



For Immediate Release

Toronto Stock Exchange: BPF.UN

## **BOSTON PIZZA ROYALTIES INCOME FUND ANNOUNCES 2020 THIRD QUARTER RESULTS**

***COVID-19 continues to adversely affect Boston Pizza's business. Franchise Sales for the third quarter of 2020 decreased by 15.4% versus one year ago.***

### **HIGHLIGHTS**

- As at September 30, 2020, approximately 380 Boston Pizza restaurants had their dining rooms and sports bars or patios open with reduced seating capacity and were providing take-out and delivery services. The combination of governmental restrictions mandated in Quebec, Ontario and Manitoba from October 1, 2020 to November 10, 2020 resulted in between 15 and 70 Boston Pizza restaurants (depending upon the specific date) again temporarily closing their dining rooms and sports bars and, in some locations, patios.
- System-Wide Gross Sales<sup>1</sup> of \$237.2 million for the Period and \$591.8 million YTD, representing decreases of 16.3% and 28.7%, respectively, versus the same periods one year ago.
- Franchise Sales<sup>2</sup> from royalty pool restaurants of \$185.4 million for the Period and \$466.6 million YTD, representing decreases of 15.4% and 27.4%, respectively, versus the same periods one year ago.
- Same Restaurant Sales<sup>3</sup> of negative 15.2% for the Period and negative 28.2% YTD, and SRS on a Franchise Sales basis of negative 14.6% for the Period and negative 27.0% YTD.
- Distributable Cash<sup>4</sup> per Unit decreased 29.5% for the Period and decreased 49.3% YTD.
- Commencing with the fourth quarter of 2020, the Fund will change how it calculates Distributable Cash and Distributable Cash per Unit to factor in principal repayments that the Fund is contractually required to make on its credit facilities from and after the fourth quarter of 2020 as part of the pandemic recovery plan.
- Payout Ratio<sup>5</sup> of 0.0% for the Period and 63.5% YTD, and 80.8% on a trailing 12-month basis. Cash balance at the end of the Period was \$6.1 million.
- On October 1, 2020, the trustees of the Fund announced the recommencement of monthly distributions of \$0.065 per Unit beginning with the September 2020 distribution.
- On November 12, 2020, the trustees of the Fund declared the October 2020 distribution to unitholders of \$0.065 per Unit.
- The trustees will consider declaring a special distribution to unitholders in December 2020, if after paying monthly distributions, the Fund has any additional cash available for distribution for the year 2020, taking into account any potential increase in effective tax rate paid by the Fund if it does not distribute sufficient cash each year.

VANCOUVER, BC, November 13, 2020 – Boston Pizza Royalties Income Fund (the “**Fund**”) and Boston Pizza International Inc. (“**BPI**”) reported financial results today for the third quarter period from July 1, 2020 to September 30, 2020 (the “**Period**”) and January 1, 2020 to September 30, 2020 (“**YTD**”). A copy of this press release, the condensed consolidated interim financial statements and related management’s discussion and analysis (“**MD&A**”) of the Fund and BPI are available at [www.sedar.com](http://www.sedar.com) and [www.bpincomefund.com](http://www.bpincomefund.com). The Fund will host a conference call to discuss the results on November 13, 2020 at 8:30 am Pacific Time (11:30 am Eastern Time). The call can be accessed by dialling 1-800-319-4610 or 604-638-5340. A replay will be available until December 13, 2020 by dialling 1-800-319-6413 or 604-638-9010 and entering the access code: 5149 followed by the # sign. The replay will also be available at [www.bpincomefund.com](http://www.bpincomefund.com).

“Throughout the past several months, the business of Boston Pizza restaurants has improved; however, the third quarter continued to present challenges brought on by the COVID-19 pandemic adversely affecting the business of Boston Pizza restaurants across Canada,” said Jordan Holm, President of BPI. “Overall guest traffic remains weakened by various local regulations and changes in guest behaviour. With the second wave of COVID-19 underway, we anticipate that the business of Boston Pizza restaurants will continue to be negatively impacted during the fourth quarter of 2020. Our focus continues to be the safety of our guests and staff in restaurants, serving our communities with take-out, delivery and in-restaurant dining where permitted, and helping our franchisees succeed during these challenging times.”

## RECENT BUSINESS DEVELOPMENTS

The following is a summary of some recent business developments:

1. During the Period, most Boston Pizza restaurants had re-opened their dining rooms and sports bars with reduced seating capacity and appropriate physical distancing measures as permitted by provincial and local health authorities. As at September 30, 2020, approximately 380 Boston Pizza restaurants had their dining rooms and sports bars or patios open with reduced seating capacity and were providing take-out and delivery services;
2. Franchise Sales, and the resulting Royalty and Distribution Income, for May, June, July, August and September 2020 were 45.3%, 67.2%, 81.0%, 84.2% and 88.9% of the levels they were in May, June, July, August and September 2019, respectively. SRS for May, June, July, August and September 2020 were negative 58.3%, negative 34.3%, negative 18.3%, negative 15.9% and negative 10.9%, respectively, when compared to the same periods in 2019;
3. As the number of persons testing positive for COVID-19 increased during the latter part of the Period, certain jurisdictions restricted in-premises operating hours for Boston Pizza restaurants in an attempt to help “flatten the curve”;
4. Effective October 1, 2020, the Quebec government mandated the closure of dine-in restaurant operations for 28 days in certain regions, and has since extended such disclosures until November 23, 2020. Effective October 10, 2020, the Ontario government also mandated the closure of dine-in restaurant operations in certain regions, including Toronto, Ontario, Peel Region and York Region. On November 7, 2020, restaurants in Ottawa, Peel Region and York Region resumed in-restaurant service with capacity limits. Effective November 2, 2020, the Manitoba government mandated the closure of dine-in restaurant operations for two weeks in the City of Winnipeg, and on November 10, 2020 mandated the closure of all dine-in restaurant operations for the rest of Manitoba effective November 12, 2020. The combination of governmental restrictions mandated in Quebec, Ontario and Manitoba from October 1, 2020 to November 10, 2020 resulted in between 15 and 70 Boston Pizza restaurants (depending upon the specific date) again temporarily closing their dining rooms and sports bars and, in some locations, patios. These locations continue to provide take-out and delivery services while their dining rooms, sports bars and/or patios are closed;
5. Franchise Sales, and the resulting Royalty and Distribution Income, for October 2020 were 80.7% of the levels they were in October 2019. SRS for October 2020 was negative 21.2% when compared to the same period in 2019; and
6. On October 1, 2020, the trustees of the Fund recommenced monthly distributions of \$0.065 per Unit compared to the monthly distributions of \$0.102 per Unit that existed prior to the Fund temporarily suspending distributions on March 23, 2020. Monthly distributions recommenced with the September 2020 distribution that was paid to unitholders on October 30, 2020.

## PERIOD AND YTD RESULTS

SRS, a key driver of distribution growth for unitholders of the Fund, was negative 15.2% for the Period and negative 28.2% YTD compared to negative 4.2% and negative 2.3%, respectively, versus the same periods one year ago. Franchise Sales, the basis upon which Royalty and Distribution Income are paid by BPI and Boston Pizza Canada Limited Partnership (“**BP Canada LP**”) respectively, indirectly to the Fund, excludes revenue from sales of liquor, beer, wine and approved national promotions and discounts. On a Franchise Sales basis, SRS was negative 14.6% for the Period and negative 27.0% YTD compared to negative 3.6% and negative 1.4%, respectively, versus the same periods one year ago. The decline in SRS for the Period was principally due to declines in restaurant guest traffic as a result of the COVID-19 pandemic, partially offset by increased take-out and delivery sales. The decline in SRS YTD was principally due to declines in restaurant guest traffic and the temporary closure of all dining rooms and sports bars in Boston Pizza restaurants across Canada on March 17, 2020, both as a result of the COVID-19 pandemic, partially offset by increased take-out and delivery sales.

Franchise Sales of Boston Pizza restaurants in the royalty pool were \$185.4 million for the Period and \$466.6 million YTD compared to \$219.2 million and \$642.6 million, respectively, for the same periods one year ago. The decrease in Franchise Sales for the Period and YTD was primarily due to negative SRS on a Franchise Sales basis.

The Fund's net and comprehensive loss was \$0.7 million for the Period and \$10.0 million YTD compared to net and comprehensive income of \$6.9 million and \$27.1 million, respectively, for the same periods one year ago. The \$7.6 million decrease in the Fund's net and comprehensive income for the Period compared to the third quarter of 2019 was primarily due to lower profit before fair value (loss) gain and income taxes of \$1.0 million and a \$7.0 million change in fair value (loss) gain, partially offset by lower income tax expense of \$0.4 million. The \$37.1 million decrease in the Fund's net and comprehensive income YTD compared to the same period in 2019 was primarily due to lower profit before fair value (loss) gain and income taxes of \$7.7 million and a \$31.8 million change in fair value (loss) gain, partially offset by lower income tax expense of \$2.3 million. For a detailed discussion on the Fund's net and comprehensive income, please see the "Operating Results – Net and Comprehensive Income (Loss) / Basic and Diluted Earnings (Loss)" section in the Fund's MD&A for the Period and YTD. The Fund's net income or loss under International Financial Reporting Standards ("**IFRS**") contains non-cash items, such as the fair value adjustments on financial instruments and deferred income taxes, that do not affect the Fund's business operations or its ability to pay distributions to unitholders. In the Fund's view, net income or loss is not the only or most meaningful measurement of the Fund's ability to pay distributions. Consequently, the Fund reports the non-IFRS metrics of Distributable Cash and Payout Ratio to provide investors with more meaningful information regarding the amount of cash that the Fund has generated to pay distributions and the extent to which the Fund has distributed that cash. The Fund also reports the non-IFRS metric of SRS to provide investors useful information regarding the change in gross sales of Boston Pizza restaurants. Readers are cautioned that Distributable Cash, Payout Ratio and SRS are non-IFRS financial measures that do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. For a reconciliation between cash flow from operating activities (the most directly comparable IFRS measure) and Distributable Cash see the "Financial Summary" section of this press release. For a detailed discussion on the Fund's Distributable Cash and Payout Ratio, please see the "Operating Results – Distributable Cash / Payout Ratio" section in the Fund's MD&A for the Period and YTD. A reconciliation of SRS and Payout Ratio to an IFRS measure is not possible.

The Fund generated Distributable Cash of \$5.5 million for the Period, compared to \$7.8 million for the third quarter of 2019. The decrease in Distributable Cash of \$2.3 million or 30.2% was primarily due to a decrease in cash flow generated from operating activities of \$3.3 million and an increase of interest paid on long-term debt of \$0.2 million, partially offset by higher SIFT Tax on Units (as defined in the Fund's MD&A for the Period and YTD) of \$1.1 million related to the remittance on tax instalments previously deferred. The Fund generated Distributable Cash of \$10.9 million YTD, compared to \$21.7 million year-to-date in 2019. The decrease in Distributable Cash of \$10.8 million or 49.8% was primarily due to a decrease in cash flow generated from operating activities of \$11.9 million, an increase of interest paid on long-term debt of \$0.1 million, and lower SIFT Tax on Units of \$0.2 million, partially offset by decreased entitlement on BPI's Class B general partner units ("**Class B Units**") of Boston Pizza Royalties Limited Partnership ("**Royalties LP**") of \$1.4 million.

The Fund generated Distributable Cash per Unit of \$0.253 for the Period compared to \$0.359 per Unit for the third quarter of 2019. The decrease in Distributable Cash per Unit of \$0.106 or 29.5% was primarily attributable to the decrease in Distributable Cash outlined above, partially offset by fewer Units outstanding compared to the same period in 2019 due to the Fund's normal course issuer bid that is active from February 19, 2020 to February 18, 2021 (the "**NCIB**"). The Fund generated Distributable Cash per Unit of \$0.506 YTD compared to \$0.998 per Unit year-to-date in 2019. The decrease in Distributable Cash per Unit of \$0.492 or 49.3% was primarily attributable to the decrease in Distributable Cash outlined above, partially offset by fewer Units outstanding compared to the same period in 2019 due to the Fund's NCIB. As at September 30, 2020, the Fund acquired 266,300 Units under the NCIB at an average price of \$12.98 per Unit. Between September 30, 2020 and November 13, 2020, the Fund did not acquire any additional Units under the NCIB.

Commencing with the fourth quarter of 2020, the Fund will change how it calculates Distributable Cash and Distributable Cash per Unit to factor in certain principal repayments that the Fund is contractually required to make on its credit facilities from and after the fourth quarter of 2020 as part of the Pandemic Recovery Plan. The Fund has not had a requirement to repay any principal amounts under its credit facilities prior to the fourth quarter of 2020. Accordingly, the change to how Distributable Cash will be calculated does not impact the calculation of Distributable Cash for periods prior to the fourth quarter of 2020. The Fund is making this change to ensure that

the calculation of Distributable Cash reflects as accurately as possible the actual amount of cash generated by the Fund during a period that is available for distribution to unitholders. Since principal repayments on long-term debt that are contractually required to be made by the Fund consume cash flow from operations, management believes it is appropriate to subtract these principal repayments from cash flow from operations when calculating Distributable Cash. The change to how Distributable Cash will be calculated will also affect Payout Ratio since Payout Ratio is calculated using Distributable Cash. See the “Description of Non-IFRS and Additional IFRS Measures” section in the Fund’s MD&A for the Period and YTD for details.

The Fund’s Payout Ratio for the Period was 0.0% compared to 96.2% in the third quarter of 2019. The 0.0% Payout Ratio for the Period was due to the temporary suspension of distributions on Units by the trustees on March 23, 2020. The Fund’s Payout Ratio YTD was 63.5% compared to 103.7% year-to-date in 2019. The decrease in the Fund’s Payout Ratio YTD compared to the same period in 2019 was due to the combined effects of Distributable Cash decreasing by \$10.8 million or 49.8% and distributions paid decreasing by \$15.6 million or 69.3%. The Fund’s Payout Ratio is typically higher in the first and fourth quarters compared to the second and third quarters since Boston Pizza restaurants generally experience higher Franchise Sales levels during the summer months when restaurants open their patios and benefit from increased tourist traffic. On a trailing 12-month basis, the Fund’s Payout Ratio was 80.8% as at September 30, 2020. However, the effects of COVID-19 have materially affected the Fund’s Payout Ratio in the Period and YTD, and may continue to materially affect the Fund’s Payout Ratio in the future.

The COVID-19 pandemic has resulted in material declines to Franchise Sales and SRS when compared to the same period in the previous year. The declines in Franchise Sales and SRS will result in significant declines to Royalty and Distribution Income payable by BPI and BP Canada LP to the Fund when compared to the same period in the previous year, and significant declines in the amount of Distributable Cash available for distribution to unitholders when compared to the same period in the previous year. As noted above, on March 23, 2020, the trustees of the Fund temporarily suspended monthly distributions on Units, commencing with the March 2020 distribution that ordinarily would have been payable on April 30, 2020 to Unitholders of record on April 21, 2020, as a result of the COVID-19 pandemic. As previously disclosed, as a condition to agreeing to the comprehensive COVID-19 recovery plan, the Fund’s bank required that the Fund not pay distributions to unitholders before October 1, 2020. While the trustees of the Fund are pleased with the improvement of the Boston Pizza business over the past several months, they continue to expect that Franchise Sales and SRS at Boston Pizza restaurants, and resulting Royalty, Distribution Income and Distributable Cash available for distribution to unitholders, will be adversely affected for as long as the COVID-19 pandemic persists.

## **DISTRIBUTIONS**

On October 1, 2020, the trustees of the Fund recommenced monthly distributions of \$0.065 per Unit compared to the monthly distributions of \$0.102 per Unit that existed prior to the Fund temporarily suspending distributions on March 23, 2020. Monthly distributions recommenced with the September 2020 distribution that was paid to unitholders on October 30, 2020. In deciding to reinstate monthly distributions on Units at \$0.065 per Unit, the trustees of the Fund considered, among other factors, the recent financial performance of the Fund, BPI and Boston Pizza restaurants in the royalty pool, the Fund’s cash position and debt repayment obligations, and internal financial projections for the Fund, BPI and Boston Pizza restaurants in the royalty pool for the remainder of 2020 and 2021, with the view to ensuring the payment of regular monthly distributions at a sustainable level.

On November 12, 2020, the trustees of the Fund approved a cash distribution to unitholders of \$0.065 per Unit in respect of the period from October 1, 2020 to October 31, 2020. This distribution will be payable on November 30, 2020 to unitholders of record at the close of business on November 21, 2020.

Including the October 2020 distribution, which will be paid on November 30, 2020, the Fund will have paid out 214 monthly distributions totaling \$344.1 million or \$22.36 per Unit. The Fund periodically reviews distribution levels based on its policy of stable and sustainable distribution flow to unitholders.

The trustees of the Fund will continue to closely monitor the Fund’s available cash balances for the remainder of 2020 and beyond. To the extent that the trustees of the Fund determine that, after paying monthly distributions, the Fund has any additional cash available for distribution for the year 2020, the trustees will consider declaring a special distribution in December 2020, taking into account any potential increase in effective tax rate paid by the Fund if the Fund does not distribute sufficient cash each year. While the consideration of declaring a special

distribution would be a departure from the Fund's historical distribution practices and is not envisioned to be a long-term strategy, the trustees believe doing so could be a prudent approach during the COVID-19 pandemic given the continued volatility and economic uncertainty.

## FINANCIAL SUMMARY

The tables below set out selected information from the Fund's condensed consolidated interim financial statements together with other data and should be read in conjunction with the condensed consolidated interim financial statements and MD&A of the Fund for the three-month and nine-month periods ended September 30, 2020 and September 30, 2019.

<i>For the periods ended September 30</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019
<i>(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)</i>				
System-Wide Gross Sales	237,208	283,570	591,810	830,178
Number of restaurants in Royalty Pool	395	396	395	396
Franchise Sales reported by restaurants in the Royalty Pool	185,420	219,226	466,638	642,555
Royalty income	7,417	8,769	18,666	25,702
Distribution Income	2,452	2,886	6,168	8,461
Interest income	61	9	90	31
Total revenue	9,930	11,664	24,924	34,194
Administrative expenses	(392)	(345)	(1,138)	(968)
Interest expense on debt	(964)	(712)	(2,397)	(2,117)
Interest expense on Class B Unit liability	-	(1,010)	(648)	(2,750)
Profit before fair value (loss) gain and income taxes	8,574	9,597	20,741	28,359
Fair value (loss) gain on investment in BP Canada LP	(12,821)	(873)	(43,210)	11,675
Fair value gain (loss) on Class B Unit liability	5,712	385	19,239	(4,987)
Fair value (loss) gain on Swaps	(296)	97	(2,294)	(1,148)
Current and deferred income tax expense	(1,857)	(2,343)	(4,503)	(6,768)
Net and comprehensive (loss) income	(688)	6,863	(10,027)	27,131
Basic (loss) earnings per Unit	(0.03)	0.31	(0.46)	1.25
Diluted (loss) earnings per Unit	(0.30)	0.27	(1.19)	1.25
<u>Distributable Cash / Distributions / Payout Ratio</u>				
Cash flows generated from operating activities	6,185	9,497	14,977	26,900
BPI Class B Unit entitlement	(1,015)	(1,025)	(1,663)	(3,102)
Interest paid on long-term debt	(873)	(710)	(2,242)	(2,119)
SIFT Tax on Units	1,154	52	(162)	60
Distributable Cash	5,451	7,814	10,910	21,739
Distributions paid	-	7,516	6,923	22,550
Payout Ratio	0.0%	96.2%	63.5%	103.7%
Distributable Cash per Unit	0.253	0.359	0.506	0.998
Distributions paid per Unit	-	0.345	0.319	1.035
<u>Other</u>				
Same Restaurant Sales	(15.2%)	(4.2%)	(28.2%)	(2.3%)
Number of restaurants opened	1	2	2	5
Number of restaurants closed	4	0	10	4
			Sep 30, 2020	Dec 31, 2019
Total assets			362,487	396,426
Total liabilities			115,284	131,323

### Notes:

- 1) **"System-Wide Gross Sales"** means the gross revenue: (i) of the corporate Boston Pizza restaurants in Canada owned by BPI; and (ii) reported to BP Canada LP by franchised Boston Pizza restaurants in Canada, without audit or other form of independent assurance, and in the case of both (i) and (ii), including revenue from the sale of liquor, beer, wine and revenue from BP Canada LP approved national promotions and discounts and excluding applicable sales and similar taxes.

- 2) **"Franchise Sales"** is the basis upon which Royalty and Distribution Income are payable, and means the gross revenue: (i) of the corporate Boston Pizza restaurants in Canada owned by BPI that are in the Fund's royalty pool; and (ii) reported to BP Canada LP by franchised Boston Pizza restaurants in Canada that are in the Fund's royalty pool, without audit or other form of independent assurance, and in the case of both (i) and (ii), after deducting revenue from the sale of liquor, beer, wine and revenue from BP Canada LP approved national promotions and discounts and excluding applicable sales and similar taxes. Nevertheless, BP Canada LP periodically conducts audits of the Franchise Sales reported to it by its franchisees, and the Franchise Sales reported herein include results from sales audits of earlier periods.
- 3) **"Same Restaurant Sales"** or **"SRS"** is the change in gross revenue of Boston Pizza restaurants as compared to the gross revenue for the same period in the previous year for Boston Pizza restaurants that have been open for a minimum 24 months. SRS is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes SRS provides investors useful information regarding the change in gross sales of Boston Pizza restaurants.
- 4) **"Distributable Cash"** is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that this non-IFRS financial measure provides useful information to investors regarding the amount of cash the Fund has generated for distribution on the Units. The preceding table provides a reconciliation from this non-IFRS financial measure to cash flows from operating activities, which is the most directly comparable IFRS measure. Investors are cautioned that this should not be construed as an alternative to cash flows from operating activities.
- 5) **"Payout Ratio"** is calculated by dividing the aggregate distributions paid by the Fund during a period by the Distributable Cash generated in that period. Payout Ratio is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that this non-IFRS financial measure provides investors with useful information regarding the extent to which the Fund distributes cash on the Units. As the Payout Ratio is calculated from a formula which includes Distributable Cash, which is a non-IFRS measure, a reconciliation of Payout Ratio to an IFRS measure is not possible. For additional information regarding this financial metric, see the heading "Description of Non-IFRS and Additional IFRS Measures" in the Fund's MD&A for the Period and YTD.
- 6) Royalties LP licenses BPI the right to use various Boston Pizza trademarks in return for BPI paying Royalties LP a royalty equal to 4% of Franchise Sales of Boston Pizza restaurants (the **"Royalty"**) in the Fund's royalty pool (the **"royalty pool"**). **"Distribution Income"** is income received indirectly by the Fund on Class 1 LP Units and Class 2 LP Units of BP Canada LP. See the "Overview – Purpose of the Fund / Sources of Revenue" section of the Fund's MD&A for the Period and YTD for more details.
- 7) Profit before fair value adjustments and income taxes is an additional IFRS measure. For additional information regarding these financial metrics, see the heading "Description of Non-IFRS and Additional IFRS Measures" in the Fund's MD&A for the Period and YTD.
- 8) Capitalized terms used in this press release that are undefined have the meanings ascribed to them in the Fund's MD&A for the Period and YTD.

## SHORT-TERM OUTLOOK

The COVID-19 pandemic has had sudden, unexpected and unprecedented impacts on the general economy, the restaurant industry and has specifically caused significant disruption to the business of the Fund and BPI. The focus of BPI's management is to continue to: (i) monitor carefully the continuously evolving COVID-19 situation; (ii) modify the operating procedures of Boston Pizza restaurants to ensure the safety of guests and staff of BP Canada LP's franchisees; (iii) responsibly and safely operate the dining rooms and sports bars of Boston Pizza restaurants across Canada when permitted by applicable provincial health authorities; (iv) maximize the opportunity to grow its take-out and delivery business; and (v) review and adapt current and future plans to responsibly address the challenges and opportunities presented by COVID-19. Management of BPI anticipates that sales levels for the remainder of 2020 will continue to be challenged as a result of COVID-19.

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

## Forward Looking Information

Certain information in this press release constitutes "forward-looking information" that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual results, performance or achievements of the Fund, Boston Pizza Holdings Trust, Royalties LP, Boston Pizza Holdings Limited Partnership, Boston Pizza Holdings GP Inc., Boston Pizza GP Inc., BPI, BP Canada LP, Boston Pizza Canada Holdings Inc., Boston Pizza Canada Holdings Partnership, Boston Pizza restaurants, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Fund or its trustees expect or anticipate will or may occur in the future, including such things as, the potential for COVID-19 to continue to materially affect the Fund's Payout Ratio in the future, the COVID-19 pandemic continuing to result in material declines to Franchise Sales and SRS, declines in Franchise Sales and SRS resulting in significant declines to Royalty and Distribution Income payable to the Fund and significant declines in the amount of Distributable Cash available for distribution to unitholders, the potential of, and timing for, a special distribution of cash in December 2020, the belief that the payment of a special dividend could be a prudent approach during the COVID-19 pandemic given the continued volatility and economic uncertainty, future distributions and dates distributions are to be paid or payable, the significant uncertainties related to the COVID-19 pandemic and the impact on BPI and the Fund, the anticipation that the second wave of the COVID-19 pandemic will continue to impact the

business of Boston Pizza restaurants in the fourth quarter, the focus of BPI's management on guest safety, maximizing the take-out and delivery business and helping franchisees succeed during these challenging times, the trustees of the Fund continuing to closely monitor the Fund's available cash balances for the remainder of 2020 and beyond, future changes to calculations of financial measures, management's anticipation that sales levels for the remainder of 2020 will continue to be challenged as a result of COVID-19, the trustees of the Fund continuing to closely monitor BPI's and BP Canada LP's business as the COVID-19 situation continues to develop, 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 COVID-19 pandemic will continue to negatively impact the restaurant industry, Franchise Sales, SRS and Distributable Cash. Risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by the forward-looking information contained herein, relate to (among others) competition, demographic trends, consumer preferences and discretionary spending patterns, business and economic conditions, legislation and regulation, reliance on operating revenues, accounting policies and practices, the results of operations and financial condition of BPI, BP Canada LP and the Fund, as well as those factors discussed under the heading "Risks and Uncertainties" in the most recent Annual Information Form of the Fund. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this press release. Except as required by law, neither the Fund nor BPI assumes any obligation to update previously disclosed forward-looking information. For a complete list of the risks associated with forward-looking information and the Fund's business, please refer to the "Risks and Uncertainties" and "Note Regarding Forward-Looking Information" sections included in the most recent Annual Information Form of the Fund available at [www.sedar.com](http://www.sedar.com) and [www.bpincomefund.com](http://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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