



For Immediate Release

Toronto Stock Exchange: BPF.UN

**BOSTON PIZZA ROYALTIES INCOME FUND ANNOUNCES 2023 FIRST QUARTER RESULTS AND
APRIL 2023 CASH DISTRIBUTION OF \$0.107 PER UNIT**

HIGHLIGHTS

- Franchise Sales¹ of \$224.2 million for the Period, representing an increase of 25.5% versus the same period one year ago.
- Same Restaurant Sales² of 25.7% for the Period.
- Cash flows generated from operating activities of \$9.2 million for the Period, representing an increase of 38.6% versus the same period one year ago.
- Distributable Cash³ increased 53.0% for the Period, and Distributable Cash per Unit⁴ increased 53.2% for the Period.
- Payout Ratio⁵ of 91.6% for the Period and 94.5% on a trailing 12-month basis. Cash balance at the end of the Period was \$6.0 million.
- On April 5, 2023, the Fund increased its monthly distribution rate commencing with the March 2023 distribution from \$0.102 to \$0.107 per unit of the Fund ("**Unit**").
- On May 9, 2023, the trustees of the Fund declared a distribution for the period of April 1, 2023 to April 30, 2023 of \$0.107 per Unit, which will be payable on May 31, 2023 to unitholders of the Fund ("**Unitholders**") of record on May 21, 2023.

VANCOUVER, BC, May 10, 2023 – 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, 2023 to March 31, 2023 (the "**Period**"). 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 May 10, 2023 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 June 10, 2023 by dialling 1-800-319-6413 or 604-638-9010 and entering the access code: 9986 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.

COVID-19 impacted the business of the Fund, BPI and Boston Pizza Canada Limited Partnership ("**BP Canada LP**"), and the operation of Boston Pizza Restaurants significantly during 2020, 2021 and the first half of 2022. Since then, COVID-19 case counts improved, government restrictions related to COVID-19 were largely eliminated, and sales levels of Boston Pizza Restaurants have returned to more normal levels when compared to times prior to COVID-19.

"We are pleased to report strong sales results for the first quarter of 2023, which exceeded our expectations and demonstrated the resilience of our restaurant operations despite current macroeconomic conditions and other challenges facing the restaurant industry," said Jordan Holm, President of BPI. "Our commitment to providing exceptional guest experiences, along with innovative menu offerings, has led to increased sales. As economic uncertainty and inflationary pressures persist in 2023, we will work diligently to support our franchisees and continue the positive sales momentum that was achieved in 2022 and the start of 2023."

PERIOD RESULTS

SRS, a key driver of distribution growth for Unitholders, was 25.7% for the Period compared to 39.1% reported in the first quarter of 2022. SRS for the Period was principally due to increases in restaurant guest traffic compared to the first quarter of 2022, during which pandemic-related restrictions still existed, and increased average guest cheque due to a combination of increased menu pricing and larger per guest ordering levels.

Franchise Sales of Boston Pizza restaurants in the Royalty Pool were \$224.2 million for the Period compared to \$178.6 million for the same period one year ago. The \$45.6 million increase in Franchise Sales for the Period was primarily due to positive SRS.

The Fund's net and comprehensive income was \$6.7 million for the Period compared to \$12.9 million for the first quarter of 2022. The \$6.2 million decrease in the Fund's net and comprehensive income for the Period compared to the first quarter of 2022 was primarily due to a \$9.3 million increase in fair value loss, partially offset by a \$2.4 million increase in Royalty and Distribution Income and a decrease in income tax expense of \$0.7 million.

The Fund's cash flows generated from operating activities was \$9.2 million compared to \$6.7 million in the first quarter of 2022. The increase of \$2.5 million was due to an increase of Royalty and Distribution Income of \$2.4 million and an increase in changes in working capital of \$0.6 million, partially offset by an increase in income taxes paid of \$0.4 million.

The Fund generated Distributable Cash of \$7.2 million for the Period compared to \$4.7 million for the first quarter of 2022. The increase in Distributable Cash of \$2.5 million or 53.0% was primarily due to an increase of cash flows generated from operating activities of \$2.5 million and lower repayments of long-term debt of \$0.5 million, partially offset by increased BPI Class B Unit entitlement of \$0.4 million and SIFT Tax on Units adjustment of \$0.2 million.

The Fund generated Distributable Cash per Unit of \$0.334 for the Period compared to \$0.218 per Unit for the first quarter of 2022. The increase in Distributable Cash per Unit of \$0.116 or 53.2% was primarily attributable to the increase in Distributable Cash outlined above.

The Fund's Payout Ratio for the Period was 91.6% compared to 116.8% in the first quarter of 2022. The decrease in the Fund's Payout Ratio for the Period was due to Distributable Cash increasing by \$2.5 million or 53.0%, partially offset by distributions paid increasing by \$1.1 million or 20.0%. 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 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 94.5% as at March 31, 2023.

DISTRIBUTIONS

During the Period, the Fund declared distributions on the Units in the aggregate amount of \$4.4 million or \$0.204 per Unit. During the first quarter of 2022, the Fund declared distributions on the Units in the aggregate amount of \$3.7 million or \$0.170 per Unit. During the Period, the Fund paid distributions on the Units in the aggregate amount of \$6.6 million or \$0.306 per Unit. During the first quarter of 2022, the Fund paid distributions on the Units in the aggregate amount of \$5.5 million or \$0.255 per Unit. The amount of distributions declared during the Period increased by \$0.7 million or \$0.034 per Unit due to the monthly distribution rate increasing from \$0.085 per Unit to \$0.100 per Unit commencing with the July 2022 distribution, and increasing again from \$0.100 per Unit to \$0.102 per Unit commencing with the November 2022 distribution (collectively, the **"2022 Distribution Increases"**). Distributions paid during the Period increased by \$1.1 million or \$0.051 per Unit due to the 2022 Distribution Increases.

On April 5, 2023, the trustees of the Fund declared a distribution for the period of March 1, 2023 to March 31, 2023 of \$0.107 per Unit, which was paid on April 28, 2023 to Unitholders of record on April 21, 2023. This was an increase of \$0.005 per Unit, or 4.9%, from the previous monthly distribution rate of \$0.102 per Unit. On an annualized basis, this new monthly distribution rate equates to \$1.284 per Unit compared to \$1.224 per Unit for the previous monthly distribution rate.

On May 9, 2023, the trustees of the Fund declared a distribution for the period of April 1, 2023 to April 30, 2023 of \$0.107 per Unit, which will be payable on May 31, 2023 to Unitholders of record on May 21, 2023. Including the April 2023 distribution, which will be paid on May 31, 2023, the Fund will have paid out total distributions of \$404.5 million or \$25.16 per Unit which includes 244 monthly distributions and two special distributions.

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 periods ended March 31, 2023 and 2022.

<i>For the periods ended March 31</i>	Q1 2023	Q1 2022
(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)		
Number of restaurants in Royalty Pool	377	383
Franchise Sales reported by restaurants in the Royalty Pool	224,201	178,602
Royalty income ⁶	8,968	7,144
Distribution Income ⁷	2,949	2,363
Total revenue	11,917	9,507
Administrative expenses	(391)	(338)
Interest expense on debt and financing fees	(850)	(939)
Interest expense on Class B Unit liability	(632)	(565)
Interest income	68	5
Profit before fair value (loss) gain and income taxes	10,112	7,670
Fair value (loss) gain on investment in BP Canada LP	(218)	11,566
Fair value gain (loss) on Class B Unit liability	97	(5,154)
Fair value (loss) gain on Swaps	(892)	1,876
Current and deferred income tax expense	(2,430)	(3,059)
Net and comprehensive income	6,669	12,899
Basic earnings per Unit	0.31	0.60
Diluted earnings per Unit	0.24	0.60
<u>Distributable Cash³ / Distributions / Payout Ratio⁵</u>		
Cash flows generated from operating activities	9,220	6,651
BPI Class B Unit entitlement ⁸	(1,038)	(664)
Interest paid on long-term debt	(914)	(884)
Principal repayments on long-term debt	-	(500)
Current income tax expense	(2,390)	(1,769)
Current income tax paid	2,311	1,864
Distributable Cash ³	7,189	4,698
Distributions paid	6,585	5,488
Payout Ratio ⁵	91.6%	116.8%
Distributable Cash per Unit ⁴	0.334	0.218
Distributions paid per Unit	0.306	0.255
<u>Other</u>		
Same Restaurant Sales ²	25.7%	39.1%
Number of restaurants opened	0	0
Number of restaurants closed	1	2
	Mar 31, 2023	Dec 31, 2022
Total assets	413,490	413,701
Total liabilities	130,633	133,123

SUMMARY OF QUARTERLY RESULTS

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)				
Number of restaurants in Royalty Pool	377	383	383	383
Franchise Sales reported by restaurants in the Royalty Pool	224,201	227,163	229,848	219,384
Royalty income	8,968	9,087	9,194	8,775
Distribution Income	2,949	2,988	3,027	2,895
Total revenue	11,917	12,075	12,221	11,670
Administrative expenses	(391)	(369)	(334)	(349)
Interest expense on debt and financing fees	(850)	(812)	(886)	(977)
Interest expense on Class B Unit liability	(632)	(1,557)	(835)	(733)
Interest income	68	61	31	10
Profit before fair value (loss) gain and income taxes	10,112	9,398	10,197	9,621
Fair value (loss) gain on investment in BP Canada LP	(218)	(1,146)	2,183	(14,622)
Fair value gain (loss) on Class B Unit liability	97	510	(972)	6,515
Fair value (loss) gain on Swaps	(892)	106	572	1,337
Current and deferred income tax expense	(2,430)	(2,462)	(2,478)	(1,075)
Net and comprehensive income	6,669	6,406	9,502	1,776
Basic earnings per Unit	0.31	0.30	0.44	0.08
Diluted earnings (loss) per Unit	0.24	0.26	0.41	(0.20)
<u>Distributable Cash / Distributions / Payout Ratio</u>				
Cash flows generated from operating activities	9,220	8,919	9,667	9,118
BPI Class B Unit entitlement	(1,038)	(1,044)	(1,083)	(888)
Interest paid on long-term debt	(914)	(799)	(939)	(954)
Principal repayments on long-term debt	-	-	-	(1,000)
Current income tax expense	(2,390)	(2,422)	(2,438)	(2,285)
Current income tax paid	2,311	2,585	2,270	2,185
Distributable Cash	7,189	7,239	7,477	6,176
Distributions paid	6,585	8,329	6,133	5,488
Payout Ratio	91.6%	115.1%	82.0%	88.9%
Distributable Cash per Unit	0.334	0.336	0.347	0.287
Distributions paid per Unit	0.306	0.387	0.285	0.255
<u>Other</u>				
Same Restaurant Sales	25.7%	24.5%	8.4%	64.9%
Number of restaurants opened	0	0	0	0
Number of restaurants closed	1	3	1	0

SUMMARY OF QUARTERLY RESULTS (continued)

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
(in thousands of dollars – except restaurants, SRS, Payout Ratio and per Unit items)				
Number of restaurants in Royalty Pool	383	387	387	387
Franchise Sales reported by restaurants in the Royalty Pool	178,602	183,177	213,038	134,839
Royalty income	7,144	7,327	8,522	5,393
Distribution Income	2,363	2,423	2,815	1,797
Total revenue	9,507	9,750	11,337	7,190
Administrative expenses	(338)	(327)	(317)	(309)
Interest expense on debt and financing fees	(939)	(939)	(1,000)	(999)
Interest expense on Class B Unit liability	(565)	(1,037)	(450)	(605)
Interest income	5	7	18	29
Profit before fair value gain (loss) and income taxes	7,670	7,454	9,588	5,306
Fair value gain (loss) on investment in BP Canada LP	11,566	11,294	(3,928)	6,274
Fair value (loss) gain on Class B Unit liability	(5,154)	(5,032)	1,751	(2,796)
Fair value gain on Swaps	1,876	730	262	193
Current and deferred income tax expense	(3,059)	(1,804)	(2,230)	(1,235)
Net and comprehensive income	12,899	12,642	5,443	7,742
Basic earnings per Unit	0.60	0.59	0.25	0.36
Diluted earnings per Unit	0.60	0.59	0.13	0.36
<u>Distributable Cash / Distributions / Payout Ratio</u>				
Cash flows generated from operating activities	6,651	8,524	9,586	6,448
BPI Class B Unit entitlement	(664)	(858)	(923)	(523)
Interest paid on long-term debt	(884)	(892)	(991)	(929)
Principal repayments on long-term debt	(500)	(679)	(1,036)	(1,036)
Current income tax expense	(1,769)	(1,814)	(2,190)	(1,185)
Current income tax paid	1,864	1,790	2,230	1,250
Distributable Cash	4,698	6,071	6,676	4,025
Distributions paid	5,488	5,488	4,196	4,197
Payout Ratio	116.8%	90.4%	62.9%	104.3%
Distributable Cash per Unit	0.218	0.282	0.310	0.187
Distributions paid per Unit	0.255	0.255	0.195	0.195
<u>Other</u>				
Same Restaurant Sales	39.1%	25.5%	15.1%	27.0%
Number of restaurants opened	0	0	0	0
Number of restaurants closed	2	2	0	1

SHORT-TERM OUTLOOK

The two principal factors that affect SRS are changes in guest traffic and changes in average guest cheque. BPI's and BP Canada LP's strategies to drive higher guest traffic include attracting a wide variety of guests into the restaurant, sports bar and take-out and delivery parts of each location, offering a compelling value proposition to guests and leveraging a larger marketing budget versus the previous year along with a revised calendar of national and local store promotions. Increased average cheque levels are expected to be achieved through a combination of culinary innovation and annual menu re-pricing.

The actions taken by BPI and BP Canada LP to strengthen its business during COVID-19 have allowed BPI and BP Canada LP to be in a good position to address any on-going COVID-19 related challenges or other future challenges in the restaurant industry. The easing and elimination of government-imposed restrictions in Canada related to COVID-19 has enabled Boston Pizza to continue to drive improved performance and guest traffic. However, with supply chain challenges, rising interest rates, increasing input costs and labour shortages impacting most of the restaurant industry, BPI's management remains cautious. The focus of BPI's management is to adapt the business to mitigate these challenges and capitalize on the recent sales momentum resulting from the elimination of COVID restrictions in the restaurant industry.

The trustees of the Fund will continue to closely monitor the Fund's available cash balances given the volatile economic outlook.

Forward Looking Information

Certain information in this press release constitutes "forward-looking information" that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual results, performance or achievements of the Fund, Boston Pizza Holdings Trust, Boston Pizza Royalties Limited Partnership, Boston Pizza Holdings Limited Partnership, Boston Pizza Holdings GP Inc., Boston Pizza GP Inc., BPI, BP Canada LP, Boston Pizza Canada Holdings Inc., Boston Pizza Canada Holdings Partnership, Boston Pizza restaurants, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Fund or its trustees expect or anticipate will or may occur in the future, including such things as, the continued impact of COVID-19 on the business of the Fund, BPI and BP Canada LP and the operation of Boston Pizza restaurants, Boston Pizza restaurants generally experiencing higher Franchise Sales levels during the summer months when restaurants open their patios and benefit from increased tourist traffic, BPI and BP Canada LP's ability to implement strategies driving higher guest traffic and increased average cheque levels, continued improved performance and guest traffic due to the easing and elimination of government-imposed COVID-19 restrictions in the Canadian restaurant industry, the persistence of economic uncertainty and inflationary pressures in 2023, and working diligently to support franchisees and continuing positive sales momentum, the trustees of the Fund continuing to closely monitor the Fund's available cash balances given the volatile economic outlook, 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.
- 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.