SIR's interest (Class A, B and C GP Units)	(1,495)	(1,405)	(4,382)	(4,155)
Partnership income allocated to Fund[(2)]	3,041	2,885	8,774	8,303
Change in estimated fair value of the SIR Loan[(3)]	(1,750)	(750)	(1,000)	500
	1,291	2,135	7,774	8,803
General & administrative expenses	(108)	(136)	(482)	(385)
Other income	5	-	10	-
Net earnings before income taxes of the Fund	1,188	1,999	7,302	8,418
Income tax expense	(944)	(873)	(2,807)	(2,723)
Net earnings for the period	244	1,126	4,495	5,695
Basic earnings per Fund unit	$0.03	$0.13	$0.54	$0.68
Weighted average number of Fund units outstanding – Basic	8,376	8,376	8,376	8,376
Weighted average number of Fund units outstanding – Diluted	8,376	8,376	8,376	8,376
Diluted earnings per Fund unit	$0.03	$0.13	$0.54	$0.68

(2) The Fund, indirectly through the Trust, holds all of the Ordinary LP Units and Class A LP Units of the Partnership. The holders of the Ordinary LP Units and Class A LP Units are entitled to receive a pro rata share of all residual distributions of the Partnership.

(3) Under IFRS 9, adopted on January 1, 2018, the SIR Loan will be recognized at fair value with changes in fair value being recorded in the consolidated statement of earnings.

Summary of Quarterly Financial Information

The following table sets out selected financial information of the Fund and the Partnership:

	Three-month period ended							
(in thousands of dollars or units, except restaurants and per unit amounts) (unaudited)	**September 30, 2026**	**June 30, 2026**	**March 31, 2026**	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**	**March 31, 2025**	**December 31, 2024**
Royalty Pooled Restaurants	52	52	52	52	52	52	52	49
Pooled Revenue generated by SIR	76,004	77,492	65,980	73,122	71,431	72,949	64,742	62,271
Royalty income to Partnership 6% of Pooled Revenue	4,560	4,650	3,959	4,388	4,285	4,377	3,884	3,729
Partnership administration fee	6	6	6	6	6	6	6	6
Recovery of (impairment) on amounts due from related parties	(7)	(40)	89	(51)	13	(34)	(19)	52
Partnership expenses	(28)	(33)	(29)	(24)	(19)	(34)	(18)	(15)
Partnership other income	5	6	6	9	5	-	-	-
Partnership earnings	4,536	4,589	4,031	4,328	4,290	4,315	3,853	3,772
SIR's interest (Class A, B and C GP Units)	(1,495)	(1,485)	(1,403)	(1,536)	(1,405)	(1,409)	(1,340)	(1,160)
Partnership income allocated to Fund[(2)]	3,041	3,104	2,628	2,792	2,885	2,906	2,513	2,612
Change in estimated fair value of the SIR Loan	(1,750)	1,000	(250)	1,000	(750)	1,750	(500)	750
	1,291	4,104	2,378	3,792	2,135	4,656	2,013	3,362
General & administrative expenses	(108)	(226)	(147)	(121)	(136)	(135)	(114)	(197)
Other income	5	3	3	5	-	-	-	-
Net earnings before income taxes of the Fund	1,188	3,881	2,234	3,676	1,999	4,521	1,899	3,165
Income tax expense	(944)	(990)	(873)	(906)	(873)	(995)	(855)	(976)
Net earnings for the period	244	2,891	1,361	2,770	1,126	3,526	1,044	2,189
Basic earnings per Fund unit	$0.03	$0.35	$0.16	$0.33	$0.13	$0.42	$0.12	$0.26
Weighted average number of Fund units outstanding – Basic	8,376	8,376	8,376	8,376	8,376	8,376	8,376	8,376
Weighted average number of Fund units outstanding – Diluted	8,376	10,069	8,376	8,376	8,376	9,945	8,376	8,376
Diluted earnings per Fund unit	$0.03	$0.34	$0.16	$0.33	$0.13	$0.40	$0.12	$0.26

Distributable Cash[(1)]

Distributable cash represents the amount of money which the Fund expects to have available for distribution to Unitholders of the Fund and is calculated as cash provided by operating activities of the Fund, adjusted for the net change in non-cash working capital items including a reserve for income taxes payable, and the net change in the distribution receivable from the Partnership.

Distributable Cash[(1)]

(in thousands of dollars or units, except per unit amounts and payout ratio[(1)])	Three-month period ended		Nine-month period ended	
	September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Cash provided by operating activities	2,251	1,796	7,937	6,602
Add/(deduct):				
Net change in non-cash working capital items[(4)]	(108)	(138)	(87)	976
Net change in income tax payable[(4)]	400	852	(326)	(637)
Net change in distribution receivable from the Partnership[(4)]	201	115	252	536
Distributable cash[(1)]	**2,744**	**2,625**	**7,776**	**7,477**
Cash distributed for the period	**2,638**	**2,513**	**7,915**	**7,287**
Surplus (shortfall) of distributable cash[(1)]	**106**	**112**	**(139)**	**190**
Payout ratio[(1), (5)]	96.2%	95.7%	101.8%	97.5%
Weighted average number of Fund units outstanding – Basic	8,376	8,376	8,376	8,376
Distributable cash[(1)] per Fund unit – Basic	$0.33	$0.31	$0.93	$0.89
Weighted average number of Fund units outstanding – Diluted	8,376	8,376	8,376	8,376
Distributable cash[(1)] per Fund unit – Diluted[(6)]	$0.33	$0.31	$0.93	$0.89

(4) Distributable cash is adjusted to exclude the net change in non-cash working capital items, the net change in income tax payable, and the net change in the distribution receivable from the Partnership, as the Fund's working capital requirements are not permanent and are primarily due to the timing of payments.

(5) It is the Fund's intention to pay even distributions to reduce the effect of seasonality. Higher payout ratios during the colder months of the year are expected with the pattern of seasonality in SIR's business, and it is anticipated that the payout ratio will decrease on average during the warm weather months.

(6) Diluted distributable cash per Fund unit is as follows: Distributable cash for the period, plus the distributions, net of income tax expense (recovery), related to the Class A GP Units, divided by the weighted average number of Fund units outstanding. The weighted average number of Fund units outstanding represents the weighted average number of Fund units outstanding (basic) plus the weighted average number of convertible Class A GP Units.

Summary of Quarterly Distributable Cash[(1)]
(in thousands of dollars or units, except per unit amounts and payout ratio[(1)])
(unaudited)

	Three-month period ended							
	September 30, 2026	**June 30, 2026**	**March 31, 2026**	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**	**March 31, 2025**	**December 31, 2024**
Cash provided by operating activities	2,251	2,941	2,746	2,767	1,797	3,398	1,407	2,749
Add/(deduct): Net change in non-cash working capital items[(4)]	(108)	(201)	222	180	(138)	(135)	1,249	(474)
Net change in income tax payable[(4)]	400	(363)	(363)	349	852	(1,144)	(344)	351
Net change in distribution receivable from the Partnership[(4)]	201	263	(213)	(776)	115	407	14	(437)
Distributable cash[(1)]	**2,744**	**2,640**	**2,392**	**2,520**	**2,626**	**2,526**	**2,326**	**2,189**
Cash distributed for the period	**2,638**	**2,638**	**2,638**	**2,806**	**2,513**	**2,387**	**2,387**	**2,387**
Surplus/(Shortfall) of distributable cash[(1)]	**106**	**2**	**(246)**	**(286)**	**113**	**139**	**(61)**	**(198)**
Payout ratio[(1),(5)]	96.2%	99.9%	110.3%	111.3%	95.7%	94.5%	102.6%	109.0%
Weighted average number of Fund units outstanding – Basic	8,376	8,376	8,376	8,376	8,376	8,376	8,376	8,376
Distributable cash[(1)] per Fund unit – Basic	$0.33	$0.32	$0.29	$0.30	$0.31	$0.30	$0.28	$0.26
Weighted average number of Fund units outstanding – Diluted	8,376	10,069	10,069	8,376	8,376	8,376	9,945	8,376
Distributable cash[(1)] per Fund unit – Diluted[(6)]	$0.33	$0.31	$0.28	$0.30	$0.31	$0.30	$0.28	$0.26

The payout ratio[(1)] of cash distributed to distributable cash[(1)] for Q3 2026 was 96.2% compared to 95.7% in Q3 2025. The payout ratio[(1)] of cash distributed to distributable cash[(1)] for YTD 2026 was 101.8% compared to 97.5% in YTD 2025.

The payout ratio[(1)] of cash distributed to distributable cash[(1)] is intended to average 100% per annum over the long term. Since the Fund pays even monthly distributions when its underlying cash flow from the Partnership is subject to seasonal fluctuations (as experienced by SIR), there are times during the year when the payout ratio[(1)] may exceed or is lower than 100%. For example, the first quarter typically has lower sales volumes than the second and third quarters, which include warmer summer months when patios are open, and guest counts are typically higher.

The history of distributions is as follows:

Months Paid	Distribution per Unit
Inception to May 2006	$0.100
June 2006 to May 2007	$0.105
June 2007 to May 2008	$0.110
June 2008 to January 2011	$0.115
February 2011 to May 2012	$0.083[(7)]
June 2012 to May 2013	$0.088
June 2013 to March 2018	$0.095
April 2018 to August 2018	$0.100
September 2018 to October 2019	$0.105
November 2019 to February 2020	$0.0875
March 2020 to June 2021	Nil
July 2021 to August 2021	$0.070
September 2021 to September 2022	$0.090
October 2022 to June 2025	$0.095
July 2025 to December 2025	$0.100
January 2026 to date	$0.105
December 2012 Special Distribution	$0.050[(8)]
December 2017 Special Distribution	$0.020[(8)]
December 2021 Special Distribution	$0.100[(8)]
July 2022 Special Distribution	$0.135[(8)]
December 2022 Special Distribution	$0.050[(8)]
December 2023 Special Distribution	$0.0425[(8)]
December 2025 Special Distribution	$0.035[(8)]

Since the Fund's inception in October 2004 up to and including Q3 2026, the Fund has generated $170.9 million in cumulative distributable cash[(1)] and has paid cumulative cash distributions of $170.8 million, representing a cumulative payout ratio[(1)] of 100.1% (the ratio of cumulative cash distributions paid since inception to cumulative distributable cash[(1)] generated).

(7) As a result of certain legislative changes to the tax treatment of income trusts, corporate income taxes became applicable to the taxable income of the Fund effective January 1, 2011. Accordingly, the distributions, starting with the January 2011 distribution (declared and paid in February 2011), were reduced for the impact of income taxes.

(8) The special year-end distributions of: $0.05 per unit declared in December 2012 (paid in January 2013), $0.02 per unit declared and paid in December 2017, $0.10 per unit declared and paid in December 2021, $0.135 per unit declared and paid in July 2022, $0.05 per unit declared and paid in December 2022, $0.0425 per unit declared and paid in December 2023, and $0.035 per unit declared and paid in December 2025 were declared because additional distributable cash was available and approved by the Trustees of the Fund to be distributed.

The following table provides disclosure regarding the relationship between cash flows from operating activities and net earnings, and historical distributed cash amounts:

(in thousands of dollars) *(unaudited)*	Nine-month period ended September 30, 2026	Nine-month period ended September 30, 2025
Cash provided by operating activities	7,937	6,602
Net earnings for the period	4,495	5,695
Cash distributed for the period	7,915	7,287
Surplus of cash provided by operating activities over cash distributed for the period[9]	**22**	**(685)**
Shortfall of net earnings for the period over cash distributed for the period[10]	**(3,420)**	**(1,592)**

There was a $0.02 million surplus of cash provided by operating activities over cash distributed for YTD 2026 compared to a $0.7 million shortfall for YTD 2025. The variance reflects an increase in distributions received from the Partnership ($8.5 million in YTD 2026 compared to $7.8 million in YTD 2025) and an increase in the net change in non-cash working capital items, partially offset by a decrease in net earnings ($4.5 million in YTD 2026 compared to $5.7 million in YTD 2025), an increase in income taxes paid ($2.4 million in YTD 2026 compared to $2.1 million in YTD 2025) and an increase in distributions paid to unitholders over the same period.

There was a $3.4 million shortfall of net earnings over cash distributed for YTD 2026 compared to a $1.6 million shortfall for YTD 2025. The variance reflects a $1.5 million decrease in the gain on the SIR Loan in YTD 2026 ($1.0 million loss in YTD 2026 compared to $0.5 million gain in YTD 2025) and an increase in distributions paid to unitholders over the same period.

Balance Sheet

The following table shows total assets and unitholders' equity of the Fund:

(in thousands of dollars)	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Total assets	88,567	91,274	90,477	91,564	92,105	94,224	91,823	94,264
Unitholders' equity	82,917	85,311	85,059	86,337	86,372	87,759	86,621	87,963

Results of Operations

The Fund's income for Q3 2026 is comprised of equity income from the Partnership of $3.0 million (Q3 2025 – equity income of $2.9 million), and a $1.8 million decrease in the estimated fair value of the SIR Loan (Q3 2025 – $0.8 million).

The Fund's income for YTD 2026 is comprised of equity income from the Partnership of $8.8 million (YTD 2025 – equity income of $8.3 million), and a $1.0 million decrease in the estimated fair value of the SIR Loan (YTD 2025 – $0.5 million increase).

Equity income from the Partnership is the pro rata share of the residual distributions of the Partnership for the three-month and nine-month periods ended September 30, 2026 and September 30, 2025. The Partnership recognized an impairment on its royalties receivable of $0.01 million for the three-month period ended September 30, 2026 and a recovery of its impairment on its royalties receivable of $0.04 million for the nine-month period ended September 30, 2026 (nine-

(9) Excess (shortfall) of cash provided by operating activities over cash distributed for the period is calculated by subtracting the cash distributed for the period from cash provided by operating activities.

(10) Excess (shortfall) of net earnings for the period over cash distributed for the period is calculated by subtracting cash distributed for the period from net earnings for the period.

month and nine-month periods ended September 30, 2025 – recovery of impairment of $0.01 million and impairment of $0.04 million, respectively).

The change in estimated fair value of the SIR Loan (a $1.8 million loss for Q3 2026 compared to $0.8 million for Q3 2025 and a $1.0 million loss for YTD 2026 compared to a $0.5 million gain for YTD 2025) is related to IFRS 9, which requires the Fund to recognize the SIR Loan at fair value, with changes in the fair value being recorded in the statement of earnings.

The Fund's operating expenses, which are limited to general and administrative expenses, totaled $0.1 million and $0.5 million for Q3 2026 and YTD 2026, respectively ($0.1 million and $0.4 million for Q3 2025 and YTD 2025, respectively). These expenses include professional fees, directors' and officers' liability insurance premiums, Trustees' fees, certain public company costs, and other administrative fees.

The Fund recorded income tax expense of $0.9 million and $2.8 million for Q3 2026 and YTD 2026, respectively ($0.9 million and $2.7 million for Q3 2025 and YTD 2025, respectively).

Net earnings were $0.2 million for Q3 2026 (Q3 2025 – $1.1 million). Net earnings per Fund unit for Q3 2026 were $0.03 (basic and diluted) (Q3 2025 - $0.13 (basic and diluted)).

Net earnings were $4.5 million for YTD 2026 (YTD 2025 – $5.7 million). Net earnings per Fund unit for YTD 2026 were $0.54 (basic and diluted) (YTD 2025 - $0.68 (basic and diluted)).

Liquidity and Capital Resources

The Fund has no third-party debt. SIR currently has the $40.0 million SIR Loan owed to the Fund (SIR can surrender its Class C GP Units as consideration for principal payments under the SIR Loan) and a Credit Agreement with a syndicate of two Schedule 1 Canadian chartered banks (the "Lenders"), a copy of which has been filed on SEDAR+. The indebtedness of SIR under the Credit Agreement is "Permitted Indebtedness" within the meaning of the agreements between the Fund, the Partnership and SIR. 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 Subordination Agreement (defined below). A copy of the Subordination Agreement has also been filed on SEDAR+.

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 Lenders 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.

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 May 10, 2026, the end of the third quarter of SIR's fiscal year 2026, no funds were drawn on the Operating Facility.

Advances on the Term Facility are repayable in quarterly instalments in an amount equal to 2.0833% of each advance. 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. Advances 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 May 10, 2026, $35.6 million was drawn on the Term Facility.

Advances on the Delayed Draw Facility are repayable in quarterly instalments in an amount equal to 2.2727% of each advance. 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. Advances are subject to interest only payments for the first four quarters and interest plus principal 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 May 10, 2026, $2.9 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.

Under the Subordination 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 Subordination Agreement also contains various other typical covenants of the Fund and the Partnership.

As at May 10, 2026, SIR's liquidity was comprised of $6.9 million of cash on hand (net of the cash balance of the Partnership) and $29.5 million available to borrow under its Credit Agreement.

The Fund does not have bank lines of credit. The Fund, therefore, relies on the payments of the distributions from the Partnership and interest received from the SIR Loan to meet its obligations to pay unitholder distributions. The Fund believes that the distributions from the Partnership and interest payments will be sufficient to meet its current distribution intentions, subject to seasonal fluctuations. However, the actual amounts distributed will depend upon numerous factors, including the payment of the distributions from the Partnership and interest by SIR, and could fluctuate based on performance. The Fund intends to maintain even distributions in order to reduce the effect of fluctuations in revenue and, if possible, allow the Fund to maintain consistent monthly distributions to unitholders. Under the terms of the License and Royalty Agreement, SIR is required to pay the 6.0% Royalty to the Partnership 21 days after the end of the four-week or five-week period for which the Royalty is determined.

The Fund did not have any capital expenditures in YTD 2026 and by its nature is not expected to have significant capital expenditures in the future. Capital expenditures related to Royalty Pooled Restaurants are borne at the operating company (SIR) level. The Fund's operating and administrative expenses are expected to be stable and predictable and are considered to be in the ordinary course of business.

While SIR is not owned by the Fund, the Fund's cash flows are derived from interest received on the SIR Loan and distributions from the Partnership and accordingly, the Fund is economically dependent upon SIR. Credit risk arises from the potential default of SIR on the SIR Loan. Management monitors the SIR Loan for credit risk and to date all interest payments have been made. The Fund also depends on the distributions from the Partnership, which are dependent upon SIR paying the Royalty to the Partnership. Information regarding SIR and its liquidity can be found in SIR's unaudited condensed interim and audited annual consolidated financial statements and MD&A, which can be found on SEDAR+ under the Fund's listing named "Other". The most recent unaudited condensed interim consolidated financial statements and MD&A for SIR's third quarter of Fiscal 2026 are listed with a filing date of June 23, 2026.

The following table is an excerpt of the previous eight quarters of SIR's consolidated statement of cash flows information:

Selected Unaudited Consolidated Statement of Cash Flows Information[11]	3rd Quarter Ended May 10, 2026 (12 weeks)	2nd Quarter Ended February 15, 2026 (12 weeks)	1st Quarter Ended November 23, 2025 (12 weeks)	4th Quarter Ended August 31, 2025 (17 weeks)	3rd Quarter Ended May 4, 2025 (12 weeks)	2nd Quarter Ended February 9, 2025 (12 weeks)	1st Quarter Ended November 17, 2024 (12 weeks)	4th Quarter Ended August 25, 2024 (16 weeks)
	(in thousands of dollars) (unaudited)							
Cash provided by (used in) operations	8,359	4,352	8,150	20,141	10,964	3,505	2,917	18,887
Cash used in investing activities	(3,638)	(3,415)	(3,066)	(4,223)	(1,214)	(1,072)	(3,701)	(8,043)
Cash (used in) provided by financing activities	(4,384)	(6,264)	(5,868)	(6,887)	(7,734)	(2,590)	(3,127)	(5,901)
Increase (decrease) in cash during the period	337	(5,327)	(784)	9,031	2,016	(157)	(3,911)	4,943
Cash – Beginning of period	7,318	12,645	13,429	4,398	2,382	2,539	6,450	1,507
Cash – End of period	7,655	7,318	12,645	13,429	4,398	2,382	2,539	6,450

Controls and Procedures

Disclosure controls and procedures:

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and includes controls and procedures designed to ensure that information required to be disclosed is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. Management carried out an evaluation of the effectiveness of the design and operation of the Fund's disclosure controls and procedures, as defined in National Instrument 52-109, "Certification of Disclosure in Issuer's Annual and Interim Filings", as at September 30, 2026 under the supervision of and with the participation of the Fund's Chief Executive Officer and Chief Financial Officer.

Based on that evaluation, the Fund's Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures are effective as at September 30, 2026.

Internal controls over financial reporting:

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes those policies and procedures that:

a) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets;
b) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with authorizations of management and directors; and
c) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

(11) Information presented is in accordance with IFRS and is derived solely from documents filed with the Canadian securities regulatory authorities by SIR in its interim Q3 2026 MD&A filed on June 23, 2026 and has not been approved by the Fund or its Trustees, officers, SIR GP Inc., or SIR Holdings Trust, or their respective Trustees, managing general partners, directors, or officers.

Management carried out an evaluation of the effectiveness of the design and operation of the Fund's internal controls over financial reporting, as defined in National Instrument 52-109, "Certification of Disclosure in Issuer's Annual and Interim Filings", as at September 30, 2026 and under the supervision and with the participation of the Fund's Chief Executive Officer and Chief Financial Officer. The evaluation was conducted using the framework and criteria established in Internal Control - Integrated Framework: 2013, issued by the Committee of Sponsoring Organizations of the Treadway Commission in May 2013.

Based on the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that internal controls over financial reporting are effective and there are no material weaknesses in the Fund's internal controls over financial reporting as at September 30, 2026. There have been no substantive changes in the Fund's internal controls over financial reporting that occurred during the most recent interim period beginning January 1, 2026 through to September 30, 2026, that have materially affected, or are reasonably likely to materially affect the Fund's internal control over financial reporting. The Fund does not own, control or consolidate SIR and therefore, the Fund's disclosure controls and procedures and the internal controls over financial reporting do not encompass SIR or SIR's disclosure controls and procedures or SIR's internal controls over financial reporting.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Off-Balance Sheet Arrangements

The Fund does not have any off-balance sheet arrangements.

Transactions with Related Parties

During the three-month and nine-month periods ended September 30, 2026, the Fund earned equity income of $3.0 million and $8.8 million, respectively, from the Partnership (equity income of $2.9 million and $8.3 million for the three-month and nine-month periods ended September 30, 2025, respectively). The Fund, indirectly through the Trust, is entitled to receive a pro rata share of all residual distributions. The Fund's equity income is dependent upon the revenue generated by the SIR Restaurants subject to the License and Royalty Agreement.

During the three-month and nine-month periods ended September 30, 2026, the Fund received $0.8 million and $2.2 million, respectively, of interest payments towards the value of the SIR Loan ($0.8 million and $2.2 million for the three-month and nine-month periods ended September 30, 2025). A description of the terms of the SIR Loan is included in the notes to the consolidated financial statements of the Fund for the year ended December 31, 2025.

As at September 30, 2026, the Fund had amounts receivable from SIR of $0.3 million (December 31, 2025 - $0.3 million) and distributions receivable from the Partnership of $3.2 million (December 31, 2025 - $3.0 million). As at September 30, 2026, the Fund had advances payable to the Partnership of $3.0 million (December 31, 2025 - $2.9 million). All advances were conducted as part of the normal course of business operations.

The Fund has entered into a related party transaction with a company where one of the Fund's Trustees serves as Chief Investment Officer. This transaction is in the normal course of business and is measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Transactions with Related Parties

	Three-month period ended		Nine-month period ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(in thousands of dollars) (unaudited)			
Professional fees				
Consulting services provided by a company where a Fund Trustee serves as Chief Investment Officer	-	-	15	-

Changes in Accounting Policies, Including Recently Issued Accounting Pronouncements

IFRS Accounting Standards adopted in the period

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. On January 1, 2026, the Fund adopted the amendments to IFRS 9, 'Financial Instruments', and IFRS 7, 'Financial Instruments: Disclosures'. The Fund has determined there is no material impact of the amendments on the condensed interim consolidated financial statements.

IFRS Accounting Standards issued but not yet effective

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 new standard will be effective for annual reporting periods beginning on or after January 1, 2027, including for interim financial statements. At this stage, the Fund is evaluating the impact of the standard on the consolidated financial statements.

Critical Accounting Estimates

The Fund makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. The following are estimates and judgments that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Investment in the Partnership/Consolidation of Structured Entities

The Partnership receives royalties on the SIR Rights, which are licensed to SIR for use in Royalty Pooled Restaurants. The Fund and SIR each hold an investment in the Partnership. Generally, the Partnership units have no voting rights, except in certain specified conditions.

The determination of the entity having the ability to affect the returns on their investment in the Partnership required significant judgment. Based on an evaluation of the activities of the Partnership and the Partnership Agreement, management concluded that the substance of the relationships between the Partnership, SIR and the Fund indicates the Partnership is controlled by SIR. In addition, the evaluation of whether or not the Fund has significant influence over the Partnership is a matter of significant judgment. Based on a review of the operating and financing activities of the Partnership, management has concluded that the Fund is able to significantly influence these activities.

Valuation of the SIR Loan and Investment in the Partnership

Management reviews for objective evidence whether there may be an impairment of the SIR Loan or the investment in the Partnership. The review includes a review of the earnings, cash flows and available cash of SIR on a prospective basis to assess SIR's ability to meet its obligations to the Fund for interest payments on the SIR Loan and to the Partnership for the Royalty. Based on the analysis completed as at September 30, 2026, no impairments to the SIR Loan and the Investment in the Partnership have been recorded in the consolidated financial statements (December 31, 2025 - $nil).

The SIR Loan is now accounted for at fair value through the statement of earnings which requires management to discount the cash flows using a market interest rate. Management has estimated the discount rate by considering comparable corporate bond rates, risk-free rates and SIR's credit risk.

During Q3 2026, management adjusted the discount rate from 8.3% at December 31, 2025 to 9.3% at September 30, 2026. In determining the appropriate discount rate, management considered available market information as well as the credit risk for SIR. The change in the discount rate is driven by the change in the spread between similar corporate bonds and the risk-free rate over the same periods, and by management's estimate of the credit risk for SIR.

The fair value of the SIR Loan is sensitive to changes in the discount rate. A 0.25% increase or decrease in the discount rate will result in a $0.8 million decrease or increase in the fair value of the SIR Loan.

Financial Instruments

The Fund's financial instruments consist of cash, amounts due from related parties, the SIR Loan, accounts payable and accrued liabilities, and amounts due to related parties. Management estimates that the fair values of these financial instruments approximate their carrying values due to their short-term maturity except for the SIR Loan. The fair value of the SIR Loan is estimated to be $33.8 million. The fair value was estimated by discounting the expected cash flows using a current market interest rate adjusted for SIR's credit risk. The estimate of fair value is within level 3 of the fair value hierarchy.

Disclosure of Outstanding Unit Data

As at September 30, 2026, the number of outstanding units of the Fund was 8,375,567.

Risks and Uncertainties

The performance of the Fund is directly dependent upon the interest payments the Fund receives from SIR under the SIR Loan and upon the Royalty received by the Partnership from SIR. The amount of the Royalty is dependent upon Pooled Revenue, which is subject to a number of factors that affect the restaurant industry generally and the casual and/or fine dining sectors of this industry in particular. 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.

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 12, 2026 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 existing restaurant brands. SIR remains committed to the corporately owned restaurant model as it believes this structure gives it greater control over its brands and improved agility to proactively respond to changes in market conditions.

SIR continues to monitor consumer spending behavior in light of current evolving macroeconomic factors, including inflation, interest rates, and cross-border tariffs between Canada and the U.S., 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 and to capitalize on the rapid growth of take-out and delivery services in commercial foodservice.

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

On April 1, 2026, SIR opened a new Scaddabush location in Windsor, Ontario. This new restaurant is expected to be added to the Royalty Pooled Restaurants effective January 1, 2027.

On July 29, 2026, SIR opened a new Scaddabush location in Aurora, Ontario. This new restaurant is expected to be added to the Royalty Pooled Restaurants effective January 1, 2027.

On September 23, 2026, SIR opened a new Scaddabush location in Kanata, Ontario. This new restaurant is expected to be added to the Royalty Pooled Restaurants effective January 1, 2027.

SIR is pursuing additional sites to expand its Scaddabush and Jack Astor's + Freida's concepts. SIR also intends to 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.

As at the date of this report, SIR has leased two properties – in London, Ontario and Dartmouth, Nova Scotia – upon which it plans to develop two new Scaddabush locations. SIR has also leased a property in Windsor, Ontario upon which it plans to develop a new Jack Astor's + Freida's location. There can be no assurance at this time that these planned new restaurants will be opened, or that they will become part of the Royalty Pooled Restaurants.

Description of Non-IFRS measures

Management believes that disclosing certain non-IFRS financial measures provides a useful supplemental measure to evaluate the Fund'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 the Fund than investors would have if they simply considered IFRS measures alone.

The non-IFRS financial measures do not have standardized meanings prescribed by IFRS. The Fund'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

The Fund believes that Same Store Sales ("SSS") and Same Store Sales Growth ("SSSG") are useful measures and provide investors with an indication of the change in year-over-year sales. SSS includes revenue from all SIR Restaurants included in Pooled Revenue for the fiscal years 2026 and 2025, except for those locations that were not open for the entire comparable periods in fiscal 2026 and fiscal 2025. The seasonal Abbey's Bakehouse is not a SIR Restaurant. SSSG is the percentage increase in SSS over the prior comparable period. 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.

Distributable Cash and Payout Ratio

The Fund believes that distributable cash and the payout ratio are useful measures as they provide investors with an indication of cash available for distribution. Investors are cautioned that distributable cash and the payout ratio should not be construed as an alternative to the statement of cash flows as a measure of liquidity and cash flows of the Fund. The payout ratio is calculated as cash distributed for the period as a percentage of the distributable cash for the period. Distributable cash represents the amount of money which the Fund expects to have available for distribution to Unitholders of the Fund, and is calculated as cash provided by operating activities of the Fund, adjusted for the net change in non-cash working capital items including a reserve for income taxes payable and the net change in the distribution receivable from the Partnership.

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. These may include, without limitation, statements relating to anticipated investments in technology, digital platforms, and the potential use of artificial intelligence ("AI") or other data-driven tools to support operational decision-making, guest experience initiatives, labour management, marketing, or supply chain processes. 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; the increased adoption of GLP-1 medications; changes in consumer confidence; changes in national and local business and economic conditions; pandemics or other material outbreaks of disease or safety issues affecting humans or animals or food products; the ability to maintain staffing levels; the impact of inflation, including on input prices and wages; the impact of the war in the Ukraine and/or 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 or employment 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; the results of operations and financial condition of SIR; and risks associated with the adoption, integration, reliability, regulatory oversight and ethical use of AI or other emerging technologies, including potential impacts on data governance, cybersecurity, operational decision-making, and customer-facing digital platforms. The foregoing list of factors is not exhaustive. Many of these issues can affect the Fund's or SIR's actual results and could cause their actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Fund or SIR. There can be no assurance that SIR will remain compliant in the future with all of its financial covenants under the Credit Agreement and imposed by the lender. Given these uncertainties, readers are cautioned that forward-looking statements are not guarantees of future performance and should not place undue reliance on them. The Fund and SIR expressly disclaim any obligation or undertaking to publicly disclose or release any updates or revisions to any forward-looking statements except as expressly required by law. Forward-looking statements are based on Management's current plans, estimates, projections, beliefs and opinions, and the Fund and SIR do not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change, except as expressly required by applicable securities laws. This Management's Discussion and Analysis is provided as of November 11, 2026.

All of the forward-looking statements made herein are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Fund or SIR. See 'Risk Factors' in the Fund's Annual Information Form dated March 12, 2026 for the period ended December 31, 2025.

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