



**SERVICE INSPIRED
RESTAURANTS**

SIR CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE 12-WEEK AND 24-WEEK PERIODS ENDED FEBRUARY 9, 2025

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TABLE OF CONTENTS

Executive Summary.....	3
Seasonality.....	5
Selected Consolidated Historical Financial Information	6
Results of Operations	8
Summary of Quarterly Results	9
SIR Royalty Income Fund	12
Liquidity and Capital Resources.....	15
Contractual Obligations.....	17
Off-Balance Sheet Arrangements	18
Transactions with Related Parties.....	18
Transactions with the SIR Royalty Income Fund	18
Critical Accounting Estimates and Judgments	19
Changes in Accounting Policies, Including Recently Issued Accounting Pronouncements	19
Financial Instruments	19
Risks and Uncertainties	20
Outlook.....	20
Description of non-IFRS measures.....	20
Forward-Looking Information.....	22

SIR CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Executive Summary

SIR Corp.'s ("SIR" or the "Company") second quarter of Fiscal 2025 comprises the 12-week period from November 18, 2024 to February 9, 2025. The following is a summary of operational and financial results for SIR's 12-week and 24-week periods ended February 9, 2025 ("Q2 2025" and "YTD 2025", respectively):

Consolidated revenue and Same Store Sales⁽¹⁾ ("SSS"):

- Food and beverage revenue from corporate restaurant operations for Q2 2025 totaled \$65.5 million, an increase of 10.4%, or \$6.2 million, compared to \$59.3 million for the 12-week period ended February 11, 2024 ("Q2 2024"). Food and beverage revenue from corporate restaurant operations for YTD 2025 was \$124.2 million, an increase of 4.7%, or \$5.6 million, compared to \$118.7 million for the 24-week period ended February 11, 2024 ("YTD 2024").
- Consolidated SSS⁽¹⁾ increased by 3.7% for Q2 2025 and decreased by 1.4% for YTD 2025.
- SIR's flagship Concept Restaurant brand, Jack Astor's® Bar and Grill ("Jack Astor's"), which generated approximately 66.8% of Pooled Revenue in Q2 2025, had a SSS⁽¹⁾ increase of 2.1% for Q2 2025 and a 3.5% decrease for YTD 2025, respectively.
- Scaddabush Italian Kitchen & Bar® ("Scaddabush") had SSS⁽¹⁾ increases of 9.3% and 4.8% for Q2 2025 and YTD 2025, respectively.
- The Signature Restaurants had a SSS⁽¹⁾ increase of 1.0% in Q2 2025 and a decline of 0.1% for YTD 2025.

Investment in new and existing restaurants, and closed restaurants

SIR's management is committed to maximizing the performance of all of its restaurants. SIR believes that investing in new restaurant development and existing store renovations is a key performance-enhancing initiative. SIR's management continues to monitor consumer confidence and economic conditions such as interest rates and consumer spending patterns. Based on the assessment of these conditions and the timing of new restaurant construction, the opening schedules of new restaurants will be reviewed regularly by SIR's management and adjusted as necessary.

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

During the prior fiscal year ended August 25, 2024 ("Fiscal 2024"), SIR opened the following six restaurants:

- Scaddabush in Whitby, Ontario during Q1 2024 (added to the Royalty Pooled Restaurants effective January 1, 2024),
- Scaddabush in the Don Mills neighbourhood of Toronto during Q3 2024 (added to the Royalty Pooled Restaurants effective January 1, 2025),
- Scaddabush in London, Ontario during Q3 2024 (added to the Royalty Pooled Restaurants effective January 1, 2025),
- Scaddabush in Guelph, Ontario during Q4 2024 (added to the Royalty Pooled Restaurants effective January 1, 2025),
- Edna + Vita™ in downtown Toronto during Q3 2024 (added to the Royalty Pooled Restaurants effective January 1, 2025, and
- Duke's Refresher® + Bar ("Duke's Refresher") at the intersection of Queen Street East and Broadview Avenue in downtown Toronto.

On September 4, 2024, SIR permanently closed the Jack Astor's restaurant located in the North York neighbourhood of Toronto. This restaurant ceased to be a Royalty Pooled Restaurant effective January 1, 2025.

During Fiscal 2024, SIR completed renovations to nine Jack Astor's restaurants (in London, Vaughan, Newmarket, Ottawa, Ancaster, Richmond Hill and Scarborough, Ontario, Dundas Square in Toronto and Halifax, Nova Scotia), increasing the total number of renovated Jack Astor's locations to 16 since the beginning of Fiscal 2023. SIR also completed renovations

(1) Same store sales ("SSS"), same store sales growth ("SSSG"), Adjusted Net Earnings (Loss), Earnings before interest, tax, depreciation, and amortization ("EBITDA"), and Adjusted EBITDA are non-GAAP financial measures and do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS"). For additional information regarding these financial measures, including full details on how these financial measures are calculated, see the "Description of Non-IFRS Measures" section of this MD&A (page 20).

to its Reds® Square One location in Mississauga, Ontario during Q4 2023. The Company is pleased with the success of these renovations.

Renegade Chicken™ Trial

On January 27, 2022, SIR began offering Renegade Chicken takeout and delivery services on a trial basis. SIR has agreed to remit to the SIR Royalty Limited Partnership (the "Partnership") an amount equivalent to 6% of revenues earned from this trial. This program has been 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. Renegade Chicken offers a selection of fried chicken sandwiches, tenders, and wings, complemented by freshly cut in-house fries, and targets the growing consumer demand for fried chicken within the fast-casual dining sector.

Net Loss and Comprehensive Loss, Adjusted Net Earnings (Loss)⁽¹⁾, EBITDA⁽¹⁾, and Adjusted EBITDA⁽¹⁾

- Net loss and comprehensive loss was \$1.6 million for Q2 2025, compared to \$2.3 million for Q2 2024. Net loss and comprehensive loss was \$6.9 million for YTD 2025, compared to \$7.9 million for YTD 2024.
- Adjusted Net Earnings⁽¹⁾ were \$1.7 million in Q2 2025, compared to \$0.6 million in Q2 2024. Adjusted Net Earnings⁽¹⁾ were \$0.1 million in YTD 2025, compared to \$0.9 million in YTD 2024.
- EBITDA⁽¹⁾ and Adjusted EBITDA⁽¹⁾ in Q2 2025 totaled \$9.3 million and \$5.7 million, respectively, compared to \$7.6 million and \$4.7 million, respectively, in Q2 2024.
- EBITDA⁽¹⁾ and Adjusted EBITDA⁽¹⁾ in YTD 2025 totaled \$15.2 million and \$8.6 million, respectively, compared to \$14.9 million and \$8.4 million, respectively, in YTD 2024.

Cybersecurity Incident

On September 26, 2024, SIR experienced a cybersecurity incident that impacted a portion of its IT infrastructure. SIR immediately engaged third-party cybersecurity experts to assist with its containment, remediation and investigation efforts. Despite the related operational disruptions, guest payment platforms remained secure, and SIR continued to operate all 54 of its restaurants. As a result of this incident, SIR experienced a decline in revenue most notably during the 27-day period following the incident, while certain restaurant technology was being restored, as well as increased cost of operations, and other associated costs related to investigation and mitigation of loss services. SIR was able to predominantly restore operational technology and third-party delivery partner servers by October 23, 2024.

SIR has submitted a business interruption claim and is in the process of working with its insurance provider to assess the coverage details and determine the appropriate compensation for the disruption.

Amendments to SIR's Credit Agreement and Other Loans

For more information regarding SIR's Credit Agreement and all related amendments up until the latest amendment on December 6, 2024, please refer to the SIR Royalty Income Fund (the "Fund") and SIR's prior interim and annual filings, which can be found on SEDAR+ at www.sedarplus.ca under the Fund's profile.

During SIR's Fiscal 2025 first quarter (the 12-week period ended November 17, 2024), SIR and its Lender were in negotiations on temporary amendments to the two financial covenants within the Credit Agreement. As at November 17, 2024, SIR was in breach of these covenants, which the Company attributed to loss of revenue as a result of the cybersecurity incident on its operations. As a result, the carrying value of the credit facilities under the Credit Agreement were reclassified to current liabilities.

On December 6, 2024, SIR and its Lender entered into the Twelfth Amending Agreement (the "Twelfth Amendment") to its Credit Agreement. The Twelfth Amendment provides, among other things, for the following:

- Increases the maximum Senior Leverage Ratio financial covenant from 2.5x to 3.0x for SIR's Fiscal 2025 first and second quarters. The Senior Leverage Ratio financial covenant returns to 2.5x for SIR's Fiscal 2025 third quarter,
- Excludes the \$6.25 million Export Development Canada (the "EDC Guaranteed Facility") principal repayment in July 2025 from the calculation of fixed charges in the Fixed Charge Coverage Ratio financial covenant,
- Reverts Credit Facility 2 to a non-revolving facility, and
- Increases the applicable interest rates by 0.50%, with the exception of the guaranteed facility with Business Development Bank of Canada ("BDC") guaranteed Highly Affected Sectors Credit Availability Program ("HASCAP") facility (the "BDC-Guaranteed Facility"), which remains fixed at 4.00% per annum.

On December 6, 2024, as part of the Twelfth Amendment, the Fund and the Partnership entered into an acknowledgement agreement with the Lender acknowledging, among other things:

- Receipt of a copy of the Twelfth Amending Agreement, and
- That none of either: entering the agreement, borrowing under the agreement, or performing any of the obligations under the agreement shall breach any of the terms or constitute an event of default under any of the Fund's or the Partnership's existing agreements with the Company.

On February 2, 2025, SIR received a \$2.5 million loan from a shareholder, with a maturity date of July 6, 2026, bearing interest at 5.20%. The shareholder entered into a Subordination Agreement to subordinate the loan to the Lender. The Lender issued a Waiver and Consent Agreement to SIR and the shareholder allowing the loan to be considered "permitted indebtedness" pursuant to the Credit Agreement, waiving any instances of covenant defaults, as at the effective date of February 3, 2025. However, the Lender's waiver and consent was received subsequent to the 24-week period ended February 9, 2025 and as a result SIR was in breach of certain non-financial covenants resulting in the carrying value of the credit facilities under the Credit Agreement to remain classified as current liabilities (see "Liquidity and Capital Resources" section of this MD&A for additional details).

Overview

SIR is a private company amalgamated under the Business Corporations Act of Ontario. As at February 9, 2025, SIR owned 54 Concept and Signature Restaurants in Canada (in Ontario, Quebec, Nova Scotia, and Newfoundland). The Concept Restaurants include Jack Astor's and Scaddabush. The Signature Restaurants include Reds Square One (which also operates an Abbey's Bakehouse retail outlet) the Loose Moose Tap & Grill® (the "Loose Moose"), and Edna + Vita. SIR also owns two Duke's Refresher restaurants (currently not part of Royalty Pooled Restaurants) located in downtown Toronto, which are also considered Signature Restaurants. SIR owns 100% of its Canadian restaurants. As at February 9, 2025, 52 SIR Restaurants were included in Royalty Pooled Restaurants, including 36 Jack Astor's locations, 13 Scaddabush locations, Reds Square One, the Loose Moose and Edna and Vita.

On September 26, 2019, SIR opened a new Duke's Refresher in the St. Lawrence Market neighborhood of downtown Toronto and a second location, on May 22, 2024, at the intersection of Queen Street East and Broadview Avenue in downtown Toronto. SIR believes that Duke's Refresher has multi-unit growth potential and has advised the Fund that Duke's Refresher should be considered as a potential New Concept Restaurant brand. As such, the earliest that any Duke's Refresher would be added to the Royalty Pool would be the Adjustment Date following the earlier of: (i) the date that four Duke's Refresher restaurants are open for business at the same time, and (ii) 90 days following the end of the fiscal year in which revenues from all Duke's Refresher restaurants in Canada first exceed \$12.0 million (the "Trigger Event"). As neither of these events have occurred, these restaurants were not added to the Royalty Pool on January 1, 2025. The Duke's Refresher brand is currently being managed and developed by SIR's Signature group. Accordingly, the two Duke's Refresher locations in downtown Toronto are classified as Signature restaurants for SIR reporting purposes.

On October 1, 2004, the Fund filed a final prospectus for a public offering of Units of the Fund (the "Offering") and the Offering closed on October 12, 2004. The net proceeds of the Offering of \$51.2 million were used by the Fund to acquire the SIR Loan and indirectly, through the SIR Holdings Trust (the "Trust"), the SIR Rights owned or licensed by SIR or its subsidiaries and used in connection with the operation of SIR's restaurants in Canada. In 2004, the Partnership granted SIR a 99-year license to use the SIR Rights in most of Canada in consideration for a Royalty, payable by SIR to the Partnership, equal to 6% of the revenue of the Royalty Pooled Restaurants. The Partnership also issued its own securities to SIR in return for the SIR Rights acquired.

SIR's fiscal year is comprised of 52 or 53-week periods ending on the last Sunday in August. Fiscal quarters of SIR consist of sequential accounting periods of 12, 12, 12 and 16 (or 17) weeks, respectively. SIR's 2025 fiscal year contains 53 weeks (2024 – 52 weeks).

Seasonality

The full-service restaurant sector of the Canadian foodservice industry, in which SIR operates, experiences seasonal fluctuations in revenues. Favourable summer weather generally results in increased revenues during SIR's fourth quarter (ending on the last Sunday in August) when patios can be open. Certain holidays and observances also affect dining patterns both favourably and unfavourably.

Selected Consolidated Historical Financial Information

The following tables set out selected financial information of SIR for the 12-week and 24-week periods ended February 9, 2025 and February 11, 2024, respectively. The unaudited interim consolidated financial statements of SIR are prepared in accordance with IFRS and are presented in Canadian dollars. This information should be read in conjunction with the annual audited consolidated financial statements of SIR, including the notes thereto.

<i>Statements of Operations and Comprehensive Income (Loss)</i>	12-Week Period Ended		24-Week Period Ended	
	February 9, 2025	February 11, 2024	February 9, 2025	February 11, 2024
	(in thousands of dollars) (unaudited)			
Corporate restaurant operations:				
Revenue	65,742	59,485	124,579	118,930
Cost of corporate restaurant operations	57,658	52,694	112,355	105,526
Earnings from corporate restaurant operations	8,084	6,791	12,224	13,404
Net loss and comprehensive loss	(1,644)	(2,265)	(6,943)	(7,872)
Adjusted Net Earnings⁽¹⁾	1,703	603	108	936

Statement of Financial Position

	February 9, 2025	August 25, 2024
	(in thousands of dollars)	
	(unaudited)	(audited)
Total assets	122,076	136,522
Total non-current liabilities	192,591	217,898

Adjusted Net Earnings (Loss)⁽¹⁾, EBITDA⁽¹⁾ and Adjusted EBITDA⁽¹⁾

Adjusted Net Earnings (Loss)⁽¹⁾, EBITDA⁽¹⁾ and Adjusted EBITDA⁽¹⁾ are financial measures that do not have standardized meanings prescribed by IFRS. They are used by SIR to supplement its reporting of net earnings (loss) and net cash flow. Adjusted Net Earnings (Loss)⁽¹⁾ consist of net earnings (loss) excluding the change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership. EBITDA⁽¹⁾ and Adjusted EBITDA⁽¹⁾ consist of net earnings (loss) excluding certain non-cash expenses and other expenses that SIR considers not to be of an operating nature. SIR believes that Adjusted Net Earnings (Loss)⁽¹⁾, EBITDA⁽¹⁾ and Adjusted EBITDA⁽¹⁾ are useful measures of the core business' contribution to cash flow from operations and uses these measures as a supplemental measure of SIR's performance. Similarly, SIR believes that certain investors may also find these non-GAAP financial measures to be useful for their independent evaluation of SIR's performance.

The following table reconciles net loss and comprehensive loss for the 12-week and 24-week periods ended February 9, 2025 and February 11, 2024, respectively, to Adjusted Net Earnings⁽¹⁾:

	12-Week Period Ended		24-Week Period Ended	
	February 9, 2025	February 11, 2024	February 9, 2025	February 11, 2024
	(in thousands of dollars) (unaudited)			
Net loss and comprehensive loss for the period	(1,644)	(2,265)	(6,943)	(7,872)
Change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership	3,347	2,868	7,051	8,808
Adjusted Net Earnings⁽¹⁾	1,703	603	108	936

The following table reconciles net loss and comprehensive loss for the 12-week and 24-week periods ended February 9, 2025 and February 11, 2024 to EBITDA⁽¹⁾ and Adjusted EBITDA⁽¹⁾:

	12-Week Period Ended		24-Week Period Ended	
	February 9, 2025	February 11, 2024	February 9, 2025	February 11, 2024
	(in thousands of dollars) (unaudited)			
Net loss and comprehensive loss for the period	(1,644)	(2,265)	(6,943)	(7,872)
Add (deduct):				
Interest expense	763	491	1,357	957
Interest on lease obligations	965	1,009	1,958	2,046
Interest on loan payable to SIR Royalty Income Fund	708	706	1,417	1,415
Depreciation and amortization	5,127	4,780	10,327	9,513
Change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership	3,347	2,868	7,051	8,808
EBITDA⁽¹⁾	9,266	7,589	15,167	14,867
Interest and other income – net	211	12	321	6
Recovery of impairment of financial assets	52	60	43	48
(Gain) Loss on disposal of property and equipment	(32)	377	586	395
Cash rent	(3,864)	(3,738)	(7,674)	(7,455)
Preopening costs	81	433	149	581
Adjusted EBITDA⁽¹⁾	5,714	4,733	8,592	8,442
Income from Class A & B GP Units of the Partnership ⁽²⁾ (Not included in EBITDA ⁽¹⁾ and Adjusted EBITDA ⁽¹⁾ above)	491	347	803	758
6% Royalty obligations under License and Royalty Agreement ⁽³⁾	3,673	3,452	6,805	6,868

(2) Includes the special conversion distribution paid to Class B GP Unitholders or the special conversion refund to Class A GP Unitholders declared in December of each year, if any.

(3) See the SIR Royalty Income Fund section of this document for the Royalty calculation. Pooled Revenue includes revenue from all restaurants included in Royalty Pooled Restaurants. On January 1st of each year, New Additional Restaurants are added and New Closed Restaurants are removed from Royalty Pooled Restaurants. Royalty obligations equal 6% of Pooled Revenue.

Results of Operations

Reconciliation of Revenue from Consolidated Financial Statements to Pooled Revenue	12-Week Period Ended		24-Week Period Ended	
	February 9, 2025	February 11, 2024	February 9, 2025	February 11, 2024
	(in thousands of dollars) (unaudited)			
Food and beverage revenue reported in consolidated financial statements	65,498	59,303	124,208	118,651
Less: Revenue from corporate restaurant operations excluded from the Royalty pool	(4,283)	(1,767)	(10,798)	(4,188)
Revenue for Restaurants in Royalty pool (Pooled Revenue)	61,215	57,536	113,410	114,463

Reconciliation of Revenue from Consolidated Financial Statements to Same Store Sales ⁽¹⁾	12-Week Period Ended		24-Week Period Ended	
	February 9, 2025	February 11, 2024	February 9, 2025	February 11, 2024
	(in thousands of dollars) (unaudited)			
Food and beverage revenue reported in consolidated financial statements	65,498	59,303	124,208	118,651
Less: Revenue from corporate restaurant operations excluded from Same Store Sales ⁽¹⁾	(7,213)	(3,092)	(14,252)	(7,145)
Same Store Sales ⁽¹⁾	58,285	56,211	109,956	111,506

Same Store Sales ⁽¹⁾ by Brand	12-Week Period Ended			24-Week Period Ended		
	February 9, 2025	February 11, 2024	% Fav./ (Unfav.)	February 9, 2025	February 11, 2024	% Fav./ (Unfav.)
	(in thousands of dollars) (unaudited)					
Jack Astor's	40,056	39,226	2.1%	75,663	78,416	(3.5%)
Scaddabush	14,177	12,975	9.3%	26,685	25,473	4.8%
Signature Restaurants	4,052	4,010	1.0%	7,608	7,617	(0.1%)
Same Store Sales ⁽¹⁾	58,285	56,211	3.7%	109,956	111,506	(1.4%)

Disaggregated food and beverage revenue by Concept	12-Week Period Ended		24-Week Period Ended	
	February 9, 2025	February 11, 2024	February 9, 2025	February 11, 2024
	(in thousands of dollars) (unaudited)			
Jack Astor's	40,055	39,890	75,727	79,791
Scaddabush	19,760	14,447	37,780	28,868
Signature Restaurants	5,679	4,966	10,695	9,992
Corporate	4	-	6	-
	65,498	59,303	124,208	118,651

Summary of Quarterly Results

Statement of Operations	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter
	Ended February 9, 2025 (12 weeks)	Ended November 17, 2024 (12 weeks)	Ended August 25, 2024 (16 weeks)	Ended May 5, 2024 (12 weeks)	Ended February 11, 2024 (12 weeks)	Ended November 19, 2023 (12 weeks)	Ended August 27, 2023 (16 weeks)	Ended May 7, 2023 (12 weeks)
	(in thousands of dollars) (unaudited)							
Revenue	65,742	58,837	90,856	62,179	59,485	59,445	89,456	62,190
Cost of corporate restaurant operations	57,658	54,697	77,181	55,794	52,694	52,832	74,763	51,302
Earnings from corporate restaurant operations	8,084	4,140	13,675	6,385	6,791	6,613	14,693	10,888
Net (loss) earnings and comprehensive (loss) income	(1,644)	(5,299)	10,009	32,971	(2,265)	(5,607)	21,356	(2,022)
Adjusted Net Earnings (Loss) ⁽¹⁾	1,703	(1,595)	6,079	657	603	333	8,251	4,669

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

	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter
	Ended February 9, 2025 (12 weeks)	Ended November 17, 2024 (12 weeks)	Ended August 25, 2024 (16 weeks)	Ended May 5, 2024 (12 weeks)	Ended February 11, 2024 (12 weeks)	Ended November 19, 2023 (12 weeks)	Ended August 27, 2023 (16 weeks)	Ended May 7, 2023 (12 weeks)
	(in thousands of dollars) (unaudited)							
Net (loss) earnings and comprehensive (loss) income	(1,644)	(5,299)	10,009	32,971	(2,265)	(5,607)	21,356	(2,022)
Change in amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership	3,347	(3,704)	(3,930)	(32,314)	2,868	5,940	(13,105)	6,691
Adjusted Net Earnings (Loss) ⁽¹⁾	1,703	(1,595)	6,079	657	603	333	8,251	4,669

Selected Consolidated Statement of Cash Flows Information:

	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter
	Ended February 9, 2025 (12 weeks)	Ended November 17, 2024 (12 weeks)	Ended August 25, 2024 (16 weeks)	Ended May 5, 2024 (12 weeks)	Ended February 11, 2024 (12 weeks)	Ended November 19, 2023 (12 weeks)	Ended August 27, 2023 (16 weeks)	Ended May 7, 2023 (12 weeks)
	(in thousands of dollars) (unaudited)							
Cash provided by operations	3,505	2,917	18,887	6,464	1,773	4,449	16,388	12,353
Cash used in investing activities	(1,072)	(3,701)	(8,043)	(5,986)	(4,339)	(5,627)	(4,471)	(1,491)
Cash (used in) provided by financing activities	(2,590)	(3,127)	(5,901)	(849)	899	(3,508)	(6,126)	(11,193)
(Decrease) increase in cash during the period	(157)	(3,911)	4,943	(371)	(1,667)	(4,686)	5,791	(331)
Cash – Beginning of period	2,539	6,450	1,507	1,878	3,545	8,231	2,440	2,771
Cash – End of period	2,382	2,539	6,450	1,507	1,878	3,545	8,231	2,440

Revenue

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

- i. Revenue (per the SIR condensed interim consolidated statements of operations and comprehensive income (loss)) – this is the total consolidated revenue of all SIR restaurants, sale of packaged food and beverage products to third-party retailers and gift card related revenues for the period, as well as Abbey's Bakehouse®. Effective June 18, 2024, SIR elected not to operate the Abbey's Bakehouse seasonal restaurant location in Muskoka during Fiscal 2024 due to ongoing construction and business disturbances in the surrounding area. However, SIR continued to operate an Abbey's Bakehouse retail outlet out of Reds Square One in Mississauga, Ontario. Abbey's Bakehouse in Muskoka was in operation during Q1 2024. For the 12-week and 24-week periods ended February 9, 2025, revenue was \$65.5 million and \$124.2 million respectively.
- ii. Same Store Sales⁽¹⁾ ("SSS") – this is a subset of revenue used for tracking comparable year-over-year sales. For Q2 2025 and YTD 2025, SSS⁽¹⁾ includes all SIR restaurants, except for those restaurants that were not open for the entire comparable periods in Fiscal 2025 and Fiscal 2024, and Abbey's Bakehouse as it is not a SIR restaurant. Accordingly, SSS⁽¹⁾ performance for Q2 2025 does not include the four new Scaddabush restaurants located in Whitby, Guelph and London, Ontario and in the Don Mills neighbourhood of Toronto, as well as the two new Signature restaurants, Edna + Vita and Duke's Refresher, located in downtown Toronto, since they were not open for both comparable periods in Fiscal 2025 and Fiscal 2024. For the 12-week and 24-week period ended February 9, 2025, SSS⁽¹⁾ was \$58.3 million and \$110.0 million, respectively.
- iii. Pooled Revenue – this is the revenue subject to the License and Royalty Agreement – this includes revenue from all Royalty Pooled Restaurants. The Royalty Pooled Restaurants are adjusted on January 1st of each year for New Additional Restaurants and/or New Closed Restaurants. As at February 9, 2025, there were 52 Royalty Pooled Restaurants. For Q2 2025 and YTD 2025, Pooled Revenue was \$61.2 million and \$113.4 million, respectively. The applicable Royalty payable to the Partnership on the Pooled Revenue for these periods was \$3.7 million and \$6.8 million, respectively.

Same Store Sales⁽¹⁾

SSS⁽¹⁾ are typically impacted by changes in guest traffic and average cheque amount. SIR believes that current macroeconomic factors such as inflation and elevated interest rates are having a negative impact on consumer discretionary spending. SIR continues to innovate and provide immersive new product and service offerings to increase dine-in guest visits to its restaurants and to capitalize on the growth of take-out and delivery services in commercial foodservice.

SIR had an overall SSS⁽¹⁾ increase of 3.7% for Q2 2025 and a decrease of 1.4% for YTD 2025. The SSS⁽¹⁾ increase in Q2 2025 was primarily attributable to increases in dine-in guest traffic and delivery sales, predominantly within the Scaddabush network of restaurants. The SSS⁽¹⁾ decrease for YTD 2025 was due to the impacts of the cybersecurity incident which occurred during the first quarter ended November 17, 2024 and macroeconomic factors, as discussed above, partially offset by price increases across SIR's restaurant network. During the 27-day period in which the cybersecurity incident occurred, SIR restaurants were unable to access third-party delivery partner platforms, in addition to SIR's online application, *Inspired Rewards*®, resulting in nil sales via these revenue streams.

Jack Astor's, SIR's flagship Concept Restaurant brand, which contributed approximately 66.8% of Q2 2025 Pooled Revenue, had a SSS⁽¹⁾ increase of 2.1% for Q2 2025 and a decrease of 3.5% for YTD 2025. All 36 Jack Astor's locations are included in the calculation of SSS⁽¹⁾ performance for Q2 2025 and YTD 2025. As discussed above, the decline in Jack Astor's SSS⁽¹⁾ for YTD 2025 was primarily attributable to the cybersecurity incident in addition to declines in delivery sales and dine-in guest traffic. SIR management believes the decline in guest counts at certain Jack Astor's locations was also partially attributable to macroeconomic factors such as inflation and elevated interest rates and their impact on consumer discretionary spending, particularly related to the younger demographic of the Jack Astor's customer base. The increase in SSS⁽¹⁾ performance for Q2 2025 is attributable to SIR returning to normal operations after the cybersecurity incident allowing for increases in delivery sales and dine-in guest traffic.

Scaddabush SSS⁽¹⁾ performance for Q2 2025 and YTD 2025 includes nine out of the 13 locations currently in operation (Mississauga, Richmond Hill, Scarborough, Burlington, Oakville, Vaughan and two locations in Etobicoke, as well as the Front Street location in downtown Toronto). Scaddabush had SSS⁽¹⁾ increases of 9.3% and 4.8% for Q2 2025 and YTD 2025, respectively, despite the cybersecurity incident, reflecting the continued popularity of this brand and increased pricing.

The Signature Restaurants SSS⁽¹⁾ performance for Q2 2025 and YTD 2025 includes two restaurants (Reds Square One and the Loose Moose Tap + Grill). The Signature Restaurants had a SSS⁽¹⁾ increase of 1.0% for Q2 2025 and a decrease of 0.1% for YTD 2025.

Cost of Corporate Restaurant Operations

Cost of corporate restaurant operations totaled \$57.7 million, or 87.7% of revenue, in Q2 2025 and \$112.4 million, or 90.2% of revenue, for YTD 2025, compared to \$52.7 million, or 88.6% of revenue, in Q2 2024 and \$105.5 million, or 88.7% of revenue, for YTD 2024. The increases in Q2 2025 and YTD 2025 reflect SIR's response to ongoing macroeconomic impacts on consumer discretionary spending and inflationary impacts on utility, food and beverage supplies, labour and asset repair and/or maintenance costs. SIR's response to the cybersecurity incident during Q1 2025 also resulted in increased costs of operations, and other associated costs related to investigation and mitigation of loss services. In addition, SIR opened five new restaurants subsequent to Q1 2024, two of which were in Q4 2024, which resulted in significant pre-opening costs that were partially recorded in Q1 2025, along with the additional operational costs related to these new restaurants. SIR also invested in additional professional fee billings, labour and travel costs to enhance restaurant operational management and deliver new and diverse menu offerings. SIR continued to invest in media and other promotional activities, in conjunction with repair and maintenance costs, to improve stewardship of restaurant assets.

Corporate Costs

Corporate costs were \$3.7 million and \$7.1 million for Q2 2025 and YTD 2025, respectively, compared to \$4.0 million and \$8.0 million for Q2 2024 and YTD 2024, respectively. The Q2 2025 and YTD 2025 decreases in corporate costs reflect the effectiveness and efficiencies gained from SIR's investment in new business processes, cost optimization initiatives and prior period spending on headcount to adequately support new restaurant growth activities. The combination of these optimizations and reduced accrued bonus expense have combined to contribute to the decrease in corporate costs compared to Q2 2024 and YTD 2024.

Interest Expense

Interest expense for Q2 2025 and YTD 2025 was \$0.8 million and \$1.4 million, respectively, compared to \$0.5 million and \$1.0 million for Q2 2024 and YTD 2024, respectively.

SIR Loan, Fund's Interest in the Partnership & Change in Amortized Cost of Ordinary LP and Class A LP Units

On October 12, 2004, the Fund completed its initial public offering and used the proceeds to acquire the SIR Loan and invest in the Ordinary LP Units of the Partnership. The Fund has also acquired Class A LP Units upon SIR's conversion of its Class A GP Units into Fund units (see the Liquidity and Capital Resources section). In accordance with IFRS, SIR has consolidated the Partnership. The Ordinary LP Units and Class A LP Units of the Partnership, which are held by the Fund, require SIR to pay distributions to the Fund when declared by the board of directors of SIR GP Inc. SIR GP Inc. is controlled by the Fund and, accordingly, SIR is unable to control the declaration of these distributions. As a result, the Ordinary LP Units and Class A LP Units of the Partnership have been classified as a financial liability in the consolidated statements of financial position. The Ordinary LP Units and Class A LP Units were initially recorded at fair value and subsequently at amortized cost, which requires updating the carrying amount of the financial liability to reflect actual and revised estimates in cash flows. The changes in the estimated cash flows are derived from changes in the value of the underlying Fund units adjusted for taxes and the SIR Loan.

Changes in amortized cost are recognized in the condensed interim consolidated statements of operations and comprehensive loss. The change in the amortized cost is a non-cash transaction and accordingly, has no impact on cash flows. For Q2 2025 and YTD 2025, the change in amortized cost resulted in expenses of \$3.3 million and \$7.1 million, respectively, reflecting an increase in the underlying Fund unit price compared to the end of Q1 2025 and Fiscal 2024. For Q2 2024 and YTD 2024, the change in amortized cost resulted in expenses of \$2.9 million and \$8.8 million, respectively, reflecting an increase in the underlying Fund unit price compared to the end of Q1 2024 and Fiscal 2023, respectively.

Interest on the SIR Loan totaled \$0.7 million and \$1.4 million for Q2 2025 and YTD 2025, respectively, compared to \$0.7 million and \$1.4 million for Q2 2024 and YTD 2024, respectively.

Net Loss and Comprehensive Loss, and Adjusted Net Earnings

Net loss and comprehensive loss was \$1.6 million for Q2 2025 compared to \$2.3 million for Q2 2024. Net loss and comprehensive loss was \$6.9 million for YTD 2025 compared to \$7.9 million for YTD 2024. The positive variance in Q2 2025 reflects an increase in the earnings from corporate restaurant operations. This resulted in earnings of \$8.1 million in Q2 2025, compared to earnings of \$6.8 million in Q2 2024. The positive variance in YTD 2025 reflects changes in the amortized cost of the Ordinary LP Units and Class A Units of the SIR Royalty Limited Partnership that SIR holds. This resulted in expenses of \$7.1 million in YTD 2025, compared to expenses of \$8.8 million in YTD 2024. These non-cash changes in YTD 2025 are due to an increase in the underlying unit price of the Fund compared to the end of Fiscal 2024.

Adjusted Net Earnings⁽¹⁾ were \$1.7 million in Q2 2025 compared to \$0.6 million in Q2 2024. Adjusted Net Earnings⁽¹⁾ for YTD 2025 were \$0.1 million compared to \$0.9 million in YTD 2024. The increase in Q2 2025 was partially attributable to a \$1.3 million increase in earnings from corporate restaurant operations in Q2 2025 compared to Q2 2024. The

decrease in YTD 2025 was partially attributable to a \$1.2 million decrease in earnings from corporate restaurant operations in YTD 2025 compared to YTD 2024.

EBITDA⁽¹⁾ and Adjusted EBITDA⁽¹⁾

EBITDA⁽¹⁾ totaled \$9.3 million and \$15.2 million for Q2 2025 and YTD 2025, respectively, compared to \$7.6 million and \$14.9 million for Q2 2024 and YTD 2024, respectively.

Adjusted EBITDA⁽¹⁾ totaled \$5.7 million and \$8.6 million for Q2 2025 and YTD 2025, respectively, compared to \$4.7 million and \$8.4 million for Q2 2024 and YTD 2024, respectively. (See Selected Consolidated Historical Financial Information – Reconciliation of net loss and comprehensive loss for the period to EBITDA⁽¹⁾ and Adjusted EBITDA⁽¹⁾).

SIR Royalty Income Fund

The following is a summary of the accounting implications of the SIR Loan and the Fund's interest in the Partnership:

(a) SIR Loan

The \$40.0 million SIR Loan is payable to the Fund, bears interest at 7.5% per annum, and is due October 12, 2044. On July 6, 2015, SIR, the Fund and the Partnership entered into an Interlender Agreement to subordinate and postpone their claims against SIR in favour of the lender. The Fund and the Partnership have not guaranteed the current credit facility (see Liquidity and Capital Resources section).

The debt is "permitted indebtedness" within the meaning of the agreements between the Fund, the Partnership and SIR, and as a result the Fund and the Partnership have, as contemplated in the existing agreements, subordinated and postponed their claims against SIR to the claims of the lender. This subordination, which includes a subordination of the Partnership's rights under the License and Royalty Agreement between the Partnership and SIR whereby the Partnership licenses to SIR the right to use the trademarks and related intellectual property in return for Royalty payments based on revenues, has been effected pursuant to the terms of the Intercreditor Agreement.

Under the Intercreditor Agreement, absent any default or event of default under the Credit Agreement, ordinary payments to the Fund and the Partnership can continue and the Partnership can exercise any and all of its rights to preserve the trademarks and related intellectual property governed by the License and Royalty Agreement. However, if a default or an event of default were to occur, the Fund and the Partnership agree not to take actions on their security until the lender has been repaid in full. However, payments by SIR, to the Fund and the Partnership, will be permitted for such amounts as are required to fund their monthly operating expenses, up to an annual limit. In addition, the Fund, the Partnership and SIR will have the right, acting cooperatively, to reduce payments of Royalties and/or interest on the SIR Loan by up to 50% without triggering a cross default under the Credit Agreement, for a period of up to nine consecutive months. SIR and each obligor provided an undertaking to cooperate and explore all options with the Fund to maximize value to the Fund's unitholders and SIR and its shareholders in exchange for the Subordinating Parties not demanding repayment or enforcing security as a result of any such Related Party Obligation Default. The Intercreditor Agreement also contains various other typical covenants of the Fund and the Partnership.

Interest expense on the SIR Loan was charged to the condensed interim consolidated statements of operations and comprehensive loss in the amount of \$0.7 million and \$1.4 million for Q2 2025 and YTD 2025, respectively and \$0.7 million and \$1.4 million for Q2 2024 and YTD 2024, respectively.

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

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

	12-Week Period Ended		24-Week Period Ended	
	February 9, 2025	February 11, 2024	February 9, 2025	February 11, 2024
	(in thousands of dollars) (unaudited)			
Balance – Beginning of the period	103,293	141,609	103,293	141,609
Change in amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership	3,347	2,868	7,051	8,808
Distributions paid to Ordinary LP and Class A LP unitholders	(3,049)	(3,384)	(5,548)	(5,883)
Balance – End of period	103,591	141,093	104,796	144,534
Less: Current portion of Ordinary LP Units and Class A LP Units of the Partnership	(9,991)	(9,991)	(9,991)	(9,991)
Ordinary LP Units and Class A LP Units of the Partnership	93,600	131,102	94,805	134,543

The following is a summary of the results of the operations of the Partnership:

	12-Week Period Ended		24-Week Period Ended	
	February 9, 2025	February 11, 2024	February 9, 2025	February 11, 2024
	(in thousands of dollars) (unaudited)			
Pooled Revenue ⁽⁴⁾	61,215	57,536	113,410	114,463
Partnership royalty income ⁽⁵⁾	3,673	3,452	6,805	6,868
Other Income	5	5	11	11
Partnership expenses	(29)	(7)	(53)	(85)
Net earnings of the Partnership	3,649	3,450	6,763	6,794
SIR's residual interest in the earnings of the Partnership:				
Income from Class A & B GP Units of the Partnership	(491)	(347)	(803)	(758)
Income from Class C GP Units of the Partnership	(689)	(686)	(1,379)	(1,377)
	(1,180)	(1,033)	(2,182)	(2,135)
Fund's interest in the earnings of the Partnership	2,469	2,417	4,581	4,659

On October 12, 2004, the Partnership issued Ordinary LP and GP Units to the Fund for cash consideration of \$11.2 million. The Fund has also acquired Class A LP Units upon SIR's conversion of its Class A GP Units into Fund units. The holders of the Ordinary LP Units and Class A LP Units are entitled to receive their pro rata share of all residual distributions of the Partnership. The distributions are declared by the board of directors of SIR GP Inc., which is controlled by the Fund. Accordingly, the Ordinary LP Units and Class A LP Units of the Partnership have been classified as a financial liability in

(4) *Includes revenue from the SIR Restaurants subject to the License and Royalty Agreement. The Partnership owns the SIR Rights formerly owned or licensed by SIR or its subsidiaries and used in connection with the operation of the majority of SIR's restaurants in Canada.*

(5) *Partnership royalty income is 6% of Pooled Revenue in accordance with the License and Royalty Agreement.*

the consolidated statements of financial position. The Ordinary LP Units and Class A LP Units of the Partnership are accounted for at amortized cost, with changes in the carrying value recorded in the condensed interim consolidated statements of operations and comprehensive loss.

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

In 2004, the Partnership granted SIR a 99-year license to use the SIR Rights in most of Canada in consideration for a Royalty, payable by SIR to the Partnership, equal to 6% of the revenue of the Royalty Pooled Restaurants (the "License and Royalty Agreement"). Under the terms of the License and Royalty Agreement, on January 1 of each year (the "Adjustment Date"), the restaurants subject to the License and Royalty Agreement are adjusted for new SIR Restaurants opened for at least 60 days preceding such Adjustment Date. At each Adjustment Date, SIR will be entitled to convert its Class B GP Units to Class A GP Units based on the formula defined in the Partnership Agreement. Additional Class B GP Units may be converted to Class A GP Units in respect of these new SIR Restaurants if actual revenues of the new SIR Restaurants exceeded 80% of the initial estimated revenues and the formula defined in the Partnership Agreement. Conversely, converted Class A GP Units will be returned by SIR if the actual revenues of the new SIR Restaurants are less than 80% of the initial estimated revenues. In December of each year, an additional distribution will be payable to the Class B GP unitholders based on actual revenues of the new SIR Restaurants exceeding 80% of the initial estimated revenues or there will be a reduction in the distributions to the Class A GP unitholders if revenues are less than 80% of the initial estimated revenues.

On January 1, 2025, four new SIR Restaurant were added (January 1, 2024 – one) to the Royalty Pooled Restaurants in accordance with the Partnership Agreement. As consideration for the additional Royalty associated with the addition of four new SIR Restaurants on January 1, 2025 (January 1, 2024 – one) as well as the Second Incremental Adjustment for the one new SIR Restaurant added to Royalty Pooled Restaurants on January 1, 2024 (January 1, 2023 – two), SIR converted its Class B GP Units into Class A GP Units based on the formula defined in the Partnership Agreement. In addition, there was a re-conversion of Class A GP Units into Class B GP Units for the permanent closure of one (January 1, 2024 – three) SIR Restaurant during 2024. The net effect of these adjustments to Royalty Pooled Restaurants was that SIR converted 581,312 Class B GP Units into 581,312 Class A GP Units on January 1, 2025 (January 1, 2024 – SIR converted 212,825 Class A GP Units into Class B GP Units), increasing the value of the SIR Rights by \$7,080,935 (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, 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).

SIR's residual interest in the Partnership is 15.78% as at February 9, 2025 (August 25, 2024 – 10.55%).

- (c) *Amounts due to the Fund* – (see Transactions with the SIR Royalty Income Fund in the Transactions with Related Parties section).

Liquidity and Capital Resources

Selected Consolidated Statement of Cash Flows Information

	12-Week Period Ended		24-Week Period Ended	
	February 9, 2025	February 11, 2024	February 9, 2025	February 11, 2024
	(in thousands of dollars)			
	(unaudited)			
Cash provided by operations	3,505	1,773	6,422	6,222
Cash used in investing activities	(1,072)	(4,339)	(4,773)	(9,966)
Cash provided by (used in) financing activities	(2,590)	899	(5,717)	(2,609)
Decrease in cash during the period	(157)	(1,667)	(4,068)	(6,353)
Cash – Beginning of period	2,539	3,545	6,450	8,231
Cash – End of period	2,382	1,878	2,382	1,878

Cash provided by operations increased by \$1.7 million and \$0.2 million in Q2 2025 and YTD 2025, respectively. For Q2 2024, the increase was attributable to a \$0.6 million decrease in net loss, a \$0.3 million increase in amortization, a \$0.3 million increase in interest on long-term debt and the SIR loan, and a \$0.5 million increase in the change in the amortized cost of the Ordinary LP and Class A LP units. For YTD 2025, the increase was primarily due to a \$0.2 increase in the loss on disposal of property plant and equipment.

Cash used in investing activities decreased by \$3.3 million and \$5.2 million in Q2 2025 and YTD 2025, respectively. For Q2 2025 and YTD 2025, the decreases reflect lower property and equipment purchases.

Cash used in financing activities increased by \$3.5 million and \$3.1 million in Q2 2025 and YTD 2025, respectively. For Q2 2025, the increase was attributable to a \$2.5 million increase in the principal repayment of long-term debt, a \$0.3 million increase in payment of lease obligations, and a \$0.7 million decrease in bank indebtedness and long-term debt. For YTD 2025, the increase was attributable to a \$5.2 million increase in the principal repayment of long-term debt, and a \$0.4 million increase in interest paid, partially offset by a \$2.5 million increase in the proceeds from shareholder loans.

As at February 9, 2025, SIR had current assets of \$16.5 million (August 25, 2024 – \$22.5 million) and current liabilities of \$94.6 million (August 25, 2024 – \$76.8 million) resulting in a working capital deficit of \$78.1 million (August 25, 2024 – \$54.3 million). Revenues in the restaurant business are largely paid by cash and credit cards whereas most suppliers offer credit terms for payment. Therefore, restaurants are able to pay their suppliers from the cash received on revenues in the following months, as the supplier payables are due. Cash balances are typically used to construct new restaurants or re-invest in existing restaurants to grow the business. As a result, SIR, like many other restaurant businesses, would anticipate having a negative working capital balance in the foreseeable future.

SIR has a Credit Agreement with a Schedule I Canadian chartered bank (the “Lender”). The Credit Agreement is “permitted indebtedness” within the meaning of the agreements between the Fund, the Partnership, and SIR, and as a result the Fund and the Partnership have, as contemplated in the existing agreements, subordinated and postponed their claims against SIR to the claims of the Lender. This subordination, which includes a subordination of the Partnership’s rights under the License and Royalty Agreement between the Partnership and SIR whereby the Partnership licenses to SIR the right to use trademarks and related intellectual property in return for royalty payments based on revenues, has been effected pursuant to the terms of the Intercreditor Agreement.

On February 2, 2025, SIR received a \$2.5 million shareholder loan, with a maturity date of July 6, 2026, bearing interest at 5.2%. The shareholder entered into a Subordination Agreement to subordinate and postpone their claims against the Company in favour of the Lender, effective February 3, 2025. Refer to section “Amendments to SIR’s Credit Agreement and Other Loans” for more information.

The Credit Agreement between SIR and the Lender matures on July 6, 2026 ("Maturity Date") (which excludes the term of the EDC-Guaranteed Facility which matures on July 6, 2025) and as at the date of this report provides for a maximum principal amount of \$39.03 million, consisting of:

- a \$20.0 million revolving term credit facility (Credit Facility 1),
- a \$8.58 million revolving term credit facility (Credit Facility 2),
- a \$6.25 million EDC-Guaranteed Facility, and
- a \$4.2 million BDC-Guaranteed Facility.

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

Credit Facility 1 is for general corporate and operating purposes, including capital spending on new and renovated restaurants, bearing interest at the prime rate plus 3.25% and/or the bankers' acceptance rate plus 4.25%, principal repaid in one bullet repayment on the Maturity Date. A standby fee of 0.85% is charged on the undrawn balance of Credit Facility 1. Provided the Company is in compliance with the Credit Agreement, the principal amount of Credit Facility 1 can be repaid and reborrowed at any time during the term of the Credit Agreement. As at February 9, 2025, \$17.75 million was drawn on Credit Facility 1.

Credit Facility 2 is a \$9.6 million revolving facility that can be drawn for capital expenditures on new restaurants and renovations or remodeling of existing restaurants, and bears interest at the prime rate plus 3.25% and/or the CORRA Advance rate plus 4.25%. Each advance under Credit Facility 2 is repayable in equal quarterly instalments based on a seven-year amortization, with the remaining outstanding principal balance due on the Maturity Date. During Q2 2025, SIR repaid \$1.04 million on this facility. As at February 9, 2025, \$8.58 million was drawn on Credit Facility 2.

As at February 9, 2025, the Company has drawn \$26.4 million on Credit Facility 1 and Credit Facility 2, net of cash excluding the cash balance of the Partnership (August 25, 2024 - \$19.1 million).

The EDC-Guaranteed Facility is a 364-day revolving term credit facility with a maturity date of July 6, 2025, that bears interest at the prime rate plus 3.50%. A standby fee of 0.9% is charged on the undrawn balance of this facility. As at February 9, 2025, the Company had fully drawn this facility.

The BDC-Guaranteed Facility is a 10-year term non-revolving credit facility, with a one-year principal payment moratorium, bearing a fixed rate interest of 4.00%. The moratorium has elapsed, and SIR has commenced repayment on this facility. During Q2 2025, SIR repaid \$0.2 million on this facility. As at February 9, 2025, SIR had drawn \$4.2 million on this facility.

For more details regarding the Credit Agreement and all related Amending Agreements, please refer to the Fund's and SIR's prior interim filings, which can be found on SEDAR+ at www.sedarplus.ca under the Fund's profile.

Under the Intercreditor Agreement, absent any default or event of default under the Credit Agreement, ordinary payments to the Fund and the Partnership can continue and the Partnership can exercise any and all of its rights to preserve the trademarks and related intellectual property governed by the License and Royalty Agreement. However, if a default or an event of default were to occur, the Fund and the Partnership agree not to take actions on their security until the Lender has been repaid in full. However, payments by SIR, to the Fund and the Partnership, will be permitted for such amounts as are required to fund their monthly operating expenses, up to an annual limit. In addition, the Fund, the Partnership and SIR will have the right, acting cooperatively, to reduce payments of Royalties and/or interest on the SIR Loan by up to 50% without triggering a cross default under the Credit Agreement, for a period of up to nine consecutive months. SIR and each Obligor provided an undertaking to cooperate and explore all options with the Fund to maximize value to the Fund's unitholders and SIR and its shareholders in exchange for the Subordinating Parties not demanding repayment or enforcing security as a result of any such Related Party Obligation Default. The Intercreditor Agreement also contains various other typical covenants of the Fund and the Partnership.

Under the Subordination Agreement pertaining to the shareholder loan, absent any default or event of default under the Credit Agreement, ordinary interest payments accruing thereon shall be permitted by the Lender. However, if a default or an event of default were to occur, the shareholder agrees not to take actions on their security until the Lender has been repaid in full.

As at February 9, 2025, SIR's liquidity was comprised of \$1.1 million of cash on hand (net of the cash balance of the Partnership) and \$3.2 million available to borrow under its credit agreement (August 25, 2024 - \$4.9 million and \$6.6 million).

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 Lender. As at February 9, 2025, the Company

was in breach of certain non-financial covenants and as a result, the carrying value of the credit facilities under the Credit Agreement remain classified as current liabilities. On March 7, 2025, the Lender issued a Waiver and Consent Agreement to the Company and the shareholder to allow this \$2.5 million loan to be “permitted indebtedness” pursuant to the Credit Agreement, waiving any instances of covenant defaults, as at the effective date of February 3, 2025.

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 February 9, 2025	Ratios as at February 9, 2025
\$36.8 million*	Senior Leverage Ratio (a)	Quarterly	Maximum of 3.0:1	2.50:1
\$36.8 million*	Fixed Charge Coverage Ratio (b)	Quarterly	Minimum of 1.10:1	1.15:1

* The fair value of the borrowings subject to financial covenants pursuant to the Credit Agreement is \$36.8 million, which excludes deferred financing fees of \$0.3 million.

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 Leverage Ratio is the ratio of: the numerator of which is (i) Debt (excluding any liability or indebtedness of SIR arising under the SIR Loan’s Agreement or due to shareholder); minus (ii) cash on deposit in bank accounts of the Obligors maintained with the Lender as at the last day of the relevant determination period; and the denominator which is EBITDA (“Lender EBITDA”)
- (b) Fixed Charge Coverage Ratio is defined for any period, the ratio of: the numerator of which is Lender EBITDA, plus the aggregate amount of rental payments in respect of leased real property, for such period minus cash Taxes paid in such period, and the denominator of which is the aggregate of all Fixed Charges in such period.

For the purposes of these financial covenants, the Credit Agreement defines “EBITDA” as net income or net loss for the relevant period, calculated on a consolidated basis, plus depreciation and amortization, interest expense, income taxes (whether or not deferred), the change in amortized cost of ordinary limited partnership units of the Partnership, new restaurant or stores pre-opening or closing costs (with some limitations), less the aggregate amount of rental payments in respect of leased real property and excluding Partnership royalty income and other unusual or non-recurring items (as approved by the Lender). Unless otherwise provided, Lender EBITDA shall be calculated on a rolling four quarter basis.

Four new restaurants were added to the Royalty Pooled Restaurants effective January 1, 2025 (January 1, 2024 - one). Refer to page 13 for further details of all changes and adjustments under the License and Royalty Agreement. After the net adjustments to the Royalty Pooled Restaurants on January 1, 2025, SIR held 1,569,147 Class A GP Units, representing a 15.78% residual interest in the Partnership. Under the terms of the Exchange Agreement, SIR has the right to convert some or all of the Class A GP Units into Fund Units on a one-for-one basis, which, as at February 9, 2025, had a market value of approximately \$20.0 million. Under the Credit Agreement and without prior consent from the Lender, SIR may convert Class A GP Units into Fund Units and promptly sell such units for the purposes of financing construction projects for new and existing restaurants, provided in any year the sale of the units does not exceed the lower of \$7.0 million and 0.4 million units.

Contractual Obligations

In 2004, the Partnership granted SIR a 99-year license to use the SIR Rights in most of Canada in consideration for a Royalty, payable by SIR to the Partnership, equal to 6% of the revenue of the restaurants included in Royalty Pooled Restaurants. Payment of the Royalty is secured by the Partnership General Security Agreement. On July 6, 2015, SIR, the Fund and the Partnership amended the agreement to subordinate and postpone their claims against SIR in favour of the senior lender. The Partnership and the Fund have not guaranteed the Credit Agreement (Please refer to SIR Royalty Income Fund section).

The security interest for all amounts payable by SIR to the Partnership under the License and Royalty Agreement, as set out in the Partnership General Security Agreement, is substantially the same as, and ranks equally with, the security interest granted by SIR to the Fund in respect of the SIR Loan. SIR consolidates the Partnership, and this transaction between SIR and the Partnership is eliminated in SIR’s condensed interim consolidated financial statements, however the obligation

for payments remains.

On January 1 of each year (the "Adjustment Date"), the restaurants subject to the License and Royalty Agreement are adjusted for new SIR restaurants opened for at least 60 days preceding such Adjustment Date. At each Adjustment Date, SIR will be entitled to convert its Class B GP Units to Class A GP Units based on a formula defined in the Partnership Agreement.

As at the date of this report, SIR has commitments to lease two properties in Barrie and Oshawa, Ontario, upon which it plans to build two new Scaddabush restaurants. Final costs of construction are subject to uncertainties as to their amounts and timing. Items such as finalization of design and final construction quotations could change the total cost of these projects. There can be no assurance at this time that these new planned Scaddabush restaurants will be opened or will become part of the Royalty Pooled Restaurants.

Off-Balance Sheet Arrangements

SIR did not have any material off-balance sheet arrangements as at February 9, 2025, nor did it have any subsequent to Q2 2025.

Transactions with Related Parties

SIR has entered into related party transactions with shareholders and directors or companies controlled by shareholders and directors of SIR. The transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

<i>Transactions with Related Parties</i>	12-Week Period Ended		24-Week Period Ended	
	February 9, 2025	February 11, 2024	February 9, 2025	February 11, 2024
	(in thousands of dollars)			
	(unaudited)			
Property and equipment				
Fixtures purchased from a shareholder of SIR	3	23	8	48
Equipment purchased from a company owned by a director and shareholder of SIR, together with a member of executive management of SIR	36	6	47	185

- SIR advanced \$0.01 million to a company owned by a shareholder and director, together with a member of executive management of SIR, during the 52-week period ended August 27, 2017. This advance is non-interest bearing and is payable on demand. SIR purchased fixtures from this company for \$0.003 million and \$0.008 million during Q2 2025 and YTD 2025, respectively (Q2 2024 and YTD 2024 - \$0.02 million and \$0.05 million).
- SIR received a \$2.5 million loan from a company owned by a shareholder and director, together with a member of executive management of SIR, during the 24-week period ended February 9, 2025. This shareholder loan bears interest at 5.20% and is due on July 6, 2026. SIR has accrued interest on this loan of \$0.005 million during Q2 2025 and YTD 2025, respectively (Q2 2024 and YTD 2024 - nil).

Transactions with the SIR Royalty Income Fund

Advances receivable from the Fund and its subsidiaries as at February 9, 2025 were \$2.6 million (August 25, 2024 – \$3.0 million). Advances receivable are non-interest bearing and due on demand.

During Q2 2025 and YTD 2025, distributions of \$2.5 million and \$4.6 million, respectively, were declared to the Fund by the Partnership, compared to distributions of \$2.4 million and \$4.7 million declared for Q2 2024 and YTD 2024, respectively. The Fund, indirectly through the Trust, is entitled to receive a pro rata share of all residual distributions. Distributions previously declared, but unpaid as at February 9, 2025 were \$3.4 million.

Interest expense on the SIR Loan totaled \$0.7 million and \$1.4 million for Q2 2025 and YTD 2025, respectively, and \$0.7 million and \$1.4 million for Q2 2024 and YTD 2024, respectively.

SIR, through the Partnership, has entered into an arrangement with the Fund and the Trust whereby the Partnership will provide or arrange for the provision of services required in the administration of the Fund and the Trust. The Partnership has arranged for these services to be provided by SIR GP Inc., in its capacity as the managing general partner of the Partnership. The Partnership provided these services to the Fund and the Trust for consideration of \$0.005 million and \$0.011

million for Q2 2025 and YTD 2025, respectively (\$0.005 million and \$0.011 million for Q2 2024 and YTD 2024, respectively), which was the amount of consideration agreed to by the related parties.

Critical Accounting Estimates and Judgments

Management believes that there have been no substantial changes in the nature of critical accounting estimates since the year ended August 25, 2024. The reader will find this information in the annual MD&A for the year ended August 25, 2024.

Changes in Accounting Policies, Including Recently Issued Accounting Pronouncements

Recently adopted IFRS

IAS 1, Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued an amendment to IAS 1 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. In October 2022, the IASB issued an amendment to IAS 1, Non-current Liabilities with Covenants, to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The 2022 amendments also introduce additional disclosure requirements to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The 2022 amendments changed the effective date of the 2020 amendments. The mandatory effective date would be annual periods beginning on or after January 1, 2024, with early adoption permitted. The amended standard has been implemented by the Company and did not have a material impact on the condensed interim consolidated financial statements.

IFRS 16, Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The mandatory effective date would be annual periods beginning on or after January 1, 2024, with early adoption permitted. The amended standard has been implemented by the Company and did not have a material impact on the condensed interim consolidated financial statements.

IAS 7, Disclosures on Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures regarding supplier finance arrangements. The mandatory effective date would be annual periods beginning on or after January 1, 2024. The amended standard has been implemented by the Company and did not have a material impact on the condensed interim consolidated financial statements.

Recently issued but not yet effective

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

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

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. The Company has not yet assessed the impact of the amendment on the condensed interim consolidated financial statements.

Financial Instruments

Management believes that there have been no substantial changes in the nature of critical accounting estimates since the year ended August 25, 2024. The reader will find this information in the annual MD&A for the year ended August 25, 2024.

Risks and Uncertainties

The performance of SIR is dependent on many factors. The restaurant industry generally, and in particular, the casual and fine dining segment of this industry, is intensely competitive with respect to price, service, location, food quality and qualified staff. Increases in minimum wage rates and other labour legislation may affect the growth and profitability of SIR, as a significant portion of its restaurant employees are paid at wage rates related to minimum wage. SIR Restaurants are subject to laws that prohibit or limit smoking in enclosed workplaces and/or certain outdoor public places, such as restaurant patios. There are many well-established competitors with greater financial and other resources than SIR. Competitors include national and regional chains, as well as individually owned restaurants. Recently, competition has increased in the mid-price, full-service, casual and fine dining sectors in which many of the SIR Restaurants operate. Some of SIR's competitors have been in existence for a substantially longer period than SIR and may be better established in the markets where SIR Restaurants are or may be located.

In addition, factors such as business and economic conditions, changes in foreign exchange, availability of credit, inflation, increased food, labour and benefits costs, taxes, government regulations (including those governing alcoholic beverages and cannabis legalization), tariffs, weather, seasonality, cybersecurity, public safety issues and the availability and quality of food, services and products sold in the restaurants, and growth in off-premise traffic due to an increase in delivery and takeout orders affect the restaurant industry in general and therefore SIR. There are many well-established competitors with greater financial and other resources than SIR. Competitors include national and regional chains, as well as individually owned restaurants. Recently, competition has increased in the mid-price, full-service, casual and fine dining sectors in which many of the SIR Restaurants operate. Some of SIR's competitors have been in existence for a substantially longer period than SIR and may be better established in the markets where SIR Restaurants are or may be located. If SIR is unable to successfully compete in the casual and fine dining sectors of the restaurant industry, Pooled Revenue may be adversely affected, the amount of the Royalty reduced and the ability of SIR to pay the Royalty or interest on the SIR Loan may be impaired. Please refer to the March 13, 2025 Annual Information Form for further discussion on risks and uncertainties related to the Fund and SIR.

The Fund's distributions are subject to change based on a number of factors, including the cash reserves of the Fund, the Trust and the Partnership. The Trustees will continue their practice of regularly reviewing the Fund's distribution levels.

Outlook

SIR is a privately held Canadian corporation in the business of creating, owning and operating full-service restaurants in Canada. All of SIR's restaurants are corporately owned. SIR does not franchise any of its brands. SIR remains committed to the corporately owned restaurant model as it believes this structure gives it greater control over its brands and greater agility to proactively respond to changes in market conditions.

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

SIR continues to innovate and provide immersive new product and service offerings to increase dine-in guest visits to its restaurants and to capitalize on the growth of take-out and delivery services in commercial foodservice.

In consideration of the ongoing conditions mentioned above and the timing of new restaurant construction and renovations, the related opening schedules will be reviewed regularly by SIR and adjusted as necessary.

As at the date of this report, SIR has commitments to lease two properties in Barrie and Oshawa, Ontario, upon which it plans to build two new Scaddabush restaurants. There can be no assurance at this time that these planned new restaurants will be opened or will become part of the Royalty Pooled Restaurants.

SIR has submitted a business interruption claim related to the cybersecurity incident that occurred on September 26, 2024 and is in the process of working with its insurance provider to assess the coverage details and determine the appropriate compensation for the disruption.

Description of non-IFRS measures

Management believes that disclosing certain non-IFRS financial measures provides a useful supplemental measure to evaluate SIR's performance. By considering these measures in combination with the most closely comparable IFRS measure, management believes that investors are provided with additional and more useful information about SIR than investors would have if they simply considered IFRS measures alone.

The non-IFRS financial measures do not have standardized meanings prescribed by IFRS. SIR's method of calculating these non-IFRS financial measures may differ from that of other issuers and, accordingly, may not be comparable to measures used by other issuers.

Same Store Sales and Same Store Sales Growth

SIR believes that SSS and SSSG are useful measures and provide investors with an indication of the change in year-over-year sales. SIR's method of calculating SSS and SSSG may differ from those of other issuers and, accordingly, SSS and SSSG may not be comparable to measures used by other issuers. SSSG is the percentage increase in SSS over the prior comparable period. SSS includes revenue from all SIR Restaurants except for those locations that were not open for the entire comparable periods in Fiscal 2025 and Fiscal 2024 and Abbey's Bakehouse as it is not a SIR Restaurant. When a SIR Restaurant is closed, the revenue for the closed restaurant is excluded from the calculation of SSS and SSSG for both the quarter in which the restaurant is closed and the current year-to-date. Please refer to the reconciliation of consolidated revenue to SSS on page 8 and to the definition of SSS in the Revenue section on page 10.

Adjusted Net Earnings (Loss)

Adjusted Net Earnings (Loss) is calculated by removing the change in amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership from the net earnings (loss) for the period. Adjusted Net Earnings (Loss) is a non-GAAP financial measure and does not have a standardized meaning prescribed by IFRS. Management believes that in addition to net earnings (loss), Adjusted Net Earnings (Loss) is a useful supplemental measure to evaluate SIR's performance. Changes in the amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership is a non-cash transaction and varies with changes in the market price of the Fund units. The exclusion of the change in amortized cost of the Ordinary LP Units and Class A LP Units of the Partnership eliminates this non-cash impact. Management cautions investors that Adjusted Net Earnings (Loss) should not replace net earnings or loss or cash flows from operating, investing and financing activities (as determined in accordance with IFRS), as an indicator of SIR's performance. SIR's method of calculating Adjusted Net Earnings (Loss) may differ from the methods used by other issuers. Please refer to the reconciliations of net earnings (loss) for the period to Adjusted Net Earnings (Loss) on page 6 of this document.

EBITDA and Adjusted EBITDA

References to EBITDA are to the net earnings (loss) for the period before provision for (recovery of) income taxes, interest expense, interest on lease obligations, interest on loan payable to SIR Royalty Income Fund, depreciation and amortization, and change in amortized cost of Ordinary LP Units and Class A LP Units of the Partnership.

References to Adjusted EBITDA are to SIR's EBITDA plus or minus interest (income) and other expense (income) – net, goodwill impairment, impairment of non-financial assets, loss on disposal of property and equipment, cash rent payments, and pre-opening costs. Pre-opening costs are added back to EBITDA because management views these costs as investments in new restaurants and not as on-going costs of operations.

Management believes that, in addition to net earnings or loss, EBITDA and Adjusted EBITDA are useful supplemental measures in evaluating SIR's performance, as these are useful estimates of the core business' contribution to cash flow from operations and approximate the funds generated by SIR which are available to meet its financing obligations and capital expenditure requirements. Management interprets trends in EBITDA and Adjusted EBITDA as indicators of relative operating performance. EBITDA and Adjusted EBITDA are non-GAAP financial measures and do not have standardized meanings prescribed by IFRS. Management cautions investors that EBITDA and Adjusted EBITDA should not replace net earnings or loss or cash flows from operating, investing and financing activities (as determined in accordance with IFRS), as an indicator of SIR's performance. SIR's method of calculating EBITDA and Adjusted EBITDA may differ from the methods used by other issuers. Therefore, SIR's EBITDA and Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Please refer to the reconciliation of net earnings (loss) and comprehensive loss for the period to EBITDA and Adjusted EBITDA on page 7 of this document.

Forward-Looking Information

Certain statements contained in this report, or incorporated herein by reference, including the information set forth as to the future financial or operating performance of the Fund or SIR, that are not current or historical factual statements may constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Statements concerning the objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of the Fund, the SIR Holdings Trust (the "Trust"), the Partnership, SIR, the SIR Restaurants or industry results, are forward-looking statements. The words "may", "will", "should", "would", "could", "expect", "believe", "plan", "anticipate", "intend", "estimate" and other similar terminology and the negative of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund, the Trust, the Partnership, SIR, the SIR Restaurants or industry results, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. These statements reflect Management's current expectations, estimates and projections regarding future events and operating performance and speak only as of the date of this document. Readers should not place undue importance on forward-looking statements and should not rely upon this information as of any other date. Risks related to forward-looking statements include, among other things, challenges presented by a number of factors, including: market conditions at the time of this filing; competition; changes in demographic trends; weather; changing consumer preferences and discretionary spending patterns; changes in consumer confidence; changes in national and local business and economic conditions; pandemics or other material outbreaks of disease or safety issues affecting humans or animals or food products; the ability to maintain staffing levels; the impact of inflation, including on input prices and wages; the impact of the conflicts in Ukraine and the Middle East; changes in tariffs and international trade; changes in foreign exchange and interest rates; changes in availability of credit; legal proceedings and challenges to intellectual property rights; dependence of the Fund on the financial condition of SIR; legislation and governmental regulation, including the cost and/or availability of labour as it relates to changes in minimum wage rates or other changes to labour legislation and forced closures of or other limits placed on restaurants and bars; laws affecting the sale and use of alcohol (including availability and enforcement); changes in cannabis laws; changes in environmental laws; privacy matters; accounting policies and practices; changes in tax laws; the impact of cybersecurity breaches; and the results of operations and financial condition of SIR. The foregoing list of factors is not exhaustive. Many of these issues can affect the Fund's or SIR's actual results and could cause their actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Fund or SIR. There can be no assurance that SIR will remain compliant in the future with all of its financial covenants under the Credit Agreement and imposed by the lender. Given these uncertainties, readers are cautioned that forward-looking statements are not guarantees of future performance and should not place undue reliance on them. The Fund and SIR expressly disclaim any obligation or undertaking to publicly disclose or release any updates or revisions to any forward-looking statements except as expressly required by law. Forward-looking statements are based on Management's current plans, estimates, projections, beliefs and opinions, and the Fund and SIR do not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change, except as expressly required by applicable securities laws. This Management's Discussion and Analysis is provided as of March 25, 2025.

All of the forward-looking statements made herein are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Fund or SIR. For more information concerning the Fund's risks and uncertainties, please refer to 'Risk Factors' in the Fund's Annual Information Form dated March 13, 2025 for the period ended December 31, 2024, which is available under the Fund's profile at www.sedarplus.ca.

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