

MANAGEMENT'S DISCUSSION AND ANALYSIS
BOSTON PIZZA ROYALTIES INCOME FUND
For the three-month and six-month periods ended June 30, 2025

FINANCIAL HIGHLIGHTS

The tables below set out selected information from the unaudited condensed consolidated interim financial statements of Boston Pizza Royalties Income Fund (the “**Fund**”), which includes the accounts of the Fund, its wholly-owned subsidiaries Boston Pizza Holdings Trust (the “**Trust**”), Boston Pizza Holdings GP Inc. (“**Holdings GP**”) and Boston Pizza Holdings Limited Partnership (“**Holdings LP**”), its 80% owned subsidiary Boston Pizza GP Inc. (“**Royalties GP**”), and Boston Pizza Royalties Limited Partnership (“**Royalties LP**”), together with other information and should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Fund for the three-month and six-month periods ended June 30, 2025 and June 30, 2024, and the Fund’s audited annual consolidated financial statements for the year-ended December 31, 2024. The financial information in the tables included in this Management’s Discussion and Analysis (“**MD&A**”) are reported in accordance with IFRS Accounting Standards (“**IFRS**”) except as otherwise noted and are stated in Canadian dollars. Capitalized terms used in the tables and notes below are defined elsewhere in this MD&A.

| <i>For the periods ended June 30</i> | Q2 2025 | Q2 2024 | YTD 2025 | YTD 2024 |
|---|---------|---------|--------------|--------------|
| <i>(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)</i> | | | | |
| Number of restaurants in Royalty Pool | 372 | 372 | 372 | 372 |
| Franchise Sales reported by restaurants in the Royalty Pool | 251,812 | 236,792 | 482,954 | 458,824 |
| Royalty Income | 10,072 | 9,472 | 19,318 | 18,353 |
| Distribution Income | 3,306 | 3,111 | 6,342 | 6,030 |
| Total revenue | 13,378 | 12,583 | 25,660 | 24,383 |
| Administrative expenses | (412) | (497) | (821) | (933) |
| Interest expense on debt and financing fees | (833) | (932) | (1,667) | (1,760) |
| Interest expense on Class B Unit liability | (1,046) | (1,063) | (1,776) | (1,792) |
| Interest income | 37 | 69 | 84 | 135 |
| Profit before fair value gain and income taxes | 11,124 | 10,160 | 21,480 | 20,033 |
| Fair value gain on investment in BP Canada LP | 14,294 | 1,473 | 12,384 | 3,601 |
| Fair value loss on Class B Unit liability | (6,369) | (656) | (5,518) | (1,604) |
| Fair value gain (loss) on Swaps | 94 | (672) | (609) | (484) |
| Current and deferred income tax expense | (4,825) | (2,841) | (7,072) | (5,615) |
| Net and comprehensive income | 14,318 | 7,464 | 20,665 | 15,931 |
| Basic earnings per Unit | 0.67 | 0.35 | 0.97 | 0.75 |
| Diluted earnings per Unit | 0.67 | 0.33 | 0.97 | 0.74 |
| <u>Distributable Cash¹ / Distributions / Payout Ratio²</u> | | | | |
| Cash flows generated from operating activities | 9,939 | 9,613 | 19,204 | 18,713 |
| BPI Class B Unit entitlement ³ | (1,171) | (1,095) | (2,247) | (2,167) |
| Interest paid on debt | (818) | (871) | (1,648) | (1,679) |
| Current income tax expense | (2,769) | (2,521) | (5,275) | (4,886) |
| Current income tax paid | 2,770 | 2,370 | 5,243 | 4,832 |
| Distributable Cash | 7,951 | 7,496 | 15,277 | 14,813 |
| Distributions paid | 7,341 | 7,213 | 14,682 | 14,299 |
| Payout Ratio | 92.3% | 96.2% | 96.1% | 96.5% |
| Distributable Cash per Unit ⁴ | 0.374 | 0.352 | 0.718 | 0.696 |
| Distributions paid per Unit | 0.345 | 0.339 | 0.690 | 0.672 |
| <u>Other</u> | | | | |
| Same Restaurant Sales ⁵ | 6.4% | 1.7% | 5.5% | 0.4% |
| Number of restaurants opened | 0 | 1 | 0 | 2 |
| Number of restaurants closed | 0 | 0 | 0 | 3 |
| | | | Jun 30, 2025 | Dec 31, 2024 |
| Total assets | | | 435,949 | 422,888 |
| Total liabilities | | | 147,296 | 142,665 |

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Notes – Non-GAAP and Specified Financial Measures

- 1 **“Distributable Cash”** is a non-GAAP financial measure under National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* (“**NI 52-112**”). Distributable Cash is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. The Fund defines Distributable Cash to be, in respect of any particular period, the Fund’s cash flows generated from operating activities for that period (being the most comparable financial measure in the Fund’s primary financial statements) minus (a) BPI’s (as defined below) entitlement in respect of its Class B Units in respect of the period (see note 3 below), minus (b) interest paid on debt during the period, minus (c) principal repayments on debt that are contractually required to be made during the period, minus (d) the current income tax expense in respect of the period, plus (e) current income tax paid during the period (the sum of (d) and (e) being “**SIFT Tax on Units**”). Management believes that Distributable Cash provides investors with useful information about the amount of cash the Fund has generated and has available for distribution on the Units in respect of any period. The tables in the “Financial Highlights” section of this MD&A provide a reconciliation from this non-GAAP financial measure to cash flows generated from operating activities, which is the most directly comparable IFRS measure. Current income tax expense in respect of any period is prepared using reasonable and supportable assumptions (including that the base rate of SIFT Tax (as defined below) will not increase throughout the calendar year and that certain expenses of the Fund will continue to be deductible for income tax purposes), all of which reflect the Fund’s planned courses of action given management’s judgment about the most probable set of economic conditions. There is a risk that the federal government of Canada could increase the base rate of SIFT Tax or that applicable taxation authorities could assess the Fund on the basis that certain expenses of the Fund are not deductible. Investors are cautioned that if either of these possibilities occurs, then the actual results for this component of Distributable Cash may vary, perhaps materially, from the amounts used in the reconciliation.
- 2 **“Payout Ratio”** is a non-GAAP ratio under NI 52-112. Payout Ratio is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. The Fund defines Payout Ratio for any period as the aggregate distributions paid by the Fund during that period divided by the Distributable Cash generated in that period. Management believes that Payout Ratio provides investors with useful information regarding the extent to which the Fund distributes cash generated on Units.
- 3 **“BPI Class B Unit entitlement”** is a supplementary financial measure under NI 52-112 and therefore may not be comparable to similar measures presented by other issuers. The BPI Class B Unit entitlement is the interest expense on Class B Units in respect of a period plus management’s estimate of how much cash BPI would be entitled to receive pursuant to the limited partnership agreement governing Royalties LP (a copy of which is available on SEDAR+ at www.sedarplus.ca) on its Class B Units if Royalties LP fully distributed any residual cash generated in respect of that period after the Fund pays interest on debt, principal repayments on debt and SIFT Tax on Units in respect of that period. Management believes that the BPI Class B Unit entitlement is an important component in calculating Distributable Cash since it represents the amount of residual cash generated that BPI would be entitled to receive and therefore would not be available for distribution to Unitholders. Management prepares such estimate using reasonable and supportable assumptions that reflect the Fund’s planned courses of action given management’s judgment about the most probable set of economic conditions.
- 4 **“Distributable Cash per Unit”** is a non-GAAP ratio under NI 52-112. Distributable Cash per Unit is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. The Fund defines Distributable Cash per Unit for any period as the Distributable Cash generated in that period divided by the weighted average number of Units outstanding during that period. Management believes that Distributable Cash per Unit provides investors with useful information regarding the amount of cash per Unit that the Fund has generated and has available for distribution in respect of any period.
- 5 **“Same Restaurant Sales”** or **“SRS”** is a supplementary financial measure under NI 52-112 and therefore may not be comparable to similar measures presented by other issuers. The Fund defines SRS as the change in Franchise Sales of Boston Pizza Restaurants as compared to the Franchise Sales for the same

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period in the previous year (where restaurants were open for a minimum of 24 months). The Fund believes that SRS provides Unitholders meaningful information regarding the performance of Boston Pizza Restaurants.

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SUMMARY OF QUARTERLY RESULTS

| | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 |
|--|---------|---------|---------|---------|
| (in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items) | | | | |
| Number of restaurants in Royalty Pool | 372 | 372 | 372 | 372 |
| Franchise Sales reported by restaurants in the Royalty Pool | 251,812 | 231,142 | 234,215 | 238,613 |
| Royalty Income | 10,072 | 9,246 | 9,369 | 9,544 |
| Distribution Income | 3,306 | 3,036 | 3,077 | 3,135 |
| Total revenue | 13,378 | 12,282 | 12,446 | 12,679 |
| Administrative expenses | (412) | (409) | (401) | (379) |
| Interest expense on debt and financing fees | (833) | (834) | (870) | (887) |
| Interest expense on Class B Unit liability | (1,046) | (730) | (1,681) | (1,033) |
| Interest income | 37 | 47 | 68 | 71 |
| Profit before fair value gain (loss) and income taxes | 11,124 | 10,356 | 9,562 | 10,451 |
| Fair value gain (loss) on investment in BP Canada LP | 14,294 | (1,910) | (382) | 8,511 |
| Fair value (loss) gain on Class B Unit liability | (6,369) | 851 | 170 | (3,792) |
| Fair value gain (loss) on Swaps | 94 | (703) | (200) | (1,923) |
| Current and deferred income tax expense | (4,825) | (2,247) | (2,593) | (3,863) |
| Net and comprehensive income | 14,318 | 6,347 | 6,557 | 9,384 |
| Basic earnings per Unit | 0.67 | 0.30 | 0.31 | 0.44 |
| Diluted earnings per Unit | 0.67 | 0.21 | 0.28 | 0.44 |
| <u>Distributable Cash / Distributions / Payout Ratio</u> | | | | |
| Cash flows generated from operating activities | 9,939 | 9,265 | 9,419 | 9,990 |
| BPI Class B Unit entitlement | (1,171) | (1,076) | (1,097) | (1,195) |
| Interest paid on debt | (818) | (830) | (840) | (758) |
| Current income tax expense | (2,769) | (2,506) | (2,523) | (2,584) |
| Current income tax paid | 2,770 | 2,473 | 2,520 | 2,660 |
| Distributable Cash | 7,951 | 7,326 | 7,479 | 8,113 |
| Distributions paid | 7,341 | 7,341 | 8,852 | 7,214 |
| Payout Ratio | 92.3% | 100.2% | 118.4% | 88.9% |
| Distributable Cash per Unit | 0.374 | 0.344 | 0.351 | 0.381 |
| Distributions paid per Unit | 0.345 | 0.345 | 0.416 | 0.339 |
| <u>Other</u> | | | | |
| Same Restaurant Sales | 6.4% | 4.4% | 3.4% | (0.6%) |
| Number of restaurants opened | 0 | 0 | 2 | 0 |
| Number of restaurants closed | 0 | 0 | 0 | 1 |

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SUMMARY OF QUARTERLY RESULTS (continued)

| | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 |
|---|---------|---------|---------|---------|
| <i>(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)</i> | | | | |
| Number of restaurants in Royalty Pool | 372 | 372 | 377 | 377 |
| Franchise Sales reported by restaurants in the Royalty Pool | 236,792 | 222,032 | 227,665 | 240,139 |
| Royalty Income | 9,472 | 8,881 | 9,106 | 9,606 |
| Distribution Income | 3,111 | 2,919 | 2,992 | 3,155 |
| Total revenue | 12,583 | 11,800 | 12,098 | 12,761 |
| Administrative expenses | (497) | (436) | (347) | (350) |
| Interest expense on debt and financing fees | (932) | (828) | (839) | (838) |
| Interest expense on Class B Unit liability | (1,063) | (729) | (1,321) | (1,055) |
| Interest income | 69 | 66 | 57 | 72 |
| Profit before fair value gain (loss) and income taxes | 10,160 | 9,873 | 9,648 | 10,590 |
| Fair value gain (loss) on investment in BP Canada LP | 1,473 | 2,128 | 928 | (7,857) |
| Fair value (loss) gain on Class B Unit liability | (656) | (948) | (414) | 3,501 |
| Fair value (loss) gain on Swaps | (672) | 188 | (2,250) | 333 |
| Current and deferred income tax expense | (2,841) | (2,774) | (2,695) | (1,673) |
| Net and comprehensive income | 7,464 | 8,467 | 5,217 | 4,894 |
| Basic earnings per Unit | 0.35 | 0.40 | 0.25 | 0.23 |
| Diluted earnings per Unit | 0.33 | 0.37 | 0.24 | 0.06 |
| <u>Distributable Cash / Distributions / Payout Ratio</u> | | | | |
| Cash flows generated from operating activities | 9,613 | 9,100 | 9,288 | 9,659 |
| BPI Class B Unit entitlement | (1,095) | (1,072) | (1,081) | (740) |
| Interest paid on debt | (871) | (808) | (817) | (825) |
| Current income tax expense | (2,521) | (2,365) | (2,445) | (2,603) |
| Current income tax paid | 2,370 | 2,462 | 2,424 | 2,770 |
| Distributable Cash | 7,496 | 7,317 | 7,369 | 8,261 |
| Distributions paid | 7,213 | 7,086 | 6,830 | 6,848 |
| Payout Ratio | 96.2% | 96.8% | 92.7% | 82.9% |
| Distributable Cash per Unit | 0.352 | 0.344 | 0.346 | 0.387 |
| Distributions paid per Unit | 0.339 | 0.333 | 0.321 | 0.321 |
| <u>Other</u> | | | | |
| Same Restaurant Sales | 1.7% | (1.0%) | 0.6% | 5.3% |
| Number of restaurants opened | 1 | 1 | 1 | 0 |
| Number of restaurants closed | 0 | 3 | 4 | 0 |

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OVERVIEW

This MD&A covers the three-month period from April 1, 2025 to June 30, 2025 (the "**Period**") and the six-month period from January 1, 2025 to June 30, 2025 ("**YTD**") and is dated August 13, 2025. It provides additional analysis of the operations, financial position and financial performance of the Fund and should be read in conjunction with the Fund's applicable unaudited condensed consolidated interim financial statements and accompanying notes. The unaudited condensed consolidated interim financial statements of the Fund are in Canadian dollars and have been prepared in accordance with IFRS except as otherwise noted.

Purpose of the Fund / Sources of Revenue

The Fund is a limited purpose open-ended trust established in July 2002, and the units of the Fund (the "**Units**") trade on the Toronto Stock Exchange under the symbol BPF.UN. The Fund was originally created to acquire, indirectly through Royalties LP, the Canadian trademarks owned by Boston Pizza International Inc. ("**BPI**", and where applicable also includes its wholly-owned subsidiaries) (collectively, the "**BP Rights**"⁶) used in connection with the operation of Boston Pizza restaurants in Canada ("**Boston Pizza Restaurants**") and the business of BPI, its affiliated entities and franchisees (herein referred to as "**Boston Pizza**"). In May 2015, the Fund, indirectly through Holdings LP, completed an investment in Boston Pizza Canada Limited Partnership ("**BP Canada LP**") to effectively increase the Fund's interest in Franchise Sales (as defined below) of Boston Pizza Restaurants in the Royalty Pool (as defined below) by 1.5%, from 4.0% to 5.5% less the pro rata portion payable to BPI in respect of its retained interest in the Fund. BP Canada LP is a limited partnership controlled and operated by BPI and is the exclusive franchisor of Boston Pizza Restaurants.

The Fund has the following principal sources of revenue:

Royalty Income

Royalties LP licenses the BP Rights to BPI in return for BPI paying Royalties LP a royalty equal to 4.0% (the "**Royalty Income**") of Franchise Sales of those Boston Pizza Restaurants included in the Royalty Pool, as defined in the license and royalty agreement dated July 17, 2002, as amended on May 9, 2005 between Royalties LP and BPI. As of June 30, 2025, there were 372 Boston Pizza Restaurants in the Royalty Pool, of which approximately 370 were operating and open for business to the public.⁷

"**Franchise Sales**" means the gross revenue: (i) of the corporate Boston Pizza Restaurants owned by BPI that are in the Royalty Pool; and (ii) reported to BP Canada LP by franchised Boston Pizza Restaurants that are in the 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.

Distribution Income

Holdings LP holds Class 1 limited partnership units ("**Class 1 LP Units**") and Class 2 limited partnership units ("**Class 2 LP Units**") of BP Canada LP, and BPI holds, indirectly through Boston Pizza Canada Holdings

6 BP Rights are the Boston Pizza trademarks that as at July 17, 2002 were registered or the subject of pending applications for registration under the *Trademarks Act* (Canada) and other trademarks and trade names which are confusingly similar to any of the registered or pending trademarks, and any subsequently registered or applied for trademarks using or incorporating Boston, Boston's, BP or the BP roundel. The BP Rights purchased do not include the rights outside of Canada to any trademarks or trade names used by BPI or any affiliated entities in its business, and in particular do not include the rights outside of Canada to the trademarks registered or pending registration under the *Trademarks Act* (Canada).

7 Boston Pizza Restaurants may temporarily or permanently close for a variety of reasons. The Royalty Pool is adjusted only once a year on January 1 to add new Boston Pizza Restaurants that opened and to remove Boston Pizza Restaurants that permanently closed. Accordingly, the number of Boston Pizza Restaurants in the Royalty Pool at any time may exceed the number of Boston Pizza Restaurants that are actively operating and open for business to the public. See "Overview - Addition of New Restaurants to Royalty Pool" below for more information regarding adjustments to the Royalty Pool.

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Partnership (“**BPCHP**”), a general partnership owned and controlled by BPI, Class 2 general partnership units (“**Class 2 GP Units**”) of BP Canada LP, which are exchangeable into Units. The Class 1 LP Units and Class 2 LP Units entitle Holdings LP to receive distributions from BP Canada LP equal, in aggregate, to 1.5% of Franchise Sales, less the *pro rata* portion payable to BPI in respect of its retained interest in the Fund (“**Distribution Income**”). Specifically, the Class 1 LP Units entitle Holdings LP to receive a priority distribution equal to the amount of interest that Holdings LP pays on amounts drawn on Facility D (as defined below) plus 0.05% of that amount, with the balance of 1.5% of Franchise Sales being distributed *pro rata* to Holdings LP and BPI on the Class 2 LP Units and Class 2 GP Units, respectively.

Top-Line Fund / Increases in Franchise Sales

The Fund effectively has the right to receive from BPI and BP Canada LP an amount equal to 5.5% of Franchise Sales (4.0% of which is payable via the Royalty Income and 1.5% of which is payable as Distribution Income on the Class 1 LP Units and Class 2 LP Units), less the *pro rata* portion payable to BPI in respect of its retained interest in the Fund. A key attribute of the Fund’s structure is that it is a “top-line” fund. Both Royalty Income and Distribution Income of the Fund are based on Franchise Sales of Boston Pizza Restaurants in the Royalty Pool and are not determined by the profitability of BPI, BP Canada LP or Boston Pizza Restaurants in the Royalty Pool. The Fund’s cash payments include administrative expenses, principal repayments and interest expenses on debt, amounts paid by Royalties LP to BPI on the Class B general partner units (“**Class B Units**”) of Royalties LP, and current income tax. Therefore, the Fund is not subject to the variability of earnings or expenses associated with an operating business. Given this structure, the success of the Fund depends primarily on the ability of BPI and BP Canada LP to maintain and increase Franchise Sales of Boston Pizza Restaurants in the Royalty Pool.

Increases in Franchise Sales and resulting Royalty Income and Distribution Income are derived from both new Boston Pizza Restaurants added to the Royalty Pool and SRS. The two principal factors that affect SRS are changes in guest traffic and changes in average guest cheque. Increased average cheque levels are achieved through a combination of menu mix changes and increases to menu prices. However, the extent to which menu price increases result in increased average guest cheque is dependent upon consumer reaction to the price increases. Boston Pizza’s ability to increase SRS is dependent upon existing Boston Pizza Restaurants maintaining operational excellence, general market conditions, weather, menu pricing, and marketing programs undertaken by BPI and BP Canada LP. One of BPI’s and BP Canada LP’s competitive strengths in increasing Franchise Sales of existing restaurants is that the standard franchise agreement for Boston Pizza Restaurants requires that each Boston Pizza Restaurant undergoes a complete restaurant renovation every seven years and completes equipment upgrades as required by BP Canada LP. Restaurants typically close or partially close for two to three weeks to complete the renovation, which incorporates updated design elements that result in a refreshed and more appealing restaurant.

Franchise Sales are also affected by the permanent closures of Boston Pizza Restaurants. A Boston Pizza Restaurant is closed when it ceases to be viable or when the franchise agreement applicable to that Boston Pizza Restaurant has expired or been terminated.

Addition of New Restaurants to Royalty Pool

On January 1 of each year (each, an “**Adjustment Date**”), an adjustment is made to add to the Royalty Pool new Boston Pizza Restaurants that opened (“**New Restaurants**”) and to remove any Boston Pizza Restaurants that permanently closed since January 1 of the previous year (“**Closed Restaurants**”). In return for adding new Royalty Income and Distribution Income from the New Restaurants after subtracting the Royalty Income and Distribution Income that is lost from the Closed Restaurants⁸ (such difference, “**Net Royalty and Distribution Income**”), BPI receives the right to indirectly acquire additional Units (in respect of the Royalty Income, “**Class B Additional Entitlements**” and in respect of Distribution Income, “**Class 2 Additional Entitlements**”, and collectively, “**Additional Entitlements**”). The calculation of Additional Entitlements is designed to be accretive to unitholders of the Fund (“**Unitholders**”) as the expected increase in Franchise Sales from the New Restaurants

⁸ The Royalty Income and Distribution Income that is lost from the Closed Restaurants is calculated based upon the actual Franchise Sales received from the Closed Restaurants during the 12-month period immediately following their addition to the Royalty Pool.

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added to the Royalty Pool less the decrease in Franchise Sales from the Closed Restaurants is valued at a 7.5% discount. The Additional Entitlements are calculated at 92.5% of the estimated Royalty Income and Distribution Income expected to be generated by the New Restaurants less the actual Royalty Income and Distribution Income lost from the Closed Restaurants, multiplied by one minus the effective tax rate estimated to be paid by the Fund, divided by the yield of the Fund, divided by the weighted average Unit price over a specified period. BPI receives 80% of the Additional Entitlements initially, with the balance received when the actual full year performance of the New Restaurants and the actual effective tax rate paid by the Fund are known with certainty (such balance of Units in respect of the increased Royalty Income, the "**Class B Holdback**", and in respect of the increased Distribution Income, the "**Class 2 Holdback**", and collectively, the "**Holdback**"). BPI receives 100% of the distributions on the Additional Entitlements throughout the year. After the New Restaurants have been part of the Royalty Pool for a full year, an audit of the Franchise Sales of these restaurants is performed, and the actual effective tax rate paid by the Fund is determined. At such time, an adjustment is made to reconcile distributions paid to BPI and the Additional Entitlements received by BPI.

It is possible that on an Adjustment Date, the Net Royalty and Distribution Income is negative as a result of the estimated Royalty Income and Distribution Income expected to be generated by the New Restaurants being less than the actual Royalty Income and Distribution Income that is lost from the Closed Restaurants (the amount by which it is less is the "**Deficiency**"). In such case, BPI would not receive any Additional Entitlements, however, nor would BPI lose any of the Additional Entitlements previously received by BPI. Rather, on future Adjustment Dates, BPI would be required to make-up the Deficiency by first adding Net Royalty and Distribution Income in an amount equal to the Deficiency before receiving any further Additional Entitlements (i.e., BPI only receives Additional Entitlements in respect of the cumulative amount by which Royalty Income and Distribution Income from New Restaurants exceeds actual Royalty Income and Distribution Income lost from Closed Restaurants).

Economic Uncertainties

The success of BPI, BP Canada LP and Boston Pizza Restaurants, and the amount of Franchise Sales, Royalty Income, Distribution Income and the Fund's Distributable Cash available for distribution to Unitholders, are dependent upon many economic factors. In 2024 and the first half of 2025, Boston Pizza Restaurants were challenged, among other things, by impacts of inflation and interest rates, rising input costs, decreased labour availability, changes in consumer demand, some of which impact guest visitation frequencies, guests' willingness to accept price increases, and major geopolitical developments. The heightened trade tensions between Canada and the United States of America, including the imposition of tariffs and counter-tariffs, have created uncertainty and concern for Canada's macroeconomic outlook. The effects of these heightened trade tensions and associated uncertainty have the potential to increase input costs and decrease availability of goods for Boston Pizza Restaurants, together with dampening consumer demand, confidence, and discretionary spending, and increasing unemployment rates. These dynamics can contribute to broader economic contractions or recessionary conditions that directly adversely affect the performance of consumer-facing industries like casual dining.

However, Boston Pizza's supply chain is currently well positioned to weather the volatility caused by trade tensions and threats of tariffs and counter-tariffs as the overwhelming majority of raw materials purchased by Boston Pizza Restaurants in the day-to-day operation of their businesses are sourced within Canada and not subject to counter-tariffs. In addition, the trade tensions with the United States of America have resulted in Canadian consumers spending less on travel to the United States of America and more on supporting Canadian brands like Boston Pizza. Conversely, any degradation of consumer demand, confidence or discretionary spending, or increases in unemployment rates and recessionary fears may result in reduced guest visitation, average guest cheque amounts, Franchise Sales, Royalty Income, Distribution Income, the Fund's Distributable Cash available for distribution to Unitholders, and profitability of Boston Pizza Restaurants, all of which would increase the risk of Boston Pizza Restaurants closing.

However, despite these challenges and the current uncertainty, Boston Pizza Restaurants have been able to generate solid Franchise Sales and offer affordable dining options, both on and off-premise, for guests in economically uncertain times. As demonstrated during COVID-19, BPI, BP Canada LP and Boston Pizza Restaurants have the ability to adapt to changes in operating environments and economic conditions.

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For additional information regarding economic uncertainties and the strategies and tactics used by Boston Pizza to mitigate their effects, refer to the "Risks & Risk Management – Risks Related to the Business of BPI and BP Canada LP" section of Fund's Annual Information Form dated March 28, 2025, a copy of which is available the Fund's profile on SEDAR+ at www.sedarplus.ca and on the Fund's website at www.bpincomefund.com.

New Restaurant Openings, Closures and Renovations

During the Period, there were no New Restaurants (YTD – nil) and no Closed Restaurants (YTD – nil). As well, nine Boston Pizza Restaurants were renovated during the Period (YTD – 15).

OPERATING RESULTS

Same Restaurant Sales and Franchise Sales

Period

SRS was 6.4% for the Period compared to 1.7% reported in the second quarter of 2024. SRS for the Period was principally due to effective promotional initiatives, continued momentum in take-out and delivery, and favourable comparisons to a softer performance in the same period in the prior year.

Franchise Sales of Boston Pizza Restaurants in the Royalty Pool were \$251.8 million for the Period compared to \$236.8 million for the second quarter of 2024. The \$15.0 million increase in Franchise Sales for the Period was primarily due to positive SRS.

YTD

SRS was 5.5% YTD compared to 0.4% reported year-to-date in 2024. SRS was principally due to effective promotional initiatives, continued momentum in take-out and delivery, and favourable comparisons to a softer performance in the same period in the prior year.

Franchise Sales of Boston Pizza Restaurants in the Royalty Pool were \$483.0 million YTD compared to \$458.8 million year-to-date in 2024. The \$24.2 million increase in Franchise Sales YTD was primarily due to positive SRS.

Royalty Income and Distribution Income

Period

Royalty Income and Distribution Income earned by the Fund was \$10.1 million and \$3.3 million for the Period, respectively, compared to \$9.5 million and \$3.1 million, respectively, for the second quarter of 2024. Royalty Income and Distribution Income in respect of the Period was based on the Royalty Pool of 372 Boston Pizza Restaurants reporting Franchise Sales of \$251.8 million. In the second quarter of 2024, Royalty Income and Distribution Income was based on the Royalty Pool of 372 Boston Pizza Restaurants reporting Franchise Sales of \$236.8 million. The increase in Royalty Income and Distribution Income for the Period was primarily due to positive SRS.

YTD

Royalty Income and Distribution Income earned by the Fund was \$19.3 million and \$6.3 million YTD, respectively, compared to \$18.4 million and \$6.0 million, respectively, year-to-date in 2024. Royalty Income and Distribution Income YTD was based on the Royalty Pool of 372 Boston Pizza Restaurants reporting Franchise Sales of \$483.0 million. Year-to-date in 2024, Royalty Income and Distribution Income was based on the Royalty Pool of 372 Boston Pizza Restaurants reporting Franchise Sales of \$458.8 million. The increase in Royalty Income and Distribution Income YTD was primarily due to positive SRS.

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Administrative Expenses

Period

Administrative expenses incurred by the Fund were \$0.4 million for the Period, a nominal change from \$0.5 million in the second quarter of 2024. Administrative expenses are comprised of professional fees, trustee fees and expenses, the reimbursement charge payable to BPI and other general and administrative expenses.

YTD

Administrative expenses incurred by the Fund were \$0.8 million YTD, a nominal change from \$0.9 million year-to-date in 2024.

Net Interest Expense

Period

Net interest expense incurred by the Fund totaled \$1.8 million for the Period, comprised of interest on Class B Units of \$1.0 million and interest on debt and financing fees of \$0.8 million. Net interest expense incurred by the Fund totaled \$1.9 million for the second quarter of 2024, comprised of interest on Class B Units of \$1.1 million and interest on debt and financing fees of \$0.9 million, partially offset by interest income of \$0.1 million. The Class B Units are classified as financial liabilities and therefore, amounts paid by Royalties LP to BPI in respect of the Class B Units are classified as interest expense and not distributions. The \$0.1 million decrease in net interest expense for the Period was primarily due to a \$0.1 million decrease in interest expense on debt and financing fees due to lower interest rates.

YTD

Net interest expense incurred by the Fund totaled \$3.4 million YTD, comprised of interest on Class B Units of \$1.8 million and interest on debt and financing fees of \$1.7 million, partially offset by interest income of \$0.1 million. Net interest expense incurred by the Fund totaled \$3.4 million year-to-date in 2024, comprised of interest on Class B Units of \$1.8 million and interest on debt and financing fees of \$1.8 million, partially offset by interest income of \$0.1 million. The \$0.1 million decrease in interest expense on debt and financing fees was partially offset by a nominal decrease in interest income, with both changes due to lower interest rates.

Profit before Fair Value Gain (Loss) and Income Taxes

Period

The Fund's profit before fair value gain (loss) and income taxes was \$11.1 million for the Period compared to \$10.2 million for the second quarter of 2024. The \$0.9 million increase in profit before fair value gain (loss) and income taxes for the Period was primarily due to an increase in Royalty Income and Distribution Income of \$0.8 million and a decrease in interest on debt and financing fees of \$0.1 million.

YTD

The Fund's profit before fair value gain (loss) and income taxes was \$21.5 million YTD compared to \$20.0 million year-to-date in 2024. The \$1.5 million increase in profit before fair value gain (loss) and income taxes YTD was primarily due to an increase in Royalty Income and Distribution Income of \$1.3 million, a decrease in administrative expenses of \$0.1 million, and a decrease in interest on debt and financing fees of \$0.1 million.

Fair Value Gain (Loss)

The Fund classifies the investment in Class 1 LP Units and Class 2 LP Units as financial assets at fair value through profit or loss, the Class B Unit liability as a financial liability at fair value through profit or loss, and Swaps (as defined below) as derivative instruments. As such, fair value adjustments are recognized in the Fund's

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statements of comprehensive income in accordance with IFRS. For additional information regarding Swaps, refer to the "Liquidity & Capital Resources – Interest Rate Swaps" section of this MD&A. For additional information regarding financial liabilities and assets at fair value, refer to the "Critical Accounting Estimates" section of this MD&A.

Period

During the Period, the Fund recognized a fair value gain of \$8.0 million compared to \$0.1 million for the same period in 2024. The change in fair value was principally due to the change in the price of Units, which is used to estimate the value of the Class 2 LP Units and upon which the Class B Unit liability is measured. Changes in interest rates, upon which the Swaps are measured, also impact the change in fair value.

The Fund indirectly acquired the Class 1 LP Units on May 6, 2015 for \$33.3 million. The Class 1 LP Units are entitled to distributions determined with respect to the interest cost payable on Facility D. The Fund estimates the fair value of the Class 1 LP Units using a market-corroborated input, being the interest rate applicable on Facility D. Consequently, the Fund estimated the fair value of Class 1 LP Units as at June 30, 2025 to be \$33.3 million (March 31, 2025 – \$33.3 million), resulting in no fair value adjustment for the Period.

The Fund estimates the fair value of the Class 2 LP Units by multiplying the number of Class 2 LP Units indirectly held by the Fund at the end of the Period by the closing price of the Units on the last business day of the Period. Based on the Fund's closing price of \$19.75 per Unit on June 30, 2025 (March 31, 2025 – \$17.13 per Unit) and the 5,455,762 Class 2 LP Units held by the Fund (March 31, 2025 – 5,455,762), the fair value of the Class 2 LP Units was estimated to be \$107.8 million (March 31, 2025 – \$93.5 million), resulting in a fair value gain of \$14.3 million for the Period. In general, the fair value of the Class 2 LP Units will increase as the market price of Units increases and vice versa.

The Fund estimates the fair value of the Class B Unit liability by multiplying the number of Units that BPI would be entitled to receive if it exchanged all of the Class B Units (including the Class B Holdback) held by BPI at the end of the Period by the closing price of the Units on the last business day of the Period. Based on the Fund's closing price of \$19.75 per Unit on June 30, 2025 (March 31, 2025 – \$17.13 per Unit) and the 2,430,823 Units BPI would be entitled to receive if it exchanged all of the Class B Units (including the Class B Holdback) held by BPI (March 31, 2025 – 2,430,823), the Class B Unit liability (on a fully-diluted basis) was valued at \$48.0 million (March 31, 2025 – \$41.6 million), resulting in a fair value loss of \$6.4 million. In general, the Fund's Class B Unit liability will increase as the market price of Units increases and vice versa. In addition, the Fund's Class B Unit liability increases as the number of Units BPI would be entitled to receive if it exchanged all of its Class B Units (including the Class B Holdback) increases and vice versa.

The Fund recognized a fair value gain of \$0.1 million in the Period as a result of the increase in the fair value of the Swaps due to changes in interest rates during the Period. For the same period in 2024, the Fund recognized a fair value loss of \$0.7 million as a result of the decrease in the fair value of the Swaps due to changes in interest rates.

YTD

YTD, the Fund recognized a fair value gain of \$6.3 million compared to \$1.5 million for the same period in 2024. The change in fair value was principally due to the change in the price of Units, which is used to estimate the value of the Class 2 LP Units and upon which the Class B Unit liability is measured. Changes in interest rates, upon which the Swaps are measured, also impact the change in fair value.

The Fund indirectly acquired the Class 1 LP Units on May 6, 2015 for \$33.3 million. As discussed above, the Fund estimated the fair value of Class 1 LP Units as at June 30, 2025 to be \$33.3 million (December 31, 2024 – \$33.3 million), resulting in no fair value adjustment YTD.

As at December 31, 2024, the Fund indirectly held 5,455,762 Class 2 LP Units and the Fund's closing price was \$17.48. Consequently, the Fund estimated the fair value of the Class 2 LP Units as at December 31, 2024 to be \$95.4 million. As discussed above, the Fund estimated the fair value of the Class 2 LP Units as at June 30, 2025

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to be \$107.8 million, resulting in a fair value gain of \$12.4 million YTD. In general, the fair value of the Class 2 LP Units will increase as the market price of Units increases and vice versa.

As at December 31, 2024, the number of Units BPI would be entitled to receive if it exchanged all of the Class B Units (including the Class B Holdback) held by BPI was 2,430,823 and the Fund's closing price was \$17.48 per Unit. The Class B Unit liability (on a fully-diluted basis) as at December 31, 2024 was valued at \$42.5 million. As discussed above, the Class B Unit liability YTD was valued at \$48.0 million as at June 30, 2025, resulting in a fair value loss of \$5.5 million.

The Fund recorded a \$0.6 million fair value loss YTD as a result of the decrease in the fair value of the Swaps due to changes in interest rates YTD. Year-to-date in 2024, the Fund recorded a \$0.5 million fair value loss as a result of the decrease in the fair value of the Swaps due to changes in interest rates.

Income Taxes

The Fund is subject to specified investment flow-through tax ("**SIFT Tax**"), which is the Fund's only current income tax expense.

Period

The Fund's income tax expense for the Period was \$4.8 million, comprised of \$2.8 million in current income tax expense and \$2.0 million in non-cash deferred income tax expense. The Fund's income tax expense for the second quarter of 2024 was \$2.8 million, comprised of \$2.5 million in current income tax expense and \$0.3 million in non-cash deferred income tax expense. The \$0.3 million increase in current income tax expense is due to higher profit before fair value gain (loss) and income taxes. The \$1.7 million increase in non-cash deferred income tax expense is due to changes in the temporary differences between the accounting and tax base of: (i) the BP Rights owned by Royalties LP generated since the inception of the Fund; (ii) the Fund's indirect investment in BP Canada LP; and (iii) the fair value of the Swaps.

YTD

The Fund's income tax expense YTD was \$7.1 million, comprised of \$5.3 million in current income tax expense and \$1.8 million in non-cash deferred income tax expense. The Fund's income tax expense year-to-date in 2024 was \$5.6 million, comprised of \$4.9 million in current income tax expense and \$0.7 million in non-cash deferred income tax expense. The \$0.4 million increase in current income tax expense is due to higher profit before fair value gain (loss) and income taxes. The \$1.1 million increase in non-cash deferred income tax expense is due to changes in the temporary differences between the accounting and tax base of: (i) the BP Rights owned by Royalties LP generated since the inception of the Fund; (ii) the Fund's indirect investment in BP Canada LP; and (iii) the fair value of the Swaps.

Net and Comprehensive Income / Basic and Diluted Earnings

Period

The Fund's net and comprehensive income was \$14.3 million for the Period compared to \$7.5 million for the second quarter of 2024. The Fund's basic earnings per Unit was \$0.67 for the Period compared to \$0.35 for the second quarter of 2024. The Fund's diluted earnings per Unit was \$0.67 for the Period compared to \$0.33 for the second quarter of 2024. The \$6.8 million increase in the Fund's net and comprehensive income for the Period compared to the second quarter of 2024 was primarily due to a \$7.9 million increase in fair value gain and a \$0.9 million increase in profit before fair value gain (loss) and income taxes, partially offset by an increase in current and deferred income tax expense of \$2.0 million.

YTD

The Fund's net and comprehensive income was \$20.7 million YTD compared to \$15.9 million year-to-date in 2024. The Fund's basic earnings per Unit was \$0.97 YTD compared to \$0.75 year-to-date in 2024. The Fund's

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diluted earnings per Unit was \$0.97 YTD compared to \$0.74 year-to-date in 2024. The \$4.8 million increase in the Fund's net and comprehensive income YTD compared to the same period in 2024 was primarily due to a \$4.8 million increase in fair value gain and a \$1.5 million increase in profit before fair value gain (loss) and income taxes, partially offset by an increase in current and deferred income tax expense of \$1.5 million.

Distributions

Period

During the Period, the Fund declared distributions on the Units in the aggregate amount of \$7.3 million or \$0.345 per Unit. During the second quarter of 2024, the Fund declared distributions on the Units in the aggregate amount of \$7.2 million or \$0.339 per Unit. During the Period, the Fund paid distributions on the Units in the aggregate amount of \$7.3 million or \$0.345 per Unit. During the second quarter of 2024, the Fund paid distributions on the Units in the aggregate amount of \$7.2 million or \$0.339 per Unit. The amount of distributions declared during the Period increased by \$0.1 million or \$0.006 per Unit due to the monthly distribution rate increasing from \$0.113 per Unit to \$0.115 per Unit commencing with the November 2024 distribution (the "**November 2024 Distribution Increase**"). The amount of distributions paid during the Period increased by \$0.1 million or \$0.006 per Unit due to the November 2024 Distribution Increase.

YTD

YTD, the Fund declared distributions on the Units in the aggregate amount of \$12.2 million or \$0.575 per Unit. During the same period in 2024, the Fund declared distributions on the Units in the aggregate amount of \$12.0 million or \$0.565 per Unit. YTD, the Fund paid distributions on the Units in the aggregate amount of \$14.7 million or \$0.690 per Unit. During the same period in 2024, the Fund paid distributions on the Units in the aggregate amount of \$14.3 million or \$0.672 per Unit. The amount of distributions declared YTD increased by \$0.2 million or \$0.010 per Unit due to the November 2024 Distribution Increase. The amount of distributions paid YTD increased by \$0.4 million or \$0.018 per Unit due to the monthly distribution rate increasing from \$0.107 per Unit to \$0.113 per Unit commencing with the January 2024 distribution (the "**January 2024 Distribution Increase**") and the November 2024 Distribution Increase.

The Fund pays distributions on the Units in respect of any calendar month not later than the last business day of the immediately subsequent month. Consequently, monthly distributions payable by the Fund on the Units in respect of the Period were the April 2025 distribution (which was paid on May 30, 2025), the May 2025 distribution (which was paid on June 30, 2025), and the June 2025 distribution (which was paid on July 31, 2025). Similarly, the distributions payable by the Fund on the Units in respect of any other period are paid in the immediately subsequent month of such period.

August 2025 Distribution Increase

On August 13, 2025, the trustees of the Fund declared a distribution for the period of July 1, 2025 to July 31, 2025 of \$0.120 per Unit, which will be payable on August 29, 2025 to Unitholders of record on August 21, 2025. This is an increase of \$0.005 per Unit, or 4.3%, from the previous monthly distribution rate of \$0.115 per Unit. On an annualized basis, the new monthly distribution rate equates to \$1.440 per Unit compared to \$1.380 per Unit for the previously monthly distribution rate. Including the July 2025 distribution, which will be paid on August 29, 2025, the Fund will have paid out total distributions of \$470.5 million or \$28.26 per Unit, which includes 271 monthly distributions and three special distributions.

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Distributions related to the Period were as follows:

| PERIOD | PAYMENT DATE | AMOUNT/UNIT |
|--------------------|---------------------|--------------------|
| March 1 – 31, 2025 | April 30, 2025 | 11.5¢ |
| April 1 – 30, 2025 | May 30, 2025 | 11.5¢ |
| May 1 – 31, 2025 | June 30, 2025 | 11.5¢ |
| June 1 – 30, 2025 | July 31, 2025* | 11.5¢ |

* Declared and paid subsequent to the Period.

Distributions for the Period were funded entirely by cash flows generated from operating activities. No debt was incurred at any point during the Period to fund distributions.

Cash Flows from Operating Activities

Period

Cash generated from operating activities for the Period was \$9.9 million compared to \$9.6 million in the second quarter of 2024. The increase of \$0.3 million was primarily due to an increase in Royalty Income and Distribution Income of \$0.8 million, partially offset by an increase in income taxes paid of \$0.4 million and a decrease in changes in working capital of \$0.1 million.

YTD

Cash generated from operating activities YTD was \$19.2 million compared to \$18.7 million in the same period in 2024. The increase of \$0.5 million was primarily due to an increase in Royalty Income and Distribution Income of \$1.3 million, partially offset by an increase in income taxes paid of \$0.4 million and a decrease in changes in working capital of \$0.4 million.

Cash Flow used in Financing Activities

Period

During the Period, the Fund used \$9.2 million in cash for financing activities compared to \$9.2 million in the second quarter of 2024. The nominal increase was due to higher distributions paid to Unitholders of \$0.1 million, partially offset by lower interest paid on debt of \$0.1 million.

YTD

YTD, the Fund used \$18.5 million in cash for financing activities compared to \$18.1 million in the same period in 2024. The increase of \$0.4 million was primarily due to higher distributions paid to Unitholders.

Distributable Cash / Distributable Cash per Unit

Period

The Fund generated Distributable Cash of \$8.0 million for the Period compared to \$7.5 million for the second quarter of 2024. The increase in Distributable Cash of \$0.5 million or 6.1% was primarily due to an increase in cash flows generated from operating activities of \$0.3 million, SIFT Tax on Units adjustment of \$0.2 million and lower interest paid on debt of \$0.1 million, partially offset by an increase in Class B Unit entitlement of \$0.1 million.

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The Fund generated Distributable Cash per Unit of \$0.374 for the Period compared to \$0.352 per Unit for the second quarter of 2024. The increase in Distributable Cash per Unit of \$0.022 or 6.3% was primarily attributable to the increase in Distributable Cash outlined above.

YTD

The Fund generated Distributable Cash of \$15.3 million YTD compared to \$14.8 million for the same period in 2024. The increase in Distributable Cash of \$0.5 million or 3.1% was primarily due to an increase in cash generated from operating activities of \$0.5 million.

The Fund generated Distributable Cash per Unit of \$0.718 YTD compared to \$0.696 per Unit for the same period in 2024. The increase in Distributable Cash per Unit of \$0.022 or 3.2% was primarily attributable to the increase in Distributable Cash outlined above.

The Fund's Distributable Cash and Distributable Cash per Unit since January 1, 2023, generated in each financial quarter, are as follows:

Distributable Cash

| <i>(in millions of dollars)</i> | Q1 | Q2 | Q3 | Q4 | Annual |
|---------------------------------|--------|---------------|--------|--------|---------|
| 2025 | \$ 7.3 | \$ 8.0 | | | |
| 2024 | \$ 7.3 | \$ 7.5 | \$ 8.1 | \$ 7.5 | \$ 30.4 |
| 2023 | \$ 7.2 | \$ 7.9 | \$ 8.3 | \$ 7.4 | \$ 30.7 |

Distributable Cash per Unit

| | Q1 | Q2 | Q3 | Q4 | Annual |
|------|----------|-----------------|----------|----------|----------|
| 2025 | \$ 0.344 | \$ 0.374 | | | |
| 2024 | \$ 0.344 | \$ 0.352 | \$ 0.381 | \$ 0.351 | \$ 1.429 |
| 2023 | \$ 0.334 | \$ 0.365 | \$ 0.387 | \$ 0.346 | \$ 1.432 |

Payout Ratio

Period

The Fund's Payout Ratio for the Period was 92.3% compared to 96.2% in the second quarter of 2024. The decrease in the Fund's Payout Ratio for the Period was due to Distributable Cash increasing by \$0.5 million or 6.1%, partially offset by distributions paid increasing by \$0.1 million or 1.8%.

YTD

The Fund's Payout Ratio YTD was 96.1% compared to 96.5% year-to-date in 2024. The decrease in the Fund's Payout Ratio YTD was due to Distributable Cash increasing by \$0.5 million or 3.1%, partially offset by distributions paid increasing by \$0.4 million or 2.7%.

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The Fund's quarterly and annual Payout Ratios with respect to each financial quarter since January 1, 2023 are as follows:

| | Q1 | Q2 | Q3 | Q4 | Annual |
|------|--------|--------------|-------|--------|--------|
| 2025 | 100.2% | 92.3% | | | |
| 2024 | 96.8% | 96.2% | 88.9% | 118.4% | 99.9% |
| 2023 | 91.6% | 88.0% | 82.9% | 92.7% | 88.6% |

The Fund's Payout Ratio fluctuates quarter-to-quarter depending upon the amount of distributions paid during a quarter and the amount of Distributable Cash generated during that quarter. On a trailing 12-month basis, the Fund's Payout Ratio was 99.6% as at June 30, 2025.

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Units Outstanding

The following table sets forth a summary of the outstanding Units. BPI owns 100% of the Class B Units and 1% of the ordinary general partner units of Royalties LP. BPI also owns 100% of the Class 2 GP Units, and 100% of the Class 3, Class 4, Class 5 and Class 6 general partnership units of BP Canada LP. The Class B Units and Class 2 GP Units are exchangeable for Units. References to “Class B Additional Entitlements” and “Class 2 Additional Entitlements” in the table below refer to the number of Units into which the Class B Units and Class 2 GP Units, respectively, are exchangeable as of the dates indicated.

| | Issued and Outstanding Units and Additional Entitlements | Issued and Outstanding Units, Additional Entitlements and Holdback |
|---|--|---|
| <u>Units Outstanding</u> | | |
| Issued and Outstanding Units as of June 30, 2025 | 21,278,563 | 21,278,563 |
| <u>Class B Additional Entitlements Outstanding</u> | | |
| Class B Additional Entitlements – Outstanding as of December 31, 2024 | 2,430,823 | 2,430,823 |
| Class B Additional Entitlements – Issued as of January 1, 2025 | -- | -- (1) |
| Class B Holdback Created January 1, 2025 | N/A | -- (1) |
| Class B Additional Entitlements – Issued in respect of 2024 after the audit | N/A | N/A |
| Total Class B Additional Entitlements as of August 13, 2025 | 2,430,823 | 2,430,823 |
| <u>Class 2 Additional Entitlements Outstanding</u> | | |
| Class 2 Additional Entitlements – Outstanding as of December 31, 2024 | 831,354 | 831,354 |
| Class 2 Additional Entitlements – Issued as of January 1, 2025 | -- | -- (1) |
| Class 2 Holdback Created January 1, 2025 | N/A | -- (1) |
| Class 2 Additional Entitlements – Issued in respect of 2024 after the audit | N/A | N/A |
| Total Class 2 Additional Entitlements as of August 13, 2025 | 831,354 | 831,354 |
| <u>Summary as of August 13, 2025</u> | | |
| Total Issued and Outstanding Units | 21,278,563 | 21,278,563 |
| Total Additional Entitlements | 3,262,177 | 3,262,177 |
| Fully Diluted Units | 24,540,740 | 24,540,740 |
| BPI’s Percentage Ownership | 13.3% | 13.3% |

1) No Additional Entitlements were issued to BPI and no Holdback was created since a Deficiency existed in respect of the Adjustment Date of 2025.

BPI directly and indirectly holds 100% of the special voting units (the “**Special Voting Units**”) of the Fund, which entitle BPI to one vote in respect of matters to be voted upon by Unitholders for each Unit that BPI would be entitled to receive if it exchanged all of its Class B Units and Class 2 GP Units for Units. As of August 13, 2025, BPI was entitled to 3,262,177 votes, representing 13.3% of the aggregate votes held by holders of Units and Special Voting Units. The number of Units that BPI is entitled to receive upon the exchange of its Class B Units and Class 2 GP Units and the number of votes that BPI is entitled to in respect of its Special Voting Units is adjusted periodically to reflect any additional Boston Pizza Restaurants that were added to the Royalty Pool.

LIQUIDITY & CAPITAL RESOURCES

The Fund’s long-term distribution policy is to distribute the total amount of cash received by the Fund from the Trust on the units of the Trust and notes of the Trust less the sum of: (a) administrative expenses and other obligations of the Fund; (b) amounts which may be paid by the Fund in connection with any cash redemptions of Units; (c) any interest expense incurred by the Fund; (d) any contractually required repayments of principal of the Fund’s indebtedness; and (e) reasonable reserves established by the trustees of the Fund in their sole discretion, including, without limitation, reserves to pay SIFT Tax, in order to maximize returns to Unitholders. The Fund’s policy is to make equal distribution payments to Unitholders on a monthly basis in order to smooth out fluctuations in Distributable Cash. Any further change in distributions will be implemented in such a manner so that the continuity of uniform monthly distributions is maintained, while making provisions for working capital due to seasonal variations of Boston Pizza Restaurant sales. It is expected that future distributions will continue to be funded entirely by cash flows from operations. The Fund believes its current sources of liquidity are sufficient to cover its currently known short and long-term obligations. While the Credit Facilities (defined below) mature on

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July 1, 2026, the Fund expects that it will be able to refinance the Credit Facilities before then on acceptable terms. This is based on the Fund's ability to generate positive cash flow from operations, its history of being able to successfully refinance its debt, its pro forma debt to EBITDA ratio being at a foreseeably manageable level by industry standards, and positive relationships with lenders.

Indebtedness

Credit Facilities

Holdings LP and Royalties LP have credit facilities with a Canadian chartered bank (the "**Bank**") in the amount of up to \$88.6 million that are scheduled to expire on July 1, 2026 (the "**Credit Facilities**"). The Credit Facilities are comprised of a: (a) \$2.0 million committed operating facility issued to Royalties LP ("**Facility A**"); (b) \$53.3 million committed non-revolving credit facility issued to Royalties LP for the purpose of refinancing Royalties LP's previous credit facilities, to facilitate the Fund repurchasing and cancelling Units under normal course issuer bids or substantial issuer bids, to finance the cash component of any exchange of exchangeable units of BP Canada LP and to repay reimbursement charges owing by Royalties LP to BPI for performing administrative services to the Fund ("**Facility B**"); and (c) \$33.3 million committed non-revolving credit facility issued to Holdings LP for the purpose of subscribing for Class 1 LP Units of BP Canada LP ("**Facility D**"). The amount available under Facility B permanently reduces whenever Royalties LP repays principal on Facility B. The principal amounts drawn on Facility A, Facility B and Facility D are due and payable upon maturity.

The Credit Facilities bear interest at variable interest rates as selected by Holdings LP and Royalties LP. In the case of Canadian prime rate loans, the interest rate is equal to the Bank's prime rate plus between 0.00% and 0.65% (depending on the Fund's total funded net debt to EBITDA ratio) and, in the case of Canadian Overnight Repo Rate Average ("**CORRA**") loans, the interest rate is equal to: (i) CORRA; plus (ii) a credit spread adjustment ("**CSA**") of either 0.29547% or 0.32138% depending upon whether the CORRA loan has a one-month or three-month interest period; plus (iii) between 1.25% and 1.85% (depending on the Fund's total funded net debt to EBITDA ratio).

Security and Covenants

The Credit Facilities are secured by a first charge on the assets of Holdings LP and Royalties LP. The Credit Facilities are guaranteed by the Fund and all of its subsidiaries, each of whom granted security over all its assets in favour of the Bank in support of such guarantees. Neither BPI nor any of its subsidiaries has guaranteed or provided any security in respect of the Credit Facilities.

The principal financial covenants of the Credit Facilities are that: (a) the Fund and its subsidiaries (including Holdings LP and Royalties LP), taken as a whole, shall maintain a total funded net debt to EBITDA ratio of not greater than 2.50:1 upon closing and until December 30, 2024 and not greater than 2.25:1 thereafter (tested quarterly); and (b) the total amount of certain permitted distributions of the Fund (including distributions to Unitholders) must not exceed the sum of the Fund's Distributable Cash (as Distributable Cash is defined in the First Amended and Restated Credit Agreement dated January 24, 2020) and cash on hand by greater than \$2.0 million (tested quarterly on a trailing 12-month basis). In addition, the agreements governing the Credit Facilities contain certain covenants and restrictions, including the requirement to meet the financial ratios described above. A failure of the Fund or its subsidiaries to comply with these covenants and restrictions could entitle the Bank to demand repayment of the outstanding balance drawn on the Credit Facilities prior to maturity. Royalties LP and Holdings LP were in compliance with all of their financial covenants and financial condition tests as at the end of the Period. Full particulars of the Credit Facilities, including applicable interest rates, security, guarantees and other terms and conditions are contained within: (i) the First Amended and Restated Credit Agreement dated January 24, 2020; (ii) the First Supplemental Credit Agreement dated June 22, 2020; (iii) the Second Supplemental Credit Agreement dated June 28, 2022; and (iv) the Third Supplemental Credit Agreement dated June 14, 2024 (which are the agreements that govern the Credit Facilities), each of which is available on the Fund's profile on SEDAR+ at www.sedarplus.ca.

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As of June 30, 2025, Adjusted Working Capital⁹ of the Fund totaled \$9.8 million compared to \$10.6 million on June 30, 2024. The Fund has no requirement to maintain a certain amount of working capital. As of June 30, 2025, no amounts were drawn on Facility A, \$53.3 million was drawn on Facility B and \$33.3 million was drawn on Facility D.

The following table provides a summary of the Fund’s contractual obligations and commitments (including expected interest payments) as at June 30, 2025:

| (in thousands of dollars) | < 1 year | 1 - 5 years | Total | Book Value |
|--|----------|-------------|--------|------------|
| Accounts payable and accrued liabilities | 623 | – | 623 | 623 |
| Current income tax payable | 35 | – | 35 | 35 |
| Credit Facilities and Swaps ¹ | 3,656 | 86,648 | 90,304 | 87,069 |
| | 4,314 | 86,648 | 90,962 | 87,727 |

Note:

- 1) The Credit Facilities and Swaps include expected interest payments based on the Fund’s blended rate of 3.77% to the scheduled maturity date of the Credit Facilities of July 1, 2026 and excludes deferred financing costs of \$0.1 million.

Interest Rate Swaps

Royalties LP and Holdings LP, as applicable, previously entered into the following interest rate swaps under their respective International Swap Dealers Association Master Agreements with the Bank (the “Swaps”):

- (a) Royalties LP entered into a swap to fix the interest rate at 2.28% plus between 1.25% and 1.85% per annum (depending upon debt to EBITDA ratios) for a term ending on February 1, 2027 for \$15.0 million of the \$53.3 million drawn on Facility B;
- (b) Royalties LP entered into a swap to fix the interest rate at 3.48% plus between 1.25% and 1.85% per annum (depending upon debt to EBITDA ratios) for a term ending on January 4, 2028 for \$15.0 million of the \$53.3 million drawn on Facility B;
- (c) Royalties LP entered into a swap to fix the interest rate at 3.48% plus the applicable CSA plus between 1.25% and 1.85% per annum (depending upon debt to EBITDA ratios) for a term ending on July 3, 2029 for \$15.0 million of the \$53.3 million drawn on Facility B;
- (d) Holdings LP entered into a swap to fix the interest rate at 1.02% plus between 1.25% and 1.85% per annum (depending upon debt to EBITDA ratios) for a term ending on August 14, 2025 for \$17.0 million of the \$33.3 million drawn on Facility D; and
- (e) Holdings LP entered into a swap to fix the interest rate at 1.09% plus between 1.25% and 1.85% per annum (depending upon debt to EBITDA ratios) for a term ending on March 1, 2026 for \$15.0 million of the \$33.3 million drawn on Facility D.

As of June 30, 2025, \$8.3 million drawn on Facility B and \$1.3 million drawn on Facility D bore interest at variable interest rates applicable to the Credit Facilities discussed above. The effective interest rate for all amounts borrowed by the Fund was 3.77% at June 30, 2025 (June 30, 2024 – 3.97%).

⁹ Adjusted Working Capital does not include the current portion of Class B Unit liability as this will be settled with equity rather than cash. Adjusted Working Capital is a supplementary financial measure under NI 52-112 and therefore may not be comparable to similar measures presented by other issuers. “Adjusted Working Capital” is defined as the Fund’s current assets less current liabilities excluding the current portion of the Class B unit liability. The Fund believes this metric provides Unitholders useful information as Adjusted Working Capital represents the Fund’s working capital amounts expected to be settled for actual cash within the next twelve months.

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The Fund uses the Swaps to mitigate its exposure to interest rate risk related to the Credit Facilities. The Fund accounts for the Swaps as derivative instruments in accordance with IFRS. The fair market value of the Swaps is determined using valuation techniques at each reporting date and any change in the fair value of the Swaps is included in the Fund’s comprehensive income or loss. The Fund’s usage of the Swaps has the risk of imposing higher interest rates on the Fund due to interest rate fluctuation if the interest rates fixed by the Swaps are higher than the interest rates that would otherwise apply if the Swaps had not been used. Any risk exposure arising from the Swaps relating to counterparties defaulting on their obligations is minimized by dealing only with major financial institutions. The Fund recognized a \$0.1 million fair value gain on the Swaps for the Period in its consolidated statements of comprehensive income compared to a fair value loss of \$0.7 million in the second quarter of 2024. YTD, the Fund recorded a \$0.6 million fair value loss on the Swaps (year-to-date 2024 – \$0.5 million) in the consolidated statements of comprehensive income.

Related Party Transactions

BPI and BP Canada LP are considered to be related parties of the Fund by virtue of the common officers and directors of BPI and Royalties GP. The Fund’s related party balances owing at the end of the Period and transactions for the Period were as follows:

| (in thousands of dollars) | June 30, 2025 | June 30, 2024 |
|--|------------------|------------------|
| Royalty receivable from BPI | \$ 3,611 | \$ 3,475 |
| Distributions receivable from BP Canada LP | 1,128 | 1,087 |

| (in thousands of dollars) | Q2 2025 | Q2 2024 | YTD 2025 | YTD 2024 |
|--|---------|---------|----------|----------|
| Administrative services ⁽¹⁾ | \$ 113 | \$ 111 | \$ 227 | \$ 222 |
| Royalty income | 10,072 | 9,472 | 19,318 | 18,353 |
| Distribution income | 3,306 | 3,111 | 6,342 | 6,030 |
| Interest expense on Class B unit liability | 1,046 | 1,063 | 1,776 | 1,792 |

⁽¹⁾ The Fund has engaged Royalties LP, its administrator, to provide certain administrative services on behalf of the Fund (“**Administrative Services**”). In turn, certain of the Administrative Services are performed by BPI as a general partner of Royalties LP. Under the terms of the partnership agreement governing Royalties LP, BPI is entitled to be reimbursed for certain out-of-pocket expenses incurred in performing the Administrative Services. BPI and Royalties LP agreed to limit the annual amount of out-of-pocket expenses for which BPI is entitled to be reimbursed to not more than \$0.4 million for 2020, 2021 and 2022, after which time the amount will not increase by more than the percentage change in the Canadian Consumer Price Index (as calculated by Statistics Canada) in the calendar year prior thereafter. The Fund increased the reimbursement to BPI by a nominal amount in 2024, which was based on a 3.9% increase in the Canadian Consumer Price Index in 2023. The Fund further increased the reimbursement to BPI by a nominal amount in 2025, which was based on a 2.4% increase in the Canadian Consumer Price Index in 2024.

Other related party transactions and balances are referred to elsewhere in this MD&A.

**DISCLOSURE CONTROLS AND PROCEDURES
AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The President (“**President**”) and the Chief Financial Officer (“**CFO**”) of Royalties GP, managing general partner of Royalties LP, administrator of the Fund, have designed or caused to be designed under their supervision disclosure controls and procedures, as defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, to provide reasonable assurance that: (a) material information regarding the Fund is accumulated and communicated to the Fund’s administrator, Royalties LP, as well as the President and CFO in a timely manner, particularly during the period in which the annual and interim filings are being prepared; and (b) information required to be disclosed by the Fund in its annual filings, interim filings or other reports filed and submitted by it under applicable securities legislation is recorded, processed, summarized and reported within the prescribed time periods specified in securities legislation. In addition, the President and the CFO have designed or caused to be designed under their supervision internal controls over financial reporting, as defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, to provide

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reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

During the Period, there was no change in the Fund's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting. The Fund complies with the Committee of Sponsoring Organizations of the Treadway Commission Internal Control – Integrated Framework: 2013.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Fund's unaudited condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management judgment and estimates relate to the determination of the following:

Judgment – Consolidation

Applying the criteria outlined in IFRS 10 – Consolidated Financial Statements, judgment is required in determining whether the Fund controls Royalties LP. Making this judgment involves taking into consideration the concepts of power over Royalties LP, exposure and rights to variable returns, and the ability to use power to direct the relevant activities of Royalties LP so as to generate economic returns. Using these criteria, management has determined that the Fund ultimately controls Royalties LP through its 80% ownership of the managing general partner, Royalties GP.

Estimates - Intangible Assets – the BP Rights

The Fund carries the BP Rights at historical cost comprising the amount of consideration paid for the BP Rights in 2002, as well as the value of additional Boston Pizza Restaurants added to the Royalty Pool to date. The value of additional Boston Pizza Restaurants added to the Royalty Pool is determined on a formula basis that is designed to estimate the present value of the cash flows that would ultimately be payable to the Fund as a result of the new Boston Pizza Restaurants being added to the Royalty Pool. The calculation is dependent on a number of different variables including the estimated sales of the new Boston Pizza Restaurants for the calendar year in which they are added to the Royalty Pool and the tax rate. The value assigned to the new Boston Pizza Restaurants, and as a result, the value assigned to the BP Rights, could differ from actual results.

The Fund considers both external and internal sources of information in assessing whether there are any indicators that the BP Rights are impaired. External sources of information the Fund considers include changes in the market, including the Fund's market capitalization relative to its net asset carrying amount, and the economic and legal environment in which the Fund operates, which are not within its control and are expected to affect the recoverable amount of the asset. Internal sources of information the Fund considers include the expected annual Franchise Sales of the Boston Pizza Restaurants discounted by the yield of Units. There were no indicators of impairment at June 30, 2025.

Estimate – Class B Units, Class 1 LP Units and Class 2 LP Units Fair Value Adjustments

The Fund must classify fair value measurements according to a hierarchy that reflects the significance of the inputs used in performing such measurements. The Fund's fair value hierarchy comprises the following levels:

- Level 1 – quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – pricing inputs are other than quoted in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date.

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- Level 3 – valuations in this level are those with inputs for the asset or liability that are not based on observable data.

The fair values of the Class B Unit liability, Class 1 LP Units and Class 2 LP Units are all determined using Level 2 inputs and are measured on a recurring basis.

(i) Class B Units

The Fund records its Class B Unit liabilities at fair value, which may result in changes to the fair value adjustment on the Class B Unit liability line on the statements of financial position, the fair value gain (loss) on the Class B Unit liability line on the statements of comprehensive income (loss), and the corresponding non-cash adjustment line on the statements of cash flows. This requires that the Fund use a valuation technique to determine the value of the Class B Unit liability at each reporting date. The Fund estimates the fair value of the Class B Unit liability using a market approach by multiplying the number of Units BPI would be entitled to receive if it exchanged all Class B Units (including the Class B Holdback) held by BPI at the end of the Period by the closing price of the Units on the last business day of the Period. This valuation technique may not represent the actual value of the financial liability should such Class B Units be extinguished. Changes in the distribution rate on the Class B Units and the yield of the Fund's Units could materially impact the Fund's financial position and net income.

(ii) Class 1 Units and Class 2 LP Units

The Fund records the Class 1 LP Units and Class 2 LP Units held by Holdings LP at fair value, which may result in a fair value adjustment on the investment in BP Canada LP financial asset line on the statements of financial position, and fair value gain (loss) line on the statements of comprehensive income (loss), and a corresponding non-cash adjustment line on the statements of cash flows.

The Class 1 LP Units are entitled to distributions determined with respect to the interest cost payable on Facility D. The Fund estimates the fair value of the Class 1 LP Units using a market-corroborated input, being the interest rate applicable on Facility D. Consequently, the Fund estimated the fair value of Class 1 LP Units at carrying value adjusted for interest rate risk.

The fair value of the Class 2 LP Units is determined using a market approach, which involves using observable market prices for similar instruments. The Class 2 LP Units have similar cash distribution entitlements to the Class 2 GP Units, which are exchangeable into Units. Consequently, the Fund estimates the fair value of the Class 2 LP Units by multiplying the issued and outstanding number of Class 2 LP Units indirectly held by the Fund at the end of the applicable period by the closing price of the Units at the end of that period (or previous business day, if such day is not a business day).

These valuation techniques may not represent the actual value of the Class 1 LP Units and Class 2 LP Units should such units be sold. Changes in the distribution rates on the Class 1 LP Units and Class 2 LP Units and the yield of the Fund's Units could materially impact the Fund's financial position and net income.

SHORT-TERM OUTLOOK

The information contained in this "Short-Term Outlook" section is forward-looking information. Please see the "Note Regarding Forward-Looking Information" and "Risks & Risk Management" sections of this MD&A for a discussion of the risks and uncertainties in connection with forward-looking information.

The success of the Fund, BPI, BP Canada LP, and Boston Pizza Restaurants, including the amount of Franchise Sales, Royalty Income, Distribution Income, and Distributable Cash available for distribution to Unitholders, depends on both consumer demand and restaurant-level operations. Consumer demand is driven by consumer confidence and discretionary spending, both of which are influenced by macroeconomic factors such as inflation and interest rates, wage growth and unemployment levels, recession risks, competition within the restaurant industry, evolving consumer preferences, changes in taxation and major geopolitical developments, including tariffs. At the restaurant level, success is also impacted by supply chain disruptions, labor availability, rising input costs, and other operational challenges.

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The heightened trade tensions between Canada and the United States of America, including the imposition of tariffs and counter-tariffs, have created uncertainty and concern for Canada's macroeconomic outlook. The effects of these heightened trade tensions and associated uncertainty have the potential to increase input costs and decrease availability of goods for Boston Pizza Restaurants, together with dampening consumer demand, confidence, and discretionary spending, and increasing unemployment rates. These dynamics can contribute to broader economic contractions or recessionary conditions that directly adversely affect the performance of consumer-facing industries like casual dining.

However, as noted above, Boston Pizza's supply chain is currently well positioned to weather the volatility caused by trade tensions and threats of tariffs and counter-tariffs as the overwhelming majority of raw materials purchased by Boston Pizza Restaurants in the day-to-day operation of their businesses are sourced within Canada and not subject to counter-tariffs. In addition, the trade tensions with the United States of America have resulted in Canadian consumers spending less on travel to the United States of America and more on supporting Canadian brands like Boston Pizza. Conversely, any degradation of consumer demand, confidence or discretionary spending, or increases in unemployment rates and recessionary fears may result in reduced guest visitation, average guest cheque amounts, Franchise Sales, Royalty Income, Distribution Income, the Fund's Distributable Cash available for distribution to Unitholders, and profitability of Boston Pizza Restaurants, all of which would increase the risk of Boston Pizza Restaurants closing.

Despite these obstacles, Boston Pizza Restaurants have consistently generated strong Franchise Sales by providing guests with appealing dining options that emphasize quality, value, and convenience, both on-premise and off-premise. BPI, BP Canada LP, and Boston Pizza Restaurants have demonstrated adaptability in navigating changing economic conditions and challenging operating environments. BPI's management remains proactive and committed to adjusting its business strategy to effectively address these challenges and sustain positive sales momentum in 2025.

The trustees of the Fund will continue to closely monitor the Fund's available cash balances and distribution levels to maintain a stable and sustainable return for the Unitholders.

RISKS & RISK MANAGEMENT

For information on risks and risk management related to the Fund and BPI, please refer to the Fund's Annual Information Form dated March 28, 2025, a copy of which is available on the Fund's profile on SEDAR+ at www.sedarplus.ca and on the Fund's website at www.bpincomefund.com.

ADDITIONAL INFORMATION

Additional information relating to the Fund, Royalties LP, Royalties GP, BPCHP, the Trust, Holdings LP, Holdings GP, BPI and BP Canada LP, including the Fund's Annual Information Form dated March 28, 2025, is available on the Fund's profile on SEDAR+ at www.sedarplus.ca and on the Fund's website at www.bpincomefund.com.

NOTE REGARDING FINANCIAL INFORMATION OF BPI

The Fund files BPI's financial statements and Management's Discussion and Analysis (collectively, the "**BPI Disclosures**") pursuant to an undertaking dated July 9, 2002 provided by BPI to the various securities commissions in Canada. BPI's senior management prepares the BPI Disclosures and provides them to the Fund for filing on its behalf. The Trustees do not oversee the preparation of the BPI Disclosures. The auditors of BPI report to the sole shareholder of BPI and not to Unitholders. The Fund does not own, control, or consolidate BPI and therefore, the Fund's disclosure controls and procedures and its internal controls over financial reporting do not encompass BPI or BPI's internal controls over financial reporting. The BPI Disclosures are the responsibility of BPI and its directors and officers and not the Fund and its Trustees and officers. The Fund provides no assurances as to its accuracy or completeness. The Fund disclaims any and all liability for the BPI Disclosures.

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NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information in this MD&A 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 BPI, the Fund, the Trust, Royalties LP, Holdings LP, Holdings GP, Royalties GP, BPCHP, BP Canada LP, 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. When used in this MD&A, forward-looking information may include words such as "estimate", "may", "will", "expect", "believe", "plan", "should" and other similar terminology. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this MD&A.

Forward-looking information in this MD&A includes, but is not limited to, such things as:

- future distributions and dates that distributions are to be paid or payable;
- adjustments to Additional Entitlements that are to occur in the future and when such adjustments will occur;
- how changes in distributions will be implemented;
- how distributions will be funded;
- volatility in the market price of Units;
- maintenance of franchisee relationships;
- increased average cheque levels are achieved through a combination of menu mix changes and increases to menu prices;
- the extent to which menu price increases result in increased average guest cheque being dependent upon consumer reaction to the price increases;
- the success of BPI, BP Canada LP and Boston Pizza Restaurants, and the amount of Franchise Sales, Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders, being dependent upon many economic factors, including impacts of inflation, impacts of interest rates, rising input costs, decreased labour availability, changes in consumer demand, some of which impact guest visitation frequencies, guests' willingness to accept price increases, and major geopolitical developments;
- the effects of heightened trade tensions and associated uncertainty between Canada and the United States of America having the potential to increase input costs and decrease availability of goods for Boston Pizza Restaurants, together with dampening consumer demand, confidence, and discretionary spending, and increasing unemployment rates;
- broader economic contractions or recessionary conditions adversely affecting the performance of consumer-facing industries like casual dining;
- continued support for Canadian brands like Boston Pizza as a result of the trade tensions with the United States of America;
- any degradation of consumer demand, confidence or discretionary spending, or increases in unemployment rates and recessionary fears resulting in reduced guest visitation, average guest cheque amounts, Franchise Sales, Royalty Income, Distribution Income, the Fund's Distributable Cash available for distribution to Unitholders, and profitability of Boston Pizza Restaurants, and an increased risk of Boston Pizza Restaurants closing;
- BPI, BP Canada LP and Boston Pizza Restaurants having the ability to adapt to changes in operating environments and economic conditions;
- the future expansion of Boston Pizza Restaurants;
- the success of the Fund, BPI, BP Canada LP and Boston Pizza Restaurants, including the amount of Franchise Sales, Royalty Income, Distributions and cash available for distribution depending on both consumer demand and restaurant-level operations;
- consumer demand being driven by consumer confidence and discretionary spending, both of which are influenced by macroeconomic factors such as inflation and interest rates, wage growth and unemployment levels, recession risks, competition within the restaurant industry, evolving consumer preferences, changes in taxation and major geopolitical developments, including the imposition of tariffs;
- restaurant level success being impacted by supply chain disruptions, labor availability, rising input costs, and other operational challenges;
- BPI's management remaining proactive and committed to adjusting its business strategy to effectively

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address challenges and sustain positive sales momentum in 2025;

- the trustees of the Fund will continue to closely monitor the Fund's available cash balances and distribution levels to maintain a stable and sustainable return for the Unitholders;
- BPI and BP Canada LP's ability to implement strategies driving higher guest traffic and increased average cheque levels;
- the Fund's expectation that future distributions will continue to be funded entirely by cash flows from operations;
- the Fund's current sources of liquidity being sufficient to cover its currently known short and long-term obligations;
- the Fund expecting that it will be able to refinance the Credit Facilities before July 1, 2026 on acceptable terms;
- the Fund being able to generate positive cash flow from operations and its pro forma debt to EBITDA ratio being at a foreseeably manageable level by industry standards;
- impact of seasonality and competition on Franchise Sales and Payout Ratio;
- the Fund continuing to qualify as a mutual fund trust for the purposes of the *Income Tax Act* (Canada);
- the tax treatment of its distributions declared per Unit; and
- estimated effective tax rate.

The forward-looking information disclosed herein is based on a number of assumptions including, among other things:

- the Fund maintaining the same distribution policy;
- absence of amendments to material contracts;
- no strategic changes of direction occurring;
- absence of changes in law;
- protection of BP Rights;
- pace of commercial real estate development;
- franchisees' access to financing;
- franchisees duly paying franchise fees and other amounts;
- no closures of Boston Pizza Restaurants that materially affect the amount of Royalty Income or Distribution Income paid by BPI and BP Canada LP, respectively, to the Fund;
- future results being similar to historical results;
- expectations related to future general economic conditions;
- management of BPI and BP Canada LP maintaining current strategies to drive higher guest traffic and higher average guest cheques;
- Boston Pizza Restaurants maintaining operational excellence;
- continuing surplus kitchen capacity at Boston Pizza Restaurants;
- Boston Pizza's ability to remain relevant and attractive to guests;
- continued support of Canadian brands like Boston Pizza;
- culinary innovation and menu re-pricing;
- continuing operations of key suppliers;
- availability of experienced management and hourly employees;
- the absence of significant supply chain interruptions;
- ability to source raw materials within Canada which are not subject to counter-tariffs;
- ability to respond to, address or mitigate fluctuating interest rates, increasing input costs, labour shortages and sustainability or climate-related issues including extreme weather events;
- ability to obtain qualified franchisees;
- ability to open sufficient New Restaurants to replace Franchise Sales of Closed Restaurants;
- ability to comply with disclosure obligations under franchise laws and regulations;
- ability to comply with various federal, provincial and local government laws and regulations;
- ability to obtain adequate insurance coverage;
- ability to enter into arrangements with suppliers and distributors to generate competitive pricing for franchisees and revenue for BP Canada LP; and
- no additional increases in SIFT Tax and sales tax rates.

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This forward-looking information involves a number of risks, uncertainties and future expectations including, but not limited to:

- competition;
- consumer spending habits;
- consumer demand in the retail sector;
- household debt;
- weather;
- climate change;
- pricing;
- changes in demographic trends;
- changes in consumer preferences and discretionary spending patterns;
- changes in national and local business and economic conditions;
- legislation and government regulation;
- cash distributions are not guaranteed;
- accounting policies and practices;
- economic uncertainty;
- the results of operations and financial conditions of BPI and the Fund;
- inflation;
- changes in interest rates;
- labour availability, cost and efficiency;
- food safety;
- legal and regulatory risks, including regulations governing food services and alcoholic beverages, laws concerning employees, sales tax regulations, regulations governing franchises, intellectual property;
- Boston Pizza Restaurant closures and openings;
- successful challenge of the BP Rights;
- availability and adequacy of insurance;
- indebtedness of BPI;
- indebtedness of Franchisees;
- increases in the rate of SIFT Tax;
- litigation against franchisees;
- inability to attract and retain key personnel, and dependence of such key personnel;
- cybersecurity, system failure and data breaches, and failure of information technology to remain current and satisfy future needs;
- environment, social and governance matters;
- franchisee relations;
- growth of Royalty Income and Distribution Income, franchisee performance and closing of Boston Pizza Restaurants;
- availability and quality of raw materials, supply chain, vendor dependency, and ethical and sustainable sourcing;
- global disruptions including geopolitical events, the imposition of trade tariffs and counter-tariffs, war or hostilities, terrorist or military activities, or natural disasters;
- disease outbreaks; and
- risks related to the structure of the Fund, including the dependence of the Fund on the Trust, Holdings LP, BPI and BP Canada LP, leverage risks, cash distributions not being guaranteed and fluctuating, income tax matters, internal control over financial reporting, investment eligibility, nature of Units, restrictions of certain Unitholders and liquidity of Units, unpredictability and volatility of Unit prices, the Fund may issue additional Units diluting existing Unitholders' interests, possible Unitholder liability, distribution of securities on redemption of Units or termination of the Fund.

The foregoing list of factors is not exhaustive and should be considered in conjunction with the Risks & Risk Management section out in this MD&A.

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This MD&A discusses some of the factors that could cause actual results to differ materially from those expressed in or underlying such forward-looking information. Forward-looking information is provided as of the date hereof and, except as required by law, the Fund assumes no obligation to update or revise forward-looking information to reflect new events or circumstances.