



For Immediate Release

Toronto Stock Exchange: BPF.UN

**BOSTON PIZZA ROYALTIES INCOME FUND ANNOUNCES 2026 FIRST QUARTER RESULTS AND
APRIL 2026 CASH DISTRIBUTION OF \$0.124 PER UNIT**

HIGHLIGHTS

- Franchise Sales¹ of \$238.4 million for the Period, representing an increase of 3.1% versus the same period one year ago.
- Same Restaurant Sales² of 3.1% for the Period.
- Cash flows generated from operating activities of \$9.6 million for the Period, representing an increase of 3.5% versus the same period one year ago.
- Distributable Cash³ and Distributable Cash per Unit⁴ increased 2.9% for the Period.
- Payout Ratio⁵ of 101.6% for the Period and 102.2% on a trailing 12-month basis. Cash balance at the end of the Period was \$3.8 million.
- On April 2, 2026, the Fund increased its monthly distribution rate to \$0.124 per Unit starting with the March 2026 distribution from the previous monthly rate of \$0.120 per Unit, being an increase of \$0.004 per Unit, or 3.3%.
- On May 12, 2026, the trustees of the Fund declared a distribution for the period of April 1, 2026 to April 30, 2026 of \$0.124 per Unit, which will be payable on May 29, 2026 to unitholders of the Fund (“**Unitholders**”) of record on May 21, 2026.

VANCOUVER, BC, May 13, 2026 – Boston Pizza Royalties Income Fund (the “**Fund**”) and Boston Pizza International Inc. (“**BPI**”) reported financial results today for the first quarter period from January 1, 2026 to March 31, 2026 (the “**Period**”). A copy of this press release, the unaudited condensed consolidated interim financial statements and related management’s discussion and analysis (“**MD&A**”) of the Fund and BPI are available at www.sedarplus.ca and www.bpincomefund.com. The Fund will host a conference call to discuss the results on May 13, 2026, at 8:30 am Pacific Time (11:30 am Eastern Time). The call can be accessed by dialling 1-833-821-3078 or +1-647-846-2537. A replay will be available until June 13, 2026, by dialling 1-855-669-9658 or +1-412-317-0088 and entering the access code: 7206100 followed by the # sign. The replay will also be available at www.bpincomefund.com. Capitalized terms used in this press release that are not otherwise defined have the meanings ascribed to them in the Fund’s MD&A for the Period.

“We are pleased with our first quarter results, highlighted by strong total franchise sales and same restaurant sales,” said Jordan Holm, President of BPI. “Our results demonstrate the resilience of our brand and the continued loyalty of our guests, even amid an increasingly volatile global backdrop and accompanying economic uncertainties. Moving forward, we remain committed to supporting our franchisees, continuing to serve our guests and positioning the business for long-term success.”

PERIOD RESULTS

SRS, a key driver of distribution growth for Unitholders, was positive 3.1% for the Period compared to positive 4.4% reported in the first quarter of 2025. SRS for the Period was principally due to increased guest traffic from sustained momentum in the take-out and delivery business and promotional initiatives.

Franchise Sales of Boston Pizza restaurants in the Royalty Pool⁶ were \$238.4 million for the Period compared to \$231.1 million for the first quarter of 2025. The \$7.3 million increase in Franchise Sales for the Period was primarily due to positive SRS.

The Fund’s net and comprehensive income was \$12.2 million for the Period compared to \$6.3 million for the first quarter of 2025. The increase in the Fund’s net and comprehensive income for the Period compared to the first quarter of 2025 was primarily due to a \$7.4 million increase in fair value gain and a \$0.4 million increase in Royalty

Income⁶ and Distribution Income⁷, partially offset by a \$1.7 million increase in deferred income tax expense, a \$0.2 million increase in net interest expense and a \$0.1 million increase in current income tax expense.

Cash generated from operating activities for the Period was \$9.6 million compared to \$9.3 million in the first quarter of 2025. The increase of \$0.3 million was primarily due to an increase in Royalty Income and Distribution Income of \$0.4 million, partially offset by an increase in income taxes paid of \$0.1 million.

The Fund generated Distributable Cash of \$7.5 million for the Period compared to \$7.3 million for the first quarter of 2025. The increase in Distributable Cash of \$0.2 million or 2.9% was primarily due to an increase in cash flows generated from operating activities of \$0.3 million, partially offset by higher interest paid on debt of \$0.1 million.

The Fund generated Distributable Cash per Unit of \$0.354 for the Period compared to \$0.344 per Unit for the first quarter of 2025. The increase in Distributable Cash per Unit of \$0.010 or 2.9% was primarily attributable to the increase in Distributable Cash outlined above.

The Fund's Payout Ratio for the Period was 101.6% compared to 100.2% in the first quarter of 2025. The increase in the Fund's Payout Ratio for the Period was due to distributions paid increasing by \$0.3 million or 4.3%, partially offset by Distributable Cash increasing by \$0.2 million or 2.9%. Payout Ratio is calculated by dividing the amount of distributions paid during the applicable period by the Distributable Cash for that period. 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 102.2% as of March 31, 2026.

DISTRIBUTIONS

During the Period, the Fund declared distributions on the Units in the aggregate amount of \$5.1 million or \$0.240 per Unit. During the first quarter of 2025, the Fund declared distributions on the Units in the aggregate amount of \$4.9 million or \$0.230 per Unit. During the Period, the Fund paid distributions on the Units in the aggregate amount of \$7.7 million or \$0.360 per Unit. During the first quarter of 2025, the Fund paid distributions on the Units in the aggregate amount of \$7.3 million or \$0.345 per Unit. The amount of distributions declared during the Period increased by \$0.2 million or \$0.010 per Unit due to the monthly distribution rate increasing from \$0.115 per Unit to \$0.120 per Unit commencing with the July 2025 distribution (the "**2025 Distribution Increase**"). The amount of distributions paid during the Period increased by \$0.3 million or \$0.015 per Unit due to the 2025 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 January 2026 distribution (which was paid on February 27, 2026), the February 2026 distribution (which was paid on March 31, 2026), and the March 2026 distribution (which was paid on April 30, 2026). 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.

On April 2, 2026, the trustees of the Fund declared a distribution for the period of March 1, 2026 to March 31, 2026 of \$0.124 per Unit, which was paid on April 30, 2026 to Unitholders of record on April 21, 2026. This was an increase of \$0.004 per Unit, or 3.3%, from the previous monthly distribution rate of \$0.120 per Unit. On an annualized basis, the new monthly distribution rate equates to \$1.488 per Unit compared to \$1.440 per Unit for the previous monthly distribution rate.

On May 12, 2026, the trustees of the Fund declared a distribution for the period of April 1, 2026 to April 30, 2026 of \$0.124 per Unit, which will be payable on May 29, 2026 to Unitholders of record on May 21, 2026. Including the April 2026 distribution, which will be paid on May 29, 2026, the Fund will have paid out total distributions of \$496.0 million or \$29.46 per Unit, which includes 280 monthly distributions and four special distributions.

FINANCIAL SUMMARY

The tables below set out selected information from the Fund's unaudited condensed consolidated interim financial statements together with other data and should be read in conjunction with the unaudited condensed consolidated interim financial statements and MD&A of the Fund for the three-month periods ended March 31, 2026 and March 31, 2025, and the Fund's audited annual consolidated financial statements for the year-ended December 31, 2025.

<i>For the periods ended March 31</i>	Q1 2026	Q1 2025
(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)		
Number of restaurants in Royalty Pool	372	372
Franchise Sales reported by restaurants in the Royalty Pool	238,361	231,142
Royalty Income	9,534	9,246
Distribution Income	3,145	3,036
Total revenue	12,679	12,282
Administrative expenses	(382)	(409)
Interest expense on debt and financing fees	(927)	(834)
Interest expense on Class B Unit liability	(771)	(730)
Interest income	30	47
Profit before fair value gain (loss) and income taxes	10,629	10,356
Fair value gain (loss) on investment in BP Canada LP (defined below)	9,711	(1,910)
Fair value (loss) gain on Class B Unit liability	(4,327)	851
Fair value gain (loss) on Swaps	242	(703)
Current and deferred income tax expense	(4,066)	(2,247)
Net and comprehensive income	12,189	6,347
Basic earnings per Unit	0.57	0.30
Diluted earnings per Unit	0.57	0.21
<u>Distributable Cash / Distributions / Payout Ratio</u>		
Cash flows generated from operating activities	9,590	9,265
BPI Class B Unit entitlement ⁸	(1,123)	(1,076)
Interest paid on debt	(895)	(830)
Current income tax expense	(2,593)	(2,506)
Current income tax paid	2,560	2,473
Distributable Cash	7,539	7,326
Distributions paid	7,660	7,341
Payout Ratio	101.6%	100.2%
Distributable Cash per Unit	0.354	0.344
Distributions paid per Unit	0.360	0.345
<u>Other</u>		
Same Restaurant Sales	3.1%	4.4%
Number of restaurants opened	0	0
Number of restaurants closed	2	0
	Mar 31, 2026	Dec 31, 2025
Total assets	459,223	449,451
Total liabilities	162,095	159,405

SUMMARY OF QUARTERLY RESULTS

	Q1 2026	Q4 2025	Q3 2025	Q2 2025
(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	238,361	244,374	248,927	251,812
Royalty Income	9,534	9,775	9,957	10,072
Distribution Income	3,145	3,220	3,275	3,306
Total revenue	12,679	12,995	13,232	13,378
Administrative expenses	(382)	(367)	(352)	(412)
Interest expense on debt and financing fees	(927)	(926)	(892)	(833)
Interest expense on Class B Unit liability	(771)	(1,874)	(1,123)	(1,046)
Interest income	30	44	42	37
Profit before fair value gain (loss) and income taxes	10,629	9,872	10,907	11,124
Fair value gain on investment in BP Canada LP	9,711	8,947	6,602	14,294
Fair value loss on Class B Unit liability	(4,327)	(3,987)	(2,941)	(6,369)
Fair value gain (loss) on Swaps	242	290	(546)	94
Current and deferred income tax expense	(4,066)	(4,052)	(3,591)	(4,825)
Net and comprehensive income	12,189	11,070	10,431	14,318
Basic earnings per Unit	0.57	0.52	0.49	0.67
Diluted earnings per Unit	0.57	0.52	0.49	0.67
<u>Distributable Cash / Distributions / Payout Ratio</u>				
Cash flows generated from operating activities	9,590	9,883	10,611	9,939
BPI Class B Unit entitlement	(1,123)	(1,168)	(1,265)	(1,171)
Interest paid on debt	(895)	(893)	(851)	(818)
Current income tax expense	(2,593)	(2,663)	(2,734)	(2,769)
Current income tax paid	2,560	2,700	2,750	2,770
Distributable Cash	7,539	7,859	8,511	7,951
Distributions paid	7,660	10,001	7,554	7,341
Payout Ratio	101.6%	127.3%	88.8%	92.3%
Distributable Cash per Unit	0.354	0.369	0.400	0.374
Distributions paid per Unit	0.360	0.470	0.355	0.345
<u>Other</u>				
Same Restaurant Sales	3.1%	3.7%	4.1%	6.4%
Number of restaurants opened	0	0	0	0
Number of restaurants closed	2	0	0	0

SUMMARY OF QUARTERLY RESULTS (continued)

	Q1 2025	Q4 2024	Q3 2024	Q2 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	231,142	234,215	238,613	236,792
Royalty Income	9,246	9,369	9,544	9,472
Distribution Income	3,036	3,077	3,135	3,111
Total revenue	12,282	12,446	12,679	12,583
Administrative expenses	(409)	(401)	(379)	(497)
Interest expense on debt and financing fees	(834)	(870)	(887)	(932)
Interest expense on Class B Unit liability	(730)	(1,681)	(1,033)	(1,063)
Interest income	47	68	71	69
Profit before fair value (loss) gain and income taxes	10,356	9,562	10,451	10,160
Fair value (loss) gain on investment in BP Canada LP	(1,910)	(382)	8,511	1,473
Fair value gain (loss) on Class B Unit liability	851	170	(3,792)	(656)
Fair value loss on Swaps	(703)	(200)	(1,923)	(672)
Current and deferred income tax expense	(2,247)	(2,593)	(3,863)	(2,841)
Net and comprehensive income	6,347	6,557	9,384	7,464
Basic earnings per Unit	0.30	0.31	0.44	0.35
Diluted earnings per Unit	0.21	0.28	0.44	0.33
<u>Distributable Cash / Distributions / Payout Ratio</u>				
Cash flows generated from operating activities	9,265	9,419	9,990	9,613
BPI Class B Unit entitlement	(1,076)	(1,097)	(1,195)	(1,095)
Interest paid on debt	(830)	(840)	(758)	(871)
Current income tax expense	(2,506)	(2,523)	(2,584)	(2,521)
Current income tax paid	2,473	2,520	2,660	2,370
Distributable Cash	7,326	7,479	8,113	7,496
Distributions paid	7,341	8,852	7,214	7,213
Payout Ratio	100.2%	118.4%	88.9%	96.2%
Distributable Cash per Unit	0.344	0.351	0.381	0.352
Distributions paid per Unit	0.345	0.416	0.339	0.339
<u>Other</u>				
Same Restaurant Sales	4.4%	3.4%	(0.6%)	1.7%
Number of restaurants opened	0	2	0	1
Number of restaurants closed	0	0	1	0

SHORT-TERM OUTLOOK

The success of the Fund, BPI, Boston Pizza Canada Limited Partnership (“**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. Success at the restaurant-level is driven by operational focus, quality and efficiency, which are influenced by operating expertise, the adequacy of labour resources, supply chain availability, input costs and other operational factors.

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. During the Period, other global developments and mounting international tensions, including the ongoing conflict in the Middle East, also posed additional uncertainty. While the conflict has not yet resulted in material increases to input costs for

Boston Pizza Restaurants, prolonged or intensified disruptions to energy markets and global supply chains arising from such conflict could increase fuel, transportation and input costs and reduce the availability of certain goods for Boston Pizza Restaurants in the future, while also dampening consumer demand, confidence and discretionary spending and increasing unemployment rates. These dynamics could contribute to broader economic contractions or recessionary conditions that directly and 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 may result 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 quality, value and convenience, both on-premises and off-premises. BPI, BP Canada LP and Boston Pizza restaurants have a proven track record of adapting to evolving economic conditions and overcoming operational challenges. Building on this foundation, BPI's management remains proactive and agile, implementing strategies to drive sales, optimize supply chains and deepen guest loyalty, while protecting profitability of Boston Pizza restaurants. These strengths, together with the brand's broad national footprint and trusted position among Canadian consumers, provide a solid platform for sustained growth and continued positive sales momentum throughout 2026.

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 DISCLOSURES

The financial information relating to BPI (the "**BPI Financial Information**") contained in this press release has been derived from the financial statements and management's discussion and analysis of BPI (the "**BPI Disclosures**"), which have been filed by the Fund on behalf of BPI 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. The auditors of BPI report to the sole shareholder of BPI, and not to the trustees or Unitholders of the Fund. 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 Financial Information.

Forward Looking Information

Certain information in this press release constitutes "forward-looking information" that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual results, performance or achievements of the Fund, Boston Pizza Holdings Trust, Boston Pizza Royalties Limited Partnership, Boston Pizza Holdings Limited Partnership, Boston Pizza Holdings GP Inc., Boston Pizza GP Inc., BPI, BP Canada LP, Boston Pizza Canada Holdings Inc., Boston Pizza Canada Holdings Partnership, Boston Pizza restaurants, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Fund or its trustees expect or anticipate will or may occur in the future, including such things as, our expectation of an increasingly complex economic environment in the quarters ahead, the potential impact on Boston Pizza restaurants in Canada and adapting the business accordingly, our continued focus on enhancing guest experiences, supporting our franchisees, and driving sustainable long-term growth through innovation and operational excellence, 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, 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

tariffs and tensions in the Middle East, restaurant-level success being impacted by supply chain disruptions, labour availability, rising input costs and other operational factors, increased input costs and decreased availability of goods for Boston Pizza restaurants due to heightened trade tensions, geopolitical developments in the Middle East and associated uncertainty, dampening consumer demand, confidence and discretionary spending, and increasing unemployment rates, Boston Pizza's supply chain being well positioned to weather the volatility caused by trade tensions and threats of tariffs and counter-tariffs as an 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, trade tensions with the United States of America resulting in Canadian consumers spending less on travel to the United States of America and more on supporting Canadian brands like Boston Pizza, the impact of broader economic contractions or recessionary conditions on consumer-facing industries, BPI's management remaining proactive and agile and implementing strategies to drive sales, optimize supply chains and deepen guest loyalty, while protecting profitability of Boston Pizza restaurants, which will provide a solid platform for sustained growth and continued positive sales momentum in 2026, the trustees continuing to closely monitor the Fund's available cash balances and distribution levels to maintain a stable and sustainable return for the Unitholders, and other such matters are forward-looking information. When used in this press release, forward-looking information may include words such as "anticipate", "estimate", "may", "will", "expect", "believe", "plan", "should", "continue" and other similar terminology. The material factors and assumptions used to develop the forward-looking information contained in this press release include the following: the Fund maintaining the same distribution policy, expectations related to future general economic conditions and geopolitical developments, expectations related to guest traffic and average guest cheques, expectations related to the resiliency of the Boston Pizza system, the impact of and response to changing competitive landscapes and guest behaviours, strategies and efforts to strive for profitability of BPI, BP Canada LP and Boston Pizza restaurants, ability to maintain a stable supply chain, ability to attract and retain qualified employees, key personnel and qualified franchisees and operators, and Boston Pizza restaurants maintaining operational excellence. Risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by the forward-looking information contained herein, relate to (among others): competition, demographic trends, business and economic conditions, interest rates and inflationary pressures, legislation and regulation, reliance on operating revenues, financial reporting and accounting controls, policies and practices, the results of operations and financial condition of BPI, BP Canada LP and the Fund, labour availability, cost and efficiency, extreme weather events, as well as those factors discussed under the heading "Risks and Risk Management" in the most recent Annual Information Form of the Fund. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this press release. Except as required by law, neither the Fund nor BPI assumes any obligation to update previously disclosed forward-looking information. For a complete list of the risks associated with forward-looking information and the Fund's business, please refer to the "Risks and Uncertainties" and "Note Regarding Forward-Looking Information" sections included in the most recent Annual Information Form of the Fund available on the Fund's profile on SEDAR+ at www.sedarplus.ca and on the Fund's website at www.bpincomefund.com.

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

FOR FURTHER INFORMATION PLEASE CONTACT:

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Notes – Non-GAAP, Specified Financial Measures and Other Information

- 1 **“Franchise Sales”** is the basis upon which Royalty Income and Distribution Income are payable, and means the gross revenue: (i) of the corporate Boston Pizza restaurants in Canada owned by BPI that are in the Royalty Pool; and (ii) reported to BP Canada LP by franchised Boston Pizza restaurants in Canada 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. Franchise Sales is reported on a quarterly basis in the Fund’s financial statements.
- 2 **“Same Restaurant Sales”** or **“SRS”** is a supplementary financial measure under National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure* (“**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 period in the previous year (where restaurants were open for a minimum of 24 months). The Fund believes that SRS provides investors meaningful information regarding the performance of Boston Pizza restaurants.
- 3 **“Distributable Cash”** is a non-GAAP financial measure under 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 entitlement in respect of its Class B general partner units (“**Class B Units**”) of Boston Pizza Royalties Limited Partnership (“**Royalties LP**”) in respect of the period (see note 8 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 press release 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 specified investment flow-through tax 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 on Units 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.
- 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 **“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.

- 6 Royalties LP licenses BPI the right to use various Boston Pizza trademarks in return for BPI paying Boston Pizza Royalties Limited Partnership a royalty equal to 4% of Franchise Sales of Boston Pizza restaurants (the “**Royalty Income**”) in the Fund’s royalty pool (the “**Royalty Pool**”).
- 7 “**Distribution Income**” is income received indirectly by the Fund on Class 1 LP Units and Class 2 LP Units of BP Canada LP. See the “Overview – Purpose of the Fund / Sources of Revenue” section of the Fund’s MD&A for the Period for more details.
- 8 “**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 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.