



For Immediate Release

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**BOSTON PIZZA ROYALTIES INCOME FUND ANNOUNCES 2022 SECOND QUARTER RESULTS AND
17.6% INCREASE TO MONTHLY CASH DISTRIBUTIONS TO UNITHOLDERS**

July 2022 distribution increased to \$0.100 per unit from \$0.085 per unit

HIGHLIGHTS

- Franchise Sales¹ of \$219.4 million for the Period and \$398.0 million YTD, representing an increase of 62.7% and 50.8%, respectively, versus the same periods one year ago.
- Same Restaurant Sales² of 64.9% for the Period and 52.3% YTD. As COVID-19 began to adversely affect sales in Boston Pizza restaurants in March of 2020, the Fund believes that it is also useful to calculate and report SRS comparing 2022 Franchise Sales to 2019 Franchise Sales. If SRS were calculated comparing Franchise Sales in the Period and YTD to Franchise Sales in the same periods in 2019, SRS would be positive 4.6% and negative 2.8%, respectively.
- Cash flows generated from operating activities of \$9.1 million for the Period and \$15.8 million YTD, representing an increase of 41.4% and 27.5%, respectively, versus the same periods one year ago.
- Distributable Cash³ increased 53.4% for the Period and 41.4% YTD, and Distributable Cash per Unit⁴ increased 53.5% for the Period and 41.5% YTD.
- Payout Ratio⁵ of 88.9% for the Period, 100.9% YTD and 87.5% on a trailing 12-month basis. Cash balance at the end of the Period was \$5.0 million.
- As previously announced on June 28, 2022, the Fund and BPI renewed their respective credit agreements with favourable terms and extended the maturity to July 1, 2026.
- On August 4, 2022, the trustees of the Fund declared a distribution for the period of July 1, 2022 to July 31, 2022 of \$0.100 per unit of the Fund, which will be payable on August 31, 2022 to unitholders of the Fund (“**Unitholders**”) of record on August 21, 2022. This is an increase of \$0.015 per Unit, or 17.6%, from the previous monthly distribution rate of \$0.085 per Unit.

VANCOUVER, BC, August 5, 2022 – Boston Pizza Royalties Income Fund (the “**Fund**”) and Boston Pizza International Inc. (“**BPI**”) reported financial results today for the second quarter period from April 1, 2022 to June 30, 2022 (the “**Period**”) and January 1, 2022 to June 30, 2022 (“**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 and www.bpincomefund.com. The Fund will host a conference call to discuss the results on August 5, 2022 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 September 5, 2022 by dialling 1-800-319-6413 or 604-638-9010 and entering the access code: 9115 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 and YTD.

“The Fund is pleased to announce a 17.6% increase to the monthly cash distribution rate to unitholders. The second quarter generated the strongest sales results for Boston Pizza since the start of the COVID-19 pandemic,” said Marc Guay, Chair of the Board of Trustees. “The trustees are pleased to see Boston Pizza franchise sales results exceed pre-pandemic levels. However, the trustees remain cautious and will continue to closely monitor the Fund’s available cash balances and distribution levels, based on our goal of stable and sustainable distribution flow to unitholders.”

COVID-19 continues to impact the business of the Fund, BPI and Boston Pizza Canada Limited Partnership (“**BP Canada LP**”), and the operation of Boston Pizza restaurants. Despite the impact of COVID-19, Franchise Sales of Boston Pizza restaurants in the Royalty Pool, and the resulting Royalty and Distribution Income, for July 2022 increased by approximately 6.1% compared to July 2021 and approximately 4.6% compared to July 2019. SRS for July 2022 was approximately 6.5% when compared to the same period in 2021 and approximately 8.3% when compared to the same period in 2019.

PERIOD AND YTD RESULTS

SRS, a key driver of distribution growth for Unitholders, was positive 64.9% for the Period compared to 27.0% reported in the second quarter of 2021. If SRS were calculated comparing Franchise Sales in the Period to Franchise Sales for the same period in 2019, SRS would be positive 4.6%. SRS was positive 52.3% YTD compared to negative 5.1% reported year-to-date in 2021. If SRS were calculated comparing Franchise Sales YTD to Franchise Sales year-to-date in 2019, SRS would be negative 2.8%. The increase in SRS during the Period and YTD was principally due to increases in restaurant guest traffic mainly due to the easing and elimination of dining restrictions.

Franchise Sales of Boston Pizza restaurants in the Royalty Pool were \$219.4 million for the Period and \$398.0 million YTD compared to \$134.8 million and \$263.8 million, respectively, for the same periods one year ago. The \$84.5 million increase in Franchise Sales for the Period and \$134.2 million increase in Franchise Sales YTD were primarily due to positive SRS.

The Fund's net and comprehensive income was \$1.8 million for the Period compared to \$7.7 million for the second quarter of 2021. The \$6.0 million decrease in the Fund's net and comprehensive income for the Period compared to the second quarter of 2021 was primarily due to an increase in fair value loss of \$10.4 million and an increase in interest expense on Class B Units of \$0.1 million, partially offset by higher Royalty and Distribution Income of \$4.5 million and a decrease in income tax expense of \$0.2 million. The Fund's net and comprehensive income was \$14.7 million YTD compared to \$19.3 million year-to-date in 2021. The \$4.6 million decrease in the Fund's net and comprehensive income YTD compared to the same period in 2021 was due to a decrease in fair value gain of \$9.7 million, an increase in income tax expense of \$1.7 million and an increase in interest expense on Class B Units of \$0.3 million, partially offset by higher Royalty and Distribution Income of \$7.1 million.

The Fund's cash flows generated from operating activities was \$9.1 million compared to \$6.4 million in the second quarter of 2021. The increase of \$2.7 million was due to an increase of Royalty and Distribution Income of \$4.5 million, partially offset by a decrease in changes in working capital of \$0.8 million and an increase in income taxes paid of \$0.9 million. The Fund's cash flows generated from operating activities YTD was \$15.8 million compared to \$12.4 million for the same period one year ago. The increase of \$3.4 million was due to an increase of Royalty and Distribution Income of \$7.1 million, partially offset by a decrease in changes in working capital of \$2.1 million and an increase in income taxes paid of \$1.5 million.

The Fund generated Distributable Cash of \$6.2 million for the Period compared to \$4.0 million for the second quarter of 2021. The increase in Distributable Cash of \$2.2 million or 53.4% was primarily due to an increase in cash flow generated from operating activities of \$2.7 million, partially offset by increased BPI Class B Unit entitlement of \$0.4 million and increased SIFT Tax on Units of \$0.2 million. The Fund generated Distributable Cash of \$10.9 million YTD compared to \$7.7 million year-to-date in 2021. The increase in Distributable Cash of \$3.2 million or 41.4% was primarily due to an increase in cash flow generated from operating activities of \$3.4 million and a decrease in repayments of long-term debt of \$0.6 million, partially offset by increased BPI Class B Unit entitlement of \$0.6 million and increased SIFT Tax on Units of \$0.2 million.

The Fund generated Distributable Cash per Unit of \$0.287 for the Period compared to \$0.187 per Unit for the second quarter of 2021. The increase in Distributable Cash per Unit of \$0.100 or 53.5% was primarily attributable to the increase in Distributable Cash outlined above. The Fund generated Distributable Cash per Unit of \$0.505 YTD compared to \$0.357 per Unit year-to-date in 2021. The increase in Distributable Cash per Unit of \$0.148 or 41.5% was primarily attributable to the increase in Distributable Cash outlined above.

The Fund's Payout Ratio for the Period was 88.9% compared to 104.3% in the second quarter of 2021. The decrease in the Fund's Payout Ratio for the Period was due to Distributable Cash increasing by \$2.2 million or 53.4%, partially offset by distributions paid increasing by \$1.3 million or 30.8%. The Fund's Payout Ratio YTD was 100.9% compared to 165.1% year-to-date in 2021. The decrease in the Fund's Payout Ratio YTD was due to Distributable Cash increasing by \$3.2 million or 41.4% and distributions paid decreasing by \$1.7 million or 13.6%. Payout Ratio is calculated by dividing the amount of distributions paid during the applicable period by the Distributable Cash for that period. Accordingly, the Payout Ratio for year-to-date in 2021 factors in the Special Distribution (as defined below) that was paid on January 29, 2021 even though the cash generated to fund the Special Distribution was generated during 2020. If the Special Distribution was excluded in the calculation of Payout Ratio for year-to-date 2021, the Payout Ratio would be 109.1%. 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 87.5% as at June 30, 2022.

DISTRIBUTIONS

During the Period, the Fund declared and paid distributions on the Units in the aggregate amount of \$5.5 million or \$0.255 per Unit. During the second quarter of 2021, the Fund declared and paid distributions on the Units in the aggregate amount of \$4.2 million or \$0.195 per Unit. The amount of distributions declared and paid during the Period increased by \$1.3 million or \$0.060 per Unit due to the monthly distribution rate increasing from \$0.065 per Unit to \$0.085 per Unit commencing with the September 2021 distribution. YTD, the Fund declared distributions on the Units in the aggregate amount of \$9.1 million or \$0.425 per Unit. During the same period in 2021, the Fund declared distributions on the Units in the aggregate amount of \$7.0 million or \$0.325 per Unit. YTD, the Fund paid distributions on the Units in the aggregate amount of \$11.0 million or \$0.510 per Unit. During the same period in 2021, the Fund paid distributions on the Units in the aggregate amount of \$12.7 million or \$0.590 per Unit. The amount of distributions declared YTD increased by \$2.1 million or \$0.100 per Unit due to the monthly distribution rate increasing from \$0.065 per Unit to \$0.085 per Unit commencing with the September 2021 distribution. The amount of distributions paid YTD decreased by \$1.7 million or \$0.080 per Unit due to a combination of the special distribution of \$0.200 per Unit, that was declared on December 16, 2020 and paid on January 29, 2021 to Unitholders of record at the close of business on December 31, 2020 (the "**Special Distribution**") without any special distribution being paid YTD, partially offset by the monthly distribution rate increasing from \$0.065 per Unit to \$0.085 per Unit commencing with the September 2021 distribution.

On August 4, 2022, the trustees of the Fund declared a distribution for the period of July 1, 2022 to July 31, 2022 of \$0.100 per Unit, which will be payable on August 31, 2022 to Unitholders of record on August 21, 2022. This is an increase of \$0.015 per Unit, or 17.6%, from the previous monthly distribution rate of \$0.085 per Unit. On an annualized basis, the new monthly distribution rate equates to \$1.20 per Unit compared to \$1.02 per Unit for the previously monthly distribution rate. Including the July 2022 distribution, which will be paid on August 31, 2022, the Fund will have paid out total distributions of \$382.8 million or \$24.16 per Unit which includes 235 monthly distributions and the Special Distribution.

In deciding to increase monthly cash distributions from \$0.085 per unit to \$0.100 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 Fund's Royalty Pool, the Fund's cash position and debt repayment obligations, and internal financial projections for the Fund and Boston Pizza restaurants in the Fund's Royalty Pool for the remainder of 2022 and beyond.

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 six month periods ended June 30, 2022 and June 30, 2021.

<i>For the periods ended June 30</i>	Q2 2022	Q2 2021	YTD 2022	YTD 2021
(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)				
Number of restaurants in Royalty Pool	383	387	383	387
Franchise Sales reported by restaurants in the Royalty Pool	219,384	134,839	397,986	263,836
Royalty ⁶ income	8,775	5,393	15,919	10,553
Distribution Income ⁷	2,895	1,797	5,258	3,514
Total revenue	11,670	7,190	21,177	14,067
Administrative expenses	(349)	(309)	(687)	(655)
Interest expense on debt and financing fees	(977)	(999)	(1,916)	(1,940)
Interest expense on Class B Unit liability	(733)	(605)	(1,298)	(1,019)
Interest income	10	29	15	69
Profit before fair value (loss) gain and income taxes	9,621	5,306	17,291	10,522
Fair value (loss) gain on investment in BP Canada LP	(14,622)	6,274	(3,056)	17,840
Fair value gain (loss) on Class B Unit liability	6,515	(2,796)	1,361	(7,948)
Fair value gain on Swaps	1,337	193	3,213	1,311
Current and deferred income tax expense	(1,075)	(1,235)	(4,134)	(2,403)
Net and comprehensive income	1,776	7,742	14,675	19,322
Basic earnings per Unit	0.08	0.36	0.68	0.90
Diluted (loss) earnings per Unit	(0.20)	0.36	0.55	0.90
<u>Distributable Cash / Distributions / Payout Ratio</u>				
Cash flows generated from operating activities	9,118	6,448	15,769	12,365
BPI Class B Unit entitlement ⁸	(888)	(523)	(1,552)	(989)
Interest paid on long-term debt	(954)	(929)	(1,838)	(1,809)
Principal repayments on long-term debt	(1,000)	(1,036)	(1,500)	(2,072)
Current income tax expense	(2,285)	(1,185)	(4,054)	(2,303)
Current income tax paid	2,185	1,250	4,049	2,500
Distributable Cash ³	6,176	4,025	10,874	7,692
Distributions paid	5,488	4,197	10,976	12,698
Payout Ratio ⁵	88.9%	104.3%	100.9%	165.1%
Distributable Cash per Unit ⁴	0.287	0.187	0.505	0.357
Distributions paid per Unit	0.255	0.195	0.510	0.590
<u>Other</u>				
Same Restaurant Sales ²	64.9%	27.0%	52.3%	(5.1%)
Number of restaurants opened	0	0	0	0
Number of restaurants closed	0	1	2	2
			Jun 30, 2022	Dec 31, 2021
Total assets			411,460	411,313
Total liabilities			130,133	135,514

SHORT-TERM OUTLOOK

COVID-19 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, BPI and BP Canada LP. 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, sports bars and patios of Boston Pizza restaurants across Canada as 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.

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 COVID-19

persists, the trustees of the Fund expect that Franchise Sales and SRS at Boston Pizza restaurants, and resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders will continue to be adversely affected.

Forward Looking Information

Certain information in this press release constitutes “forward-looking information” that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual results, performance or achievements of the Fund, Boston Pizza Holdings Trust, Boston Pizza Royalties Limited Partnership, Boston Pizza Holdings Limited Partnership, Boston Pizza Holdings GP Inc., Boston Pizza GP Inc., BPI, BP Canada LP, Boston Pizza Canada Holdings Inc., Boston Pizza Canada Holdings Partnership, Boston Pizza restaurants, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Fund or its trustees expect or anticipate will or may occur in the future, including such things as, that the trustees of the Fund remain cautious and will continue to closely monitor the Fund’s available cash balances and distribution levels, based on our goal of stable and sustainable distribution flow to Unitholders, that COVID-19 continues to impact the business of the Fund, BPI and BP Canada LP and the operation of Boston Pizza restaurants, that Boston Pizza restaurants generally experience higher Franchise Sales levels during the summer months when restaurants open their patios and benefit from increased tourist traffic, the focus of BPI’s management 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, sports bars and patios of Boston Pizza restaurants across Canada as 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, 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 consider the best interests of the Fund and its stakeholders, the expectation 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 while COVID-19 persists, 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, expectations that the Fund’s Payout Ratio is typically higher in the first and fourth quarter, Boston Pizza restaurants maintaining operational excellence, the COVID-19 pandemic continuing to negatively impact the restaurant industry, Franchise Sales, SRS and Distributable Cash, and that COVID-19 and its negative impacts will eventually dissipate. Risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by the forward-looking information contained herein, relate to (among others): competition, demographic trends, consumer preferences and discretionary spending patterns, business and economic conditions, legislation and regulation, reliance on operating revenues, accounting policies and practices, the results of operations and financial condition of BPI, BP Canada LP and the Fund, pandemics and national health crises, in particular COVID-19, as well as those factors discussed under the heading “Risks and Uncertainties” in the most recent Annual Information Form of the Fund. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this press release. Except as required by law, neither the Fund nor BPI assumes any obligation to update previously disclosed forward-looking information. For a complete list of the risks associated with forward-looking information and the Fund’s business, please refer to the “Risks and Uncertainties” and “Note Regarding Forward-Looking Information” sections included in the most recent Annual Information Form of the Fund available at www.sedar.com and www.bpincomefund.com.

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

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 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, however, the financial statements do not report it on a monthly basis. Therefore, when disclosed on a monthly basis herein, this is a supplementary financial measure under National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* ("**NI 52-112**"). The Fund believes that Franchise Sales for this month provides useful information to investors regarding recent performance of Boston Pizza.

- 2 **"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. Prior to the fourth quarter of 2021, the Fund defined SRS as the change in gross revenues of Boston Pizza restaurants in the Royalty Pool as compared to the gross revenues for the same period in the previous year (where restaurants were open for a minimum of 24 months). Commencing with the fourth quarter of 2021, the Fund defines SRS as the change in Franchise Sales of Boston Pizza restaurants in the Royalty Pool 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 the current method of calculating SRS provides Unitholders more meaningful information regarding the performance of Boston Pizza restaurants since Royalty and Distribution Income are payable to the Fund by BPI and BP Canada LP on Franchise Sales and not gross revenues of Boston Pizza restaurants. All historical SRS figures contained in this press release have been restated to conform to the current method of calculating SRS.
- 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 Units in respect of the period (see note 8 below), minus (b) interest paid on long-term debt during the period, minus (c) principal repayments on long-term 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 SIFT 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 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.

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- 6 Boston Pizza Royalties Limited Partnership ("**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**") 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.sedar.com) 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 long-term debt, principal repayments on long-term 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.