



For Immediate Release

Toronto Stock Exchange: BPF.UN

BOSTON PIZZA ROYALTIES INCOME FUND ANNOUNCES 2020 FOURTH QUARTER AND ANNUAL RESULTS AND JANUARY 2021 CASH DISTRIBUTION OF \$0.065 PER UNIT

COVID-19 continues to adversely affect Boston Pizza's business. Franchise Sales for the fourth quarter of 2020 decreased by 30.6% versus one year ago.

HIGHLIGHTS

- As at December 31, 2020, approximately 370 Boston Pizza restaurants were providing take-out and delivery services, with approximately 100 of these restaurants also having their dining rooms and sports bars open with reduced seating capacity.
- System-Wide Gross Sales¹ of \$181.7 million for the Period and \$773.5 million for the Year, representing decreases of 34.3% and 30.1%, respectively, versus the same periods one year ago.
- Franchise Sales² from royalty pool restaurants of \$146.6 million for the Period and \$613.2 million for the Year, representing decreases of 30.6% and 28.2%, respectively, versus the same periods one year ago.
- Same Restaurant Sales³ of negative 32.9% for the Period and negative 29.4% for the Year and SRS on a Franchise Sales basis of negative 29.7% for the Period and negative 27.6% for the Year.
- Distributable Cash⁴ per Unit decreased 21.6% for the Period and decreased 42.6% for the Year.
- Commencing with the Period, the Fund changed how it calculates Distributable Cash and Distributable Cash per Unit to factor in principal repayments that the Fund is contractually required to make on its credit facilities from and after the Period as part of the pandemic recovery plan.
- Payout Ratio⁵ of 77.9% for the Period and 68.2% for the Year. Cash balance at the end of the Year was \$7.7 million of which \$4.3 million was used to pay the special one-time cash distribution on January 29, 2021.
- Boston Pizza opened two new full-service restaurants and closed 11 full-service restaurants in 2020. In addition, one seasonal Boston Pizza restaurant that was believed to have permanently closed in 2019, and accordingly was removed from the royalty pool on January 1, 2020, re-opened during the Year for a net decrease of eight restaurants.
- A special one-time cash distribution to unitholders of \$0.20 per unit declared in December 2020 and payable on January 29, 2021 to unitholders of record at the close of business on December 31, 2020.
- Cash distribution of \$0.065 per Unit declared for January 2021, and payable on February 26, 2021 to unitholders of record on February 21, 2021.

VANCOUVER, BC, February 10, 2021 – Boston Pizza Royalties Income Fund (the “Fund”) and Boston Pizza International Inc. (“BPI”) reported financial results today for the fourth quarter period from October 1, 2020 to December 31, 2020 (the “Period”) and January 1, 2020 to December 31, 2020 (the “Year”). A copy of this press release, the annual consolidated financial statements and related Management’s Discussion and Analysis (“MD&A”) of the Fund and BPI are available at www.sedar.com and www.bpincomefund.com. The Fund will host a conference call to discuss the results on February 10, 2021 at 8:30 am Pacific Time (11:30 am Eastern Time). The call can be accessed by dialling 1-800-319-4610 or 604-638-5340. A replay will be available until March 10, 2021 by dialling 1-800-319-6413 or 604-638-9010 and entering the access code: 5956 followed by the # sign. The replay will also be available at www.bpincomefund.com.

“2020 presented challenges brought on by the COVID-19 pandemic that had a dramatic impact on the business of Boston Pizza restaurants across Canada for most of the year,” said Jordan Holm, President of BPI. “The fourth quarter continued to be impacted as the effects of the second wave of the COVID-19 pandemic adversely affected our business. Overall guest traffic remains weakened by various local regulations and changes in guest behaviour. With the second wave of COVID-19 underway, we anticipate that the business of Boston Pizza restaurants will continue to be negatively impacted during the first half of 2021. Our focus continues to be the safety of our guests and staff in restaurants, serving our communities with take-out, delivery and in-restaurant dining where permitted, and supporting our franchisees during these challenging times.”

RECENT BUSINESS DEVELOPMENTS

The following is a summary of some recent business developments:

Throughout the second half of the Year, the business of the Boston Pizza restaurants in the royalty pool initially improved and subsequently declined as a result of the “second wave” of the new coronavirus disease (“**COVID-19**”) pandemic. The following is a summary of some key developments:

1. During the third quarter of 2020, most Boston Pizza restaurants had re-opened their dining rooms and sports bars with reduced seating capacity and appropriate physical distancing measures as permitted by provincial and local health authorities. As at September 30, 2020, approximately 380 Boston Pizza restaurants had their dining rooms and sports bars open with reduced seating capacity and were providing take-out and delivery services;
2. Franchise Sales, and the resulting Royalty and Distribution Income, for July, August and September 2020 were 81.0%, 84.2% and 88.9% of the levels they were in the respective months of 2019. SRS for July, August and September 2020 were negative 18.3%, negative 15.9% and negative 10.9%, respectively, when compared to the same periods in 2019;
3. As the number of persons testing positive for COVID-19 increased during the latter part of the third quarter of 2020, certain jurisdictions restricted in-premises operating hours for Boston Pizza restaurants in an attempt to help “flatten the curve”;
4. On October 1, 2020, the trustees of the Fund recommenced monthly distributions of \$0.065 per unit of the Fund (“**Unit**”) compared to the monthly distributions of \$0.102 per Unit that existed prior to the Fund temporarily suspending distributions on March 23, 2020. Monthly distributions recommenced with the September 2020 distribution that was paid to unitholders on October 30, 2020;
5. Since September 2020, between 25 and 275 Boston Pizza Restaurants (depending upon the specific date) temporarily closed their dining rooms, sports bars and patios as a result of governments imposing various restrictions designed to slow the spread of COVID-19. Franchise Sales, and the resulting Royalty and Distribution Income, for October, November and December 2020 were 80.7%, 68.0% and 59.9% of the levels they were in the respective month of 2019. SRS for October, November and December 2020 were negative 21.2%, negative 34.2% and negative 43.2%, respectively, when compared to the same periods in 2019. As at December 31, 2020, approximately 370 Boston Pizza Restaurants were providing take-out and delivery services, with approximately 100 of these restaurants also having their dining rooms and sports bars open with reduced seating capacity;
6. On December 16, 2020, the trustees of the Fund declared a special one-time cash distribution of \$0.20 per Unit which was paid on January 29, 2021 to unitholders of record at the close of business on December 31, 2020; and
7. Franchise Sales, and the resulting Royalty and Distribution Income, for January 2021 were 55.1% of the levels they were in January 2020. SRS for January 2021 was negative 49.5% when compared to the same period in 2020. As at January 31, 2021, approximately 375 Boston Pizza restaurants were providing take-out and delivery services, with approximately 105 of these restaurants also having their dining rooms and sports bars open with reduced seating capacity.

PERIOD AND YEAR RESULTS

Same Restaurant Sales (“**SRS**”), a key driver of distribution growth for unitholders of the Fund, was negative 32.9% for the Period and negative 29.4% for the Year compared to negative 2.1% and negative 2.2% respectively for the same periods one year ago. Franchise Sales, the basis upon which Royalty and Distribution Income are paid by BPI and Boston Pizza Canada Limited Partnership (“**BP Canada LP**”) respectively, indirectly to the Fund, excludes revenue from sales of liquor, beer, wine and approved national promotions and discounts. On a Franchise Sales basis, SRS was negative 29.7% for the Period and negative 27.6% for the Year compared to negative 1.8% and negative 1.5% respectively, for the same periods one year ago. The decline in SRS for the Period and Year was principally due to declines in restaurant guest traffic and the temporary closure of dining rooms and sports bars, partially offset by increased take-out and delivery sales as a result of the COVID-19 pandemic.

Franchise Sales of Boston Pizza restaurants in the royalty pool were \$146.6 million for the Period and \$613.2 million for the Year compared to \$211.2 million and \$853.7 million respectively, for the same periods in 2019. The

\$64.6 million decrease in Franchise Sales for the Period and \$240.5 million decrease in Franchise Sales for the Year were primarily due to negative SRS on a Franchise Sales basis.

The Fund's net and comprehensive income was \$19.6 million for the Period compared to net and comprehensive loss of \$4.6 million for fourth quarter of 2019. The \$24.2 million increase in the Fund's net and comprehensive income for the Period compared to the fourth quarter of 2019 was primarily due to a \$27.5 million increase in fair value gain and lower income tax expense of \$0.4 million, partially offset by lower Royalty and Distribution Income of \$3.4 million and higher interest on long-term debt of \$0.3 million. The Fund's net and comprehensive income was \$9.6 million for the Year compared to net and comprehensive income of \$22.5 million in 2019. The \$12.9 million decrease in the Fund's net and comprehensive income for the Year compared to 2019 was primarily due to lower Royalty and Distribution Income of \$12.7 million, a \$4.3 million increase in fair value loss and higher interest on long-term debt of \$0.6 million, partially offset by lower income tax expense of \$2.7 million and lower interest expense on BPI's Class B general partnership units of Boston Pizza Royalties Limited Partnership ("**Class B Units**") of \$2.0 million. For a detailed discussion on the Fund's net and comprehensive income, please see the "Operating Results – Net and Comprehensive Income (Loss) / Basic and Diluted Earnings (Loss)" section in the Fund's MD&A for the Period and the Year. The Fund's net income or loss under International Financial Reporting Standards ("**IFRS**") contains non-cash items, such as the fair value adjustments on financial instruments and deferred income taxes, that do not affect the Fund's business operations or its ability to pay distributions to unitholders. In the Fund's view, net income or loss is not the only or most meaningful measurement of the Fund's ability to pay distributions. Consequently, the Fund reports the non-IFRS metrics of Distributable Cash and Payout Ratio to provide investors with more meaningful information regarding the amount of cash that the Fund has generated to pay distributions and the extent to which the Fund has distributed that cash. The Fund also reports the non-IFRS metric of SRS to provide investors useful information regarding the change in gross sales of Boston Pizza restaurants. Readers are cautioned that Distributable Cash, Payout Ratio and SRS are non-IFRS financial measures that do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. For a reconciliation between cash flow from operating activities (the most directly comparable IFRS measure) and Distributable Cash see the "Financial Summary" section of this press release. For a detailed discussion on the Fund's Distributable Cash and Payout Ratio, please see the "Operating Results – Distributable Cash / Payout Ratio" section in the Fund's MD&A for the Period and the Year. A reconciliation of SRS and Payout Ratio to an IFRS measure is not possible.

The Fund generated Distributable Cash of \$5.4 million for the Period compared to \$7.0 million for the fourth quarter of 2019. The decrease in Distributable Cash of \$1.6 million or 22.6% was primarily due to a decrease in cash flow generated from operating activities of \$0.8 million, a contractually required debt repayment of \$0.7 million for which there is no comparable repayment in the fourth quarter of 2019, an increase of interest paid on long-term debt of \$0.2 million, and higher SIFT Tax on Units of \$0.1 million, partially offset by decreased entitlement for Class B Units of \$0.2 million. The Fund generated Distributable Cash of \$16.3 million for the Year compared to \$28.7 million in 2019. The decrease in Distributable Cash of \$12.4 million or 43.2% was primarily due to a decrease in cash flow generated from operating activities of \$12.8 million, a contractually required debt repayment of \$0.7 million for which there is no comparable repayment in 2019, an increase of interest paid on long-term debt of \$0.3 million, and higher SIFT Tax on Units of \$0.3 million, partially offset by decreased entitlement for BPI's Class B Units of \$1.7 million.

The Fund generated Distributable Cash per Unit of \$0.250 for the Period compared to \$0.319 per Unit for the fourth quarter of 2019. The decrease in Distributable Cash per Unit of \$0.069 or 21.6% was primarily attributable to the decrease in Distributable Cash outlined above, partially offset by fewer Units outstanding compared to the same period in 2019 due to the Fund's normal course issuer bid that commenced on February 19, 2020 and will expire on February 18, 2021 (the "**NCIB**"). The Fund generated Distributable Cash per Unit of \$0.756 for the Year compared to \$1.317 per Unit in 2019. The decrease in Distributable Cash per Unit of \$0.561 or 42.6% was primarily attributable to the decrease in Distributable Cash outlined above, partially offset by fewer Units outstanding compared to the same period in 2019 due to the Fund's NCIB. As at December 31, 2020, the Fund acquired 266,300 Units under the NCIB at an average price of \$12.98 per Unit. Between December 31, 2020 and February 10, 2021, the Fund did not acquire any additional Units under the NCIB.

The COVID-19 pandemic has resulted in material declines to Franchise Sales and SRS when compared to the same period in the previous year. The declines in Franchise Sales and SRS will result in significant declines to Royalty and Distribution Income payable by BPI and BP Canada LP to the Fund when compared to the same period in the previous year, and significant declines in the amount of Distributable Cash available for distribution to unitholders when compared to the same period in the previous year.

During the Period, the Fund changed how it calculates Distributable Cash and Distributable Cash per Unit to factor in principal repayments that the Fund is contractually required to make on the Fund's credit facilities from and after the Period as part of the pandemic recovery plan. For details of the pandemic recovery plan see the "Overview - Comprehensive COVID-19 Recovery Plan and Refinancing of the Fund's and BPI's Credit Facilities" section of the Fund's MD&A for the Period and the Year. The Fund did not have a requirement to repay any principal amounts under its credit facilities prior to the Period. Accordingly, the change to how Distributable Cash is calculated does not impact the calculation of Distributable Cash for periods prior to the Period. The change to how Distributable Cash is calculated also affects Payout Ratio since Payout Ratio is calculated using Distributable Cash. For details see the "Description of Non-IFRS and Additional IFRS Measures" section of the Fund's MD&A for the Period and the Year.

The Fund's Payout Ratio was 77.9% for the Period and 68.2% for the Year compared to 108.0% and 104.8%, respectively, for the same periods in 2019. The decrease in the Fund's Payout Ratio for the Period compared to the same period in 2019 was due to the combined effects of distributions paid decreasing by \$3.3 million or 44.2%, offset by Distributable Cash decreasing by \$1.6 million or 22.6%. The decrease in the Fund's Payout Ratio for the Year compared to the same period in 2019 was due to the combined effects of distributions paid decreasing by \$18.9 million or 63.0%, offset by Distributable Cash decreasing by \$12.4 million or 43.2%.

Payout Ratio is calculated by dividing the amount of distributions paid during the applicable period by the by the Distributable Cash for that period. Accordingly, the Payout Ratio for the Year does not factor in the Special Distribution that was paid on January 29, 2021 even though the cash generated to fund the Special Distribution was generated during the Year as a result of monthly distributions on Units being temporarily suspended in respect of March through August of 2020. If the Special Distribution was included in the calculation of Payout Ratio for the Year, it would be 94.6%.

The Fund's Payout Ratio is typically higher in the first and fourth quarters compared to the second and third quarters since Boston Pizza restaurants generally experience higher Franchise Sales levels during the summer months when restaurants open their patios and benefit from increased tourist traffic. However, the effects of COVID-19, the temporary suspension of distributions on Units and/or the distribution rate reduction, have materially affected the Fund's Payout Ratio in the Period and for the Year, and may continue to materially affect the Fund's Payout Ratio in the future.

DISTRIBUTIONS

On October 1, 2020, the trustees of the Fund reinstated monthly distributions on Units at \$0.065 per Unit. In deciding to reinstate monthly distributions on Units and to declare a special distribution on December 16, 2020 (the "**Special Distribution**"), the trustees of the Fund considered, among other factors, the recent financial performance of the Fund, BPI and Boston Pizza restaurants in the royalty pool, the Fund's cash position and debt repayment obligations, internal financial projections for the Fund, BPI and Boston Pizza restaurants in the royalty pool, and the increase in the effective tax rate that would be paid by the Fund if the Fund did not distribute sufficient cash in respect of 2020.

The declaration of the Special Distribution was a departure from the Fund's historical distribution practices and is not expected to become a regular practice in future years. However, the trustees believe that declaring the Special Distribution on December 16, 2020 was a prudent approach to deal with the challenges presented in 2020 by the ongoing COVID-19 pandemic. While the COVID-19 pandemic persists, the trustees of the Fund continue to expect that Franchise Sales and SRS at Boston Pizza restaurants, and resulting Royalty, Distribution Income and Distributable Cash available for distribution to unitholders, will be adversely affected. The trustees of the Fund will continue to closely monitor the Fund's available cash balances and distribution levels, based on its policy of stable and sustainable distribution flow to unitholders.

On February 9, 2021, the trustees of the Fund declared a distribution for the period of January 1, 2021 to January 31, 2021 of \$0.065 per Unit, which will be payable on February 26, 2021 to unitholders of record on February 21, 2021. Including the January 2021 distribution, which will be paid on February 26, 2021, the Fund will have paid out total distributions of \$352.6 million or \$22.75 per Unit which includes 217 monthly distributions and the Special Distribution.

FINANCIAL SUMMARY

The tables below set out selected information from the Fund's annual consolidated financial statements together with other data and should be read in conjunction with the annual consolidated financial statements and MD&A of the Fund for the years ended December 31, 2020 and 2019.

<i>For the years ended December 31</i>	2020	2019	2018
<i>(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)</i>			
System-Wide Gross Sales	773,533	1,106,687	1,115,200
Number of restaurants in royalty pool	395	396	391
Franchise Sales reported by restaurants in the royalty pool	613,199	853,728	855,108
Royalty income	24,528	34,149	34,204
Distribution Income	8,114	11,246	11,407
Interest income	144	40	33
Total revenue	32,786	45,435	45,644
Administrative expenses	(1,439)	(1,248)	(1,255)
Interest expense on debt and financing fees	(3,360)	(2,830)	(2,676)
Interest expense on Class B Unit liability	(2,085)	(4,133)	(3,722)
Profit before fair value (loss) gain and income taxes	25,902	37,224	37,991
Fair value loss on investment in BP Canada LP	(14,349)	(9,002)	(37,099)
Fair value gain on Class B Unit liability	6,382	4,120	14,814
Fair value loss on Swaps	(2,064)	(824)	(412)
Current and deferred income tax expense	(6,301)	(9,015)	(6,625)
Net and comprehensive income	9,570	22,503	8,669
Basic earnings per Unit	0.44	1.03	0.40
Diluted earnings per Unit	0.17	0.88	(0.12)
<u>Distributable Cash / Distributions / Payout Ratio</u>			
Cash flows generated from operating activities	22,866	35,621	35,678
BPI Class B Unit entitlement	(2,450)	(4,133)	(3,722)
Interest paid on long-term debt	(3,157)	(2,821)	(2,710)
Principal repayments on long-term debt	(690)	-	-
SIFT Tax on Units	(270)	33	(6)
Distributable Cash	16,299	28,700	29,240
Distributions paid	11,120	30,067	30,191
Payout Ratio	68.2%	104.8%	103.3%
Distributable Cash per Unit	0.756	1.317	1.336
Distributions paid per Unit	0.516	1.380	1.380
<u>Other</u>			
Same Restaurant Sales	(29.4%)	(2.2%)	0.1%
Number of restaurants opened	2	5	10
Number of restaurants closed	11	6	5
<i>As at December 31</i>			
Total assets	390,804	396,426	403,686
Total liabilities	133,904	131,323	131,019

Notes:

- 1) **"System-Wide Gross Sales"** means the gross revenue: (i) of the corporate Boston Pizza restaurants in Canada owned by BPI; and (ii) reported to BP Canada LP by franchised Boston Pizza restaurants in Canada, without audit or other form of independent assurance, and in the case of both (i) and (ii), including revenue from the sale of liquor, beer, wine and revenue from BP Canada LP approved national promotions and discounts and excluding applicable sales and similar taxes.
- 2) **"Franchise Sales"** is the basis upon which Royalty and Distribution Income are payable, and means the gross revenue: (i) of the corporate Boston Pizza restaurants in Canada owned by BPI that are in the Fund's royalty pool; and (ii) reported to BP Canada LP by franchised Boston Pizza restaurants in Canada that are in the Fund's royalty pool, without audit or other form of independent assurance, and in the case of both (i) and (ii), after deducting revenue from the sale of liquor, beer, wine and revenue from BP Canada LP approved national promotions and discounts and excluding applicable sales and similar taxes. Nevertheless, BP Canada LP periodically conducts audits of the Franchise Sales reported to it by its franchisees, and the Franchise Sales reported herein include results from sales audits of earlier periods.
- 3) **"Same Restaurant Sales"** or **"SRS"** is the change in gross revenue of Boston Pizza restaurants as compared to the gross revenue for the same period in the previous year for Boston Pizza restaurants that have been open for a minimum 24 months. SRS is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes SRS provides investors useful information regarding the change in gross sales of Boston Pizza restaurants. For additional information regarding this financial metric, see the heading "Description of Non-IFRS and Additional IFRS Measures" in the Fund's MD&A for the Period and the Year.

- 4) "**Distributable Cash**" is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that this non-IFRS financial measure provides useful information to investors regarding the amount of cash the Fund has generated for distribution on the Units. The preceding table provides a reconciliation from this non-IFRS financial measure to cash flows from operating activities, which is the most directly comparable IFRS measure. Investors are cautioned that this should not be construed as an alternative to cash flows from operating activities. For additional information regarding this financial metric, see the heading "Description of Non-IFRS and Additional IFRS Measures" in the Fund's MD&A for the Period and the Year.
- 5) "**Payout Ratio**" is calculated by dividing the aggregate distributions paid by the Fund during a period by the Distributable Cash generated in that period. Payout Ratio is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that this non-IFRS financial measure provides investors with useful information regarding the extent to which the Fund distributes cash on the Units. As the Payout Ratio is calculated from a formula which includes Distributable Cash, which is a non-IFRS measure, a reconciliation of Payout Ratio to an IFRS measure is not possible. For additional information regarding this financial metric, see the heading "Description of Non-IFRS and Additional IFRS Measures" in the Fund's MD&A for the Period and the Year.
- 6) Boston Pizza Royalties Limited Partnership licenses BPI the right to use various Boston Pizza trademarks in return for BPI paying Boston Pizza Royalties Limited Partnership a royalty equal to 4% of Franchise Sales of Boston Pizza restaurants (the "**Royalty**") in the Fund's royalty pool (the "**royalty pool**"). "**Distribution Income**" is income received indirectly by the Fund on Class 1 LP Units and Class 2 LP Units of BP Canada LP. See the "Overview – Purpose of the Fund / Sources of Revenue" section of the Fund's MD&A for the Period and the Year for more details.
- 7) Profit before fair value adjustments and income taxes is an additional IFRS measure. For additional information regarding these financial metrics, see the heading "Description of Non-IFRS and Additional IFRS Measures" in the Fund's MD&A for the Period and the Year.
- 8) Capitalized terms used in this press release that are undefined have the meanings ascribed to them in the Fund's MD&A for the Period and the Year.

SUMMARY OF QUARTERLY RESULTS

	Q4 2020	Q3 2020	Q2 2020	Q1 2020
(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)				
System-Wide Gross Sales	181,723	237,208	129,845	224,757
Number of restaurants in royalty pool	395	395	395	395
Franchise Sales reported by restaurants in the royalty pool	146,561	185,420	107,149	174,069
Royalty income	5,862	7,417	4,286	6,963
Distribution Income	1,946	2,452	1,423	2,293
Interest income	54	61	24	5
Total revenue	7,862	9,930	5,733	9,261
Administrative expenses	(301)	(392)	(352)	(394)
Interest expense on debt and financing fees	(963)	(964)	(730)	(703)
Interest expense on Class B Unit liability	(1,437)	-	-	(648)
Profit before fair value gain (loss) and income taxes	5,161	8,574	4,651	7,516
Fair value gain (loss) on investment in BP Canada LP	28,861	(12,821)	7,202	(37,591)
Fair value (loss) gain on Class B Unit liability	(12,857)	5,712	(3,208)	16,735
Fair value gain (loss) on Swaps	230	(296)	(158)	(1,840)
Current and deferred income tax expense	(1,798)	(1,857)	(908)	(1,738)
Net and comprehensive income (loss)	19,597	(688)	7,579	(16,918)
Basic earnings (loss) per Unit	0.91	(0.03)	0.35	(0.78)
Diluted earnings (loss) per Unit	0.91	(0.30)	0.35	(1.36)
<u>Distributable Cash / Distributions / Payout Ratio</u>				
Cash flows generated from (used in) operating activities	7,889	6,185	(709)	9,501
BPI Class B Unit entitlement	(787)	(1,015)	-	(648)
Interest paid on long-term debt	(915)	(873)	(668)	(701)
Principal repayments on long-term debt	(690)	-	-	-
SIFT Tax on Units	(108)	1,154	(858)	(458)
Distributable Cash	5,389	5,451	(2,235)	7,694
Distributions paid	4,197	-	-	6,923
Payout Ratio	77.9%	0.0%	0.0%	90.0%
Distributable Cash per Unit	0.250	0.253	(0.104)	0.355
Distributions paid per Unit	0.195	-	-	0.319
<u>Other</u>				
Same Restaurant Sales	(32.9%)	(15.2%)	(53.5%)	(15.8%)
Number of restaurants opened	0	1	0	1
Number of restaurants closed	1	4	4	2

SUMMARY OF QUARTERLY RESULTS (continued)

	Q4 2019	Q3 2019	Q2 2019	Q1 2019
(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)				
System-Wide Gross Sales	276,509	283,570	281,310	265,298
Number of restaurants in royalty pool	396	396	396	396
Franchise Sales reported by restaurants in the royalty pool	211,173	219,226	216,882	206,447
Royalty income	8,447	8,769	8,675	8,258
Distribution Income	2,785	2,886	2,856	2,719
Interest income	9	9	10	12
Total revenue	11,241	11,664	11,541	10,989
Administrative expenses	(280)	(345)	(307)	(316)
Interest expense on debt and financing fees	(713)	(712)	(709)	(696)
Interest expense on Class B Unit liability	(1,383)	(1,010)	(1,030)	(710)
Profit before fair value (loss) gain and income taxes	8,865	9,597	9,495	9,267
Fair value (loss) gain on investment in BP Canada LP	(20,677)	(873)	4,201	8,347
Fair value gain (loss) on Class B Unit liability	9,107	385	(1,851)	(3,521)
Fair value gain (loss) on Swaps	324	97	(363)	(882)
Current and deferred income tax expense	(2,247)	(2,343)	(2,313)	(2,112)
Net and comprehensive (loss) income	(4,628)	6,863	9,169	11,099
Basic (loss) earnings per Unit	(0.21)	0.31	0.42	0.51
Diluted (loss) earnings per Unit	(0.53)	0.27	0.42	0.51
<u>Distributable Cash / Distributions / Payout Ratio</u>				
Cash flows generated from operating activities	8,721	9,497	9,039	8,364
BPI Class B Unit entitlement	(1,031)	(1,025)	(1,029)	(1,048)
Interest paid on long-term debt	(702)	(710)	(723)	(686)
SIFT Tax on Units	(27)	52	37	(29)
Distributable Cash	6,961	7,814	7,324	6,601
Distributions paid	7,517	7,516	7,517	7,517
Payout Ratio	108.0%	96.2%	102.6%	113.9%
Distributable Cash per Unit	0.319	0.359	0.336	0.303
Distributions paid per Unit	0.345	0.345	0.345	0.345
<u>Other</u>				
Same Restaurant Sales	(2.1%)	(4.2%)	(1.2%)	(1.3%)
Number of restaurants opened	0	2	3	0
Number of restaurants closed	2	0	3	1

SHORT-TERM OUTLOOK

The COVID-19 pandemic has had sudden, unexpected and unprecedented impacts on the general economy, the restaurant industry and has specifically caused significant disruption to the business of the Fund and BPI. The focus of BPI's management is to continue to: (i) monitor carefully the continuously evolving COVID-19 situation; (ii) modify the operating procedures of Boston Pizza restaurants to ensure the safety of guests and staff of BP Canada LP's franchisees; (iii) responsibly and safely operate the dining rooms and sports bars of Boston Pizza restaurants across Canada when permitted by applicable provincial health authorities; (iv) maximize the opportunity to grow its take-out and delivery business; and (v) review and adapt current and future plans to responsibly address the challenges and opportunities presented by COVID-19. Management of BPI anticipates that sales levels for the first half of 2021 will continue to be challenged as a result of COVID-19.

The trustees of the Fund will continue to closely monitor BPI's and BP Canada LP's business as the COVID-19 situation continues to develop and consider the best interests of the Fund and its stakeholders. While the COVID-19 pandemic persists, the trustees of the Fund expect that Franchise Sales and SRS at Boston Pizza restaurants, and resulting Royalty, Distribution Income and Distributable Cash available for distribution to unitholders will continue to be adversely affected.

Forward Looking Information

Certain information in this press release constitutes “forward-looking information” that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual results, performance or achievements of the Fund, Boston Pizza Holdings Trust, Boston Pizza Royalties Limited Partnership, Boston Pizza Holdings Limited Partnership, Boston Pizza Holdings GP Inc., Boston Pizza GP Inc., BPI, BP Canada LP, Boston Pizza Canada Holdings Inc., Boston Pizza Canada Holdings Partnership, Boston Pizza restaurants, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Fund or its trustees expect or anticipate will or may occur in the future, including such things as, the potential for COVID-19 to continue to materially affect the Fund’s Payout Ratio in the future, COVID-19 continuing to result in material declines to Franchise Sales and SRS, declines in Franchise Sales and SRS resulting in significant declines to Royalty and Distribution Income payable to the Fund and significant declines in the amount of Distributable Cash available for distribution to unitholders, implementation of the pandemic recovery plan, future distributions and dates distributions are to be paid or payable, the significant uncertainties related to COVID-19 and its impact on BPI and the Fund, the focus of BPI’s management on guest safety, maximizing the take-out and delivery business and helping franchisees succeed during these challenging times, the trustees of the Fund continuing to closely monitor the Fund’s available cash balances, future changes to calculations of financial measures, management’s anticipation that sales levels for the first half of 2021 will continue to be challenged as a result of COVID-19, the trustees of the Fund continuing to closely monitor BPI’s and BP Canada LP’s business as the COVID-19 situation continues to develop, how the Special Distribution is not expected to become a regular practice in future years, and other such matters are forward-looking information. When used in this press release, forward-looking information may include words such as “anticipate”, “estimate”, “may”, “will”, “expect”, “believe”, “plan”, “should”, “continue” and other similar terminology. The material factors and assumptions used to develop the forward-looking information contained in this press release include the following: the Fund maintaining the same distribution policy, expectations related to future general economic conditions, Boston Pizza restaurants maintaining operational excellence, the COVID-19 pandemic continuing to negatively impact the restaurant industry, Franchise Sales, SRS and Distributable Cash. Risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by the forward-looking information contained herein, relate to (among others) competition, demographic trends, consumer preferences and discretionary spending patterns, business and economic conditions, legislation and regulation, reliance on operating revenues, accounting policies and practices, the results of operations and financial condition of BPI, BP Canada LP and the Fund, pandemics and national health crises, in particular COVID-19, as well as those factors discussed under the heading “Risks and Uncertainties” in the most recent Annual Information Form of the Fund. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this press release. Except as required by law, neither the Fund nor BPI assumes any obligation to update previously disclosed forward-looking information. For a complete list of the risks associated with forward-looking information and the Fund’s business, please refer to the “Risks and Uncertainties” and “Note Regarding Forward-Looking Information” sections included in the most recent Annual Information Form of the Fund available at www.sedar.com and www.bpincomefund.com.

The trustees of the Fund have approved the contents of this news release.

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