

**A&W Revenue
Royalties Income
Fund and A&W
Food Services of
Canada Announce
Strategic
Combination**

**Presentation to
Unitholders of the Fund**
July 2024



CAUTIONARY STATEMENTS

Forward-Looking Information

Certain statements in this presentation contain forward-looking information within the meaning of applicable securities laws in Canada. The words “anticipates”, “believes”, “budgets”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “will”, “would” and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words.

The forward-looking information in this presentation includes, but is not limited to: expectations relating to the timing and completion of the combination transaction (the “Transaction”) between A&W Revenue Royalties Income Fund (the “Fund”) and A&W Food Services of Canada Inc. (“A&W Food Services” or “Food Services”); the listing of the common shares of the public company resulting from the Transaction (the “combined company”, “A&W Food Services NewCo” or “NewCo”) on the Toronto Stock Exchange; the anticipated benefits of the Transaction, including, without limitation, expectations with respect to NewCo’s potential for growth and capital appreciation, share price upside, value creation and enhanced liquidity and profile in the capital markets; the strategic direction and growth opportunities of NewCo, including opportunities and commitments to add new A&W restaurants (units) in Canada and the continued growth of the burger segment of the Canadian QSR market; expectations that distributions will be maintained in the form of dividends by NewCo and the annualized rate of those future dividends; and expectations relating to the future operating and financial performance of NewCo, including its ability to expand margins, grow sales, guest counts and earnings and generate free cash flow.

This forward-looking information is based on a number of assumptions that, while considered reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking information. Such assumptions include, but are not limited to: the ability to obtain shareholder approval and consummate the Transaction on the terms and conditions and timing currently contemplated; NewCo will be successful in executing its business strategies and pursuing its growth opportunities, and that, coupled with its simplified corporate structure and growth mandate, will attract significantly more institutional investor interest and research coverage; there are no material changes in competition; the continued availability of experienced management and other key personnel and hourly employees; and that there are no material changes in the QSR burger market, including as a result of changes in consumer taste or health concerns, a disease outbreak or economic conditions (including inflation, interest rates and unemployment levels).

Inherent in forward-looking information are risks and uncertainties beyond our ability to predict or control that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. The forward-looking information in this presentation is subject to, among others, the risks related to Food Services’ business (including those generally impacting the QSR industry) identified in the Fund’s Annual Information Form dated February 27, 2024 (the “AIF”) which is available under the Fund’s profile on SEDAR+ at www.sedarplus.ca. This forward-looking information is also subject to specific risks and uncertainties relating to the Transaction and the common shares of NewCo identified under “Risk Factors” in the Appendix at the end of this presentation.

The forward-looking information contained in this presentation describes our expectations at the date hereof and is subject to change after such date. All forward-looking information in this presentation is qualified in its entirety by this cautionary statement and, except as required by law, we undertake no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

Market and Industry Data

This presentation includes market information and industry data obtained from independent industry publications, market research and other publicly available sources. Although management believes these sources to be generally reliable, the accuracy and completeness of this information and data are not guaranteed. We have not independently verified any of the data from third party sources referred to in this presentation nor ascertained the underlying assumptions relied upon by such sources.

Not an Offer or Solicitation of Securities or Proxies

This presentation is for information purposes and does not constitute or form part of an offer to sell or the solicitation of an offer to purchase any securities in any jurisdiction. This presentation is also not intended as, and does not constitute a solicitation of proxies or votes in connection with the requisite unitholder approval of the Transaction. Further information about the Transaction will be included in a management information circular the Fund will prepare, file and mail in due course to unitholders in connection with the unitholder meetings to approve the Transaction. Unitholders are encouraged to read the management information circular carefully once it becomes available. This presentation should not be construed, under any circumstances, as investment, tax or legal advice.

Currency

Unless otherwise noted, all references to “\$” are to the Canadian dollar.



CAUTIONARY STATEMENTS (CONT'D)

Unaudited Combined Financial Information

This presentation includes unaudited combined financial information that illustrates what NewCo would have looked like had the Transaction been completed for the relevant periods, by adding the Fund's and A&W Food Services' respective results, subject to the adjustments set out in the reconciliation tables included in the Appendix at the end of this presentation. The unaudited combined financial information has been prepared for illustrative purposes only, and should be considered preliminary estimates that are subject to change. It is not necessarily indicative of either NewCo's financial position or results of operations that would have been obtained had the Transaction been consummated for the relevant periods and is not necessarily indicative of future results. Our future results are subject to prevailing economic and industry specific conditions and financial, business and other risks and uncertainties, certain of which are beyond our control. These factors include those described under "Risk Factors" in the Appendix at the end of this presentation.

Non-IFRS Measures

This presentation makes reference to the following non-IFRS measures, non-IFRS ratios and supplementary financial measures: "Combined Adjusted EBITDA", "Average EBITDA Margin", "Combined Net Debt to Adjusted EBITDA", "Combined Free Cash Flow (Combined Adjusted EBITDA less Capital Expenditures)", "Combined FCF Conversion", "Average FCF Conversion", "System Sales", "Average Annual System Sales per Restaurant", "System Sales Growth", "Annual System Sales Growth", "Average Annual System Sales Growth", "Same Store Sales Growth", "Annual Same Store Sales Growth" and "Average Annual Same Store Sales Growth". Management believes that disclosing these non-IFRS measures, non-IFRS ratios and supplementary financial measures provides readers with important information regarding the financial and operational performance of the business. By considering these measures in combination with IFRS measures, management believes that readers are provided with additional and more useful information than readers would have if they simply considered IFRS measures alone. These non-IFRS measures do not have a standardized meaning prescribed by IFRS and our method of calculating these measures may differ from those of other issuers or companies and may not be comparable to similar measures used by other issuers or companies.

Refer to the "Selected Information" section of Food Services' Report to Unitholders of A&W Revenue Royalties Income Fund for January 1, 2023 to December 31, 2023 (the "Food Services' Report"), for a reconciliation of System Sales to Revenue from Corporate Restaurants, the most comparable IFRS measure, and the "Non-IFRS Measures" section of the Food Services' Report for further details on how System Sales, System Sales Growth and Same Store Sales Growth are calculated and used to assess performance, which are incorporated by reference herein. The Food Services' Report is available on the Fund's profile on SEDAR+ at www.sedarplus.ca. Additional information on certain non-IFRS measures and non-IFRS ratios is under "Non-IFRS Measures" in the Appendix at the end of this presentation.

Today's Presenters



Susan Senecal
President and CEO



Kelly Blankstein
CFO



The Transaction

**A&W Revenue Royalties Income Fund | TSX:AW.UN | the Fund
A&W Food Services of Canada | Food Services**

Growing Together

A&W Revenue Royalties Income Fund (the “Fund”) and A&W Food Services of Canada Inc. (“A&W Food Services”) have agreed to a strategic **combination** that will create a **new publicly traded growth-focused corporation on the TSX** (“A&W Food Services NewCo” or “NewCo”)⁽¹⁾⁽²⁾



1. A&W Food Services has applied to list the shares of NewCo on the Toronto Stock Exchange (TSX). Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved the listing application and there is no assurance that the TSX will approve the listing application.
2. NewCo is expected to maintain the name “A&W Food Services of Canada”.

The Opportunity

Unitholders are being offered the opportunity to **become a shareholder in NewCo**, or receive **\$37.00 in cash** for each Fund unit currently held⁽¹⁾, representing a **30% premium** to the current unit price⁽²⁾

Unitholders exchanging units for shares of NewCo will gain **full and direct access to significantly greater growth and capital appreciation potential** while maintaining existing level of distributions in the form of quarterly dividends equal to \$1.92 per share on an annualized basis



1. Public Unitholders (i.e. Unitholders of the Fund other than A&W Food Services) will have the right to elect to receive, for each unit in the Fund, either one common share in NewCo or \$37.00 in cash; provided that in the event the elections result in more or less than ~4.7 million units being purchased for cash (~\$176 million in aggregate), the consideration will be adjusted on a pro rata basis such that the total number of units purchased for cash is ~4.7 million. Shareholders of A&W Food Services will receive only shares in NewCo (i.e. no cash consideration).
2. Closing unit price on the TSX on July 19, 2024 of \$28.54/unit.



Independent View of Value

The Trustees received a Formal Valuation from TD Securities, as well as Fairness Opinions from RBC Capital Markets and TD Securities stating that the consideration to be received by Unitholders (other than A&W Food Services) **is fair, from a financial point of view**, to the Unitholders (other than A&W Food Services)^(1,2,3)



1. As of July 21, 2024, and subject to the assumptions, limitations and qualifications to be set out in TD Securities' written valuation report.
2. As of July 21, 2024, and subject to the assumptions, limitations and qualifications to be set out in RBC Capital Markets' written fairness opinion.
3. As of July 21, 2024, and subject to the assumptions, limitations and qualifications to be set out in TD Securities' written fairness opinion.

Trustee Recommendation

The Trustees of the Fund, after receiving legal and financial advice, the Fairness Opinions and the Formal Valuation, have determined that the Transaction is in the **best interests of the Fund and fair to the Unitholders** (other than A&W Food Services) and unanimously recommend that the Unitholders **vote in favour of the Transaction** at or ahead of the Special Meeting of Unitholders⁽¹⁾



1. The Special meeting of Unitholders is expected to occur in September or October 2024. Further details regarding voting instructions will be contained in the Management Information Circular expected to be filed on SEDAR+ and mailed to Unitholders in September.



Transaction Benefits

**A&W Revenue Royalties Income Fund | TSX:AW.UN | the Fund
A&W Food Services of Canada | Food Services**

Transaction Benefits to Unitholders

Key Reasons for Unitholders to Support the Transaction

1 Value Creation from A&W's Underlying Operations

Income Stability

- ✓ Distributions to be maintained in the form of dividends

Fully Participate in EBITDA Growth and Free Cash Flow Generation

- Gain full and direct benefit from:
- ✓ New restaurant openings
 - ✓ Margin expansion with increased size and scale of NewCo
 - ✓ New concepts such as Pret A Manger and growth from mobile
 - ✓ Retail A&W Root Beer business and Corporate Restaurant operations
 - ✓ High-margin, capital-light franchisor business model with high free cash flow conversion

Unlocked Value

- ✓ Alignment of interests with the shareholders of A&W Food Services, who will receive only shares in NewCo (i.e. no cash consideration)
- ✓ Financial flexibility to invest in growth opportunities and strategic initiatives

2 Value Creation from Capital Markets Optimization

Share Price Upside Potential

- ✓ Attractive value creation opportunity based on current public trading valuations of global QSR franchisor peers
- ✓ Balance sheet optimization to typical leverage levels observed for publicly traded QSR peers to improve returns

Enhanced Liquidity and Profile

- ✓ Potential for greater liquidity as a conventional public corporation with common shares
- ✓ Simplified corporate structure and growth mandate more likely to attract institutional investment and research analyst coverage

Transaction Benefits to Unitholders (Cont'd)

Key Reasons for Unitholders to Support the Transaction

Current	Attributes	NewCo
Unitholder of a Fund receiving distributions funded via a 3% royalty on gross system sales generated by A&W restaurants in the royalty pool	Description	Shareholder of Canada's leading QSR franchisor
<ul style="list-style-type: none"> \$1.92/unit, current annualized distribution rate "Non-eligible" Canadian dividend tax treatment 	Income Stability	<ul style="list-style-type: none"> ✓ \$1.92/share, anticipated annualized dividend following closing ✓ "Eligible" Canadian dividend tax treatment ✓ More tax efficient for taxable Canadian investors
<ul style="list-style-type: none"> SIFT Mutual Fund Trust 	Corporate Structure	<ul style="list-style-type: none"> ✓ Corporation
<ul style="list-style-type: none"> Largely limited to Same Store Sales Growth ("SSSG") of existing restaurants in the royalty pool Limited benefit of restaurant additions to the royalty pool arising from vend-in formula 	Growth Drivers	<ul style="list-style-type: none"> ✓ SSSG of all restaurants ✓ New restaurant openings ✓ New concepts (e.g. Pret A Manger, mobile) ✓ Retail Root Beer sales ✓ Franchise and other related fees
<ul style="list-style-type: none"> No benefit from underlying A&W business profitability 	Profitability	<ul style="list-style-type: none"> ✓ Full benefit from improved profitability and operating leverage
<ul style="list-style-type: none"> Limited flexibility and access to capital 	Balance Sheet	<ul style="list-style-type: none"> ✓ Ability to prudently use leverage and optimize cost of capital
<ul style="list-style-type: none"> Modest liquidity No research analyst coverage 	Capital Markets	<ul style="list-style-type: none"> ✓ Potential for improved liquidity and research analyst coverage
<ul style="list-style-type: none"> Largely tied to prevailing interest rates 	Valuation	<ul style="list-style-type: none"> ✓ Based on A&W business fundamentals ✓ More comparable to global QSR franchisors

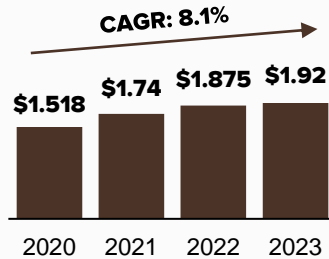
Note: See "Cautionary Statements – Forward-Looking Information" including "Risk Factors" in Appendix at the end of this presentation.

Benefits of Increased Participation

Expansion in Profitability of Underlying Operations Has Exceeded Growth of Cash Distributions to Unitholders in Recent Years

A&W Revenue Royalties Income Fund

Annual Cash Distribution (\$/unit)

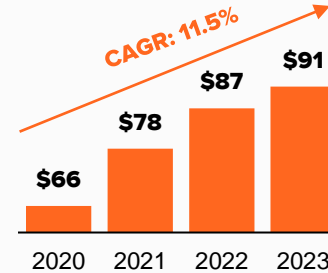


- X Benefit only from system sales growth
- X Receive only partial benefit of new store-openings due to vend-in formula

NewCo

- ✓ Income stability through dividends
- ✓ Full participation in growth and success of A&W

Combined Adjusted EBITDA⁽¹⁾ (\$MM)



- ✓ Participate in the attractive growth of the entire A&W system

1. See "Cautionary Statements – Non-IFRS Measures" and "Cautionary Statements – Unaudited Combined Financial Information" including reconciliation in Appendix at the end of this presentation. Combined Net Income was \$50.0 million (2020); \$74.6 million (2021); \$77.8 million (2022); and \$78.7 million (2023). Combined values are preliminary estimates that are subject to change.





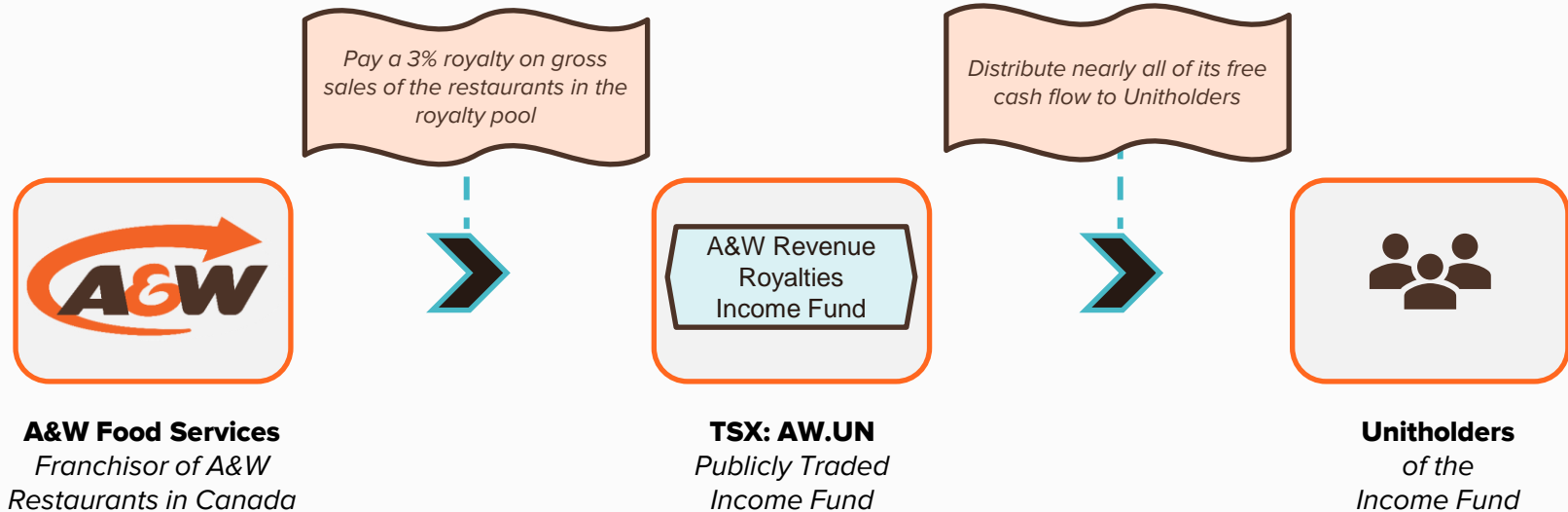
Background on the Fund

A&W Revenue Royalties Income Fund | TSX:AW.UN | the Fund
A&W Food Services of Canada | Food Services

Overview of The Existing Structure

Unitholders Currently Receive Limited Benefit from A&W's Growth

- 1) Distributions to Unitholders are funded via a 3% royalty on gross system sales generated from restaurants in the royalty pool
- 2) Accordingly, Unitholders only have exposure to the top-line system sales of A&W restaurants in the royalty pool and do not benefit from any other growth initiatives or improvements to profitability that can create significant value
- 3) As new A&W restaurants are added to the royalty pool, the Fund issues new units to A&W Food Services, limiting the value creation from new restaurant growth for existing Unitholders



Analysis of The Existing Fund Structure

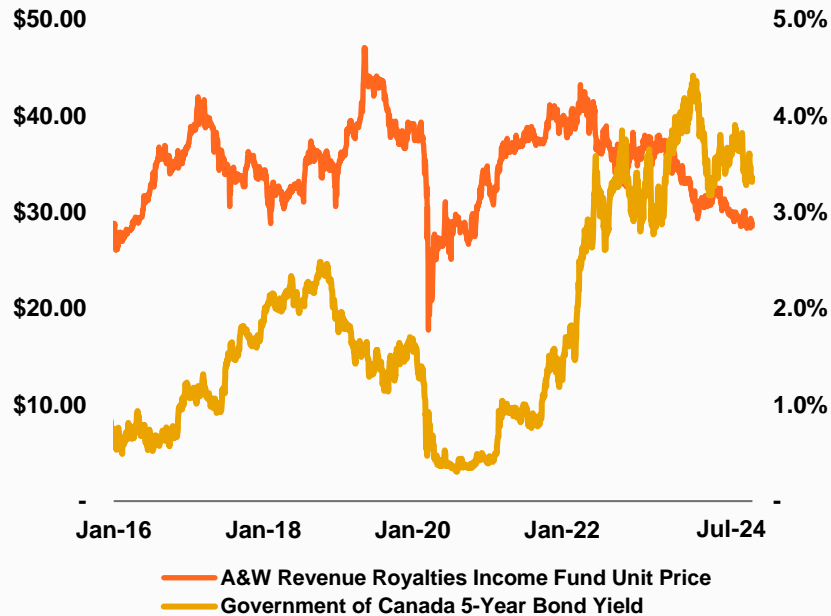
Current Royalty Structure Does Not Maximize Unitholder Value Relative to the Proposed Combination Transaction

- 1 Trading value of units has been largely driven by the spread between interest rates and fund yield
- 2 Unitholders do not participate in the full value creation of the underlying business, including from:
 - New restaurant openings (due to the vend-in formula of new restaurants added to the royalty pool)
 - EBITDA growth, margin expansion and other value-enhancing initiatives
- 3 Modest trading volumes and illiquidity are disincentives for potential investors
- 4 Legacy trust structure is complex with almost all TSX-listed trusts having converted back to conventional corporations
- 5 Limited ability of the Fund to raise capital or pursue other strategic initiatives

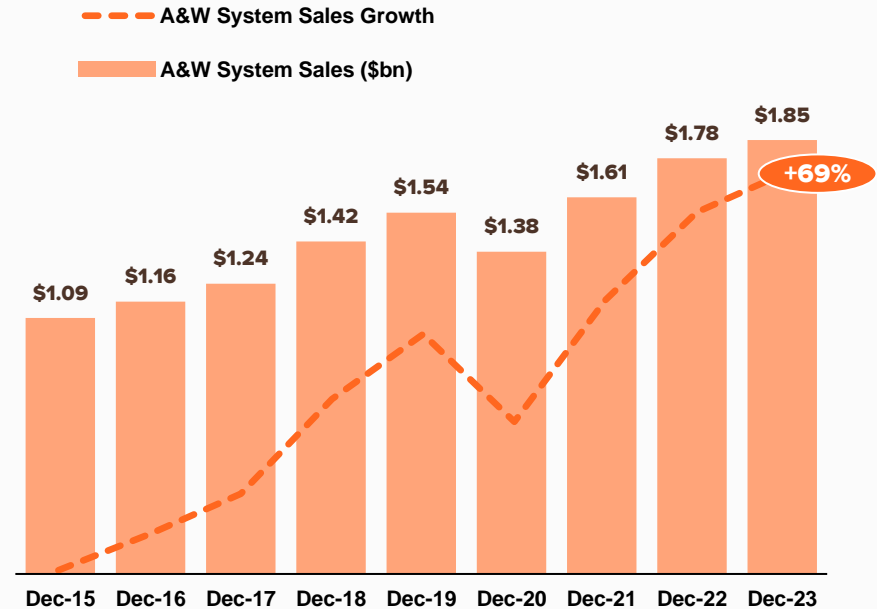
The Fund Unit Price Performance

Largely Driven by Interest Rates and Not A&W Business Performance

A&W Revenue Royalties Income Fund Unit Price and Canada Bond Yield⁽¹⁾



A&W Food Services of Canada System Sales Growth⁽²⁾



1. Unit price and bond yield data shown from January 1, 2016 through July 19, 2024, per S&P Capital IQ and Bloomberg.
 2. See "Cautionary Statements – Non-IFRS Measures".





Looking Forward and Next Steps

A&W Revenue Royalties Income Fund | TSX:AW.UN | the Fund
A&W Food Services of Canada | Food Services

A&W Is A True Canadian Success Story

Rapidly Growing QSR Burger Chain with Canada's Strongest Brand⁽¹⁾

2nd Largest QSR Burger Chain and 3rd Largest Restaurant Brand in Canada

Franchisor Business Model (>99%) with 1,062 Restaurants Coast-to-Coast⁽²⁾

2023 System Sales of \$1.85bn and Combined Adjusted EBITDA of \$91MM⁽³⁾

+30 Consecutive Years of Strong Annual System Sales Growth⁽⁴⁾

Significant Whitespace Growth Opportunities



1. Per Brand Finance Canada (2024); ranked based on relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance.
2. Restaurant count as at June 16, 2024.
3. See "Cautionary Statements – Non-IFRS Measures" and "Unaudited Combined Financial Information" including reconciliation in Appendix at the end of this presentation. Combined Net Income was \$78.7 million (2023). Combined values are preliminary estimates that are subject to change.
4. Excludes 2020, when system sales decreased due to COVID pandemic-related restrictions.

A&W Food Services of Canada

Investment Highlights



1

Fortress Brand in a Growing Industry



2

Canada's Leading Burger QSR



3

Innovative, Evolving Menu Has Broad Appeal



4

Best-in-Class Operating and Financial Performance



5

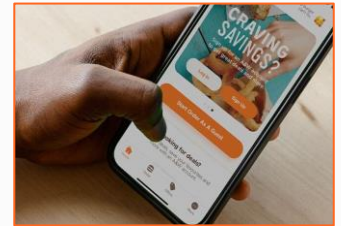
Attractive Capital-Light Franchisor Model with Significant Free Cash Flow Generation

6

Strategically Focused On Growth

7

Experienced Management Team With a Proven Track Record of Value Creation



Next Steps for Current Unitholders of A&W Revenue Royalties Income Fund

- 1 Vote for the transaction at or ahead of the Special Meeting; further details regarding voting instructions will be contained in the Management Information Circular expected to be filed on SEDAR+ and mailed to Unitholders in September
- 2 Continue to receive your distributions uninterrupted
- 3 Enjoy the great taste of A&W as soon as possible!

For more information, please contact:
A&W Revenue Royalties Income Fund
Email: investorrelations@aw.ca
www.awincomefund.ca



Combination Transaction Terms

A&W to Become a Traditional Publicly Traded QSR Company

Description	<ul style="list-style-type: none">▪ A&W Revenue Royalties Income Fund and A&W Food Services of Canada have agreed to combine to form a publicly traded corporation on the TSX⁽¹⁾▪ Unitholders are being offered cash or shares in NewCo, in exchange for units held in the Fund (subject to proration)▪ Cash consideration will be offered to public Unitholders only (i.e. excl. shareholders of A&W Food Services) and equal ~\$176 million in total
Offer to Public Unitholders	<ul style="list-style-type: none">▪ \$37.00/unit in cash or one common share in NewCo, in exchange for each unit held (subject to proration)▪ The cash offer price to public Unitholders represents a 30% premium to the current unit price⁽²⁾
A&W Food Services Combination	<ul style="list-style-type: none">▪ Shares of NewCo will be issued to the shareholders of A&W Food Services to effect the business combination with the Fund▪ A&W Food Services currently holds ~29.4% ownership in the Fund (including exchangeable units)
NewCo Ownership	<ul style="list-style-type: none">▪ ~41% ownership by public Unitholders of the Fund and ~59% by shareholders of A&W Food Services, including TorQuest (~19.4%), and individual beneficial owners including three principal shareholders (two are former CEOs of A&W Food Services) and Management (~39.6% in aggregate)▪ TorQuest and the three principal shareholders of A&W Food Services to enter into a 180-day lock-up and 24-month standstill at transaction close
NewCo Capital Structure	<ul style="list-style-type: none">▪ ~3.0x net debt (incl. net leases) / 2023 combined adjusted EBITDA⁽³⁾, with up to \$325 million revolving credit facility from CIBC and RBC▪ Proceeds to be used to fund the cash consideration of the transaction and repay current indebtedness of the Fund and A&W Food Services
Distributions to Unitholders	<ul style="list-style-type: none">▪ Distributions to continue until close, with dividend per share paid in 2024 post-closing to be at current annualized distribution rate of \$1.92/unit▪ Unitholders to receive a stub distribution if the transaction closes mid month, with the first quarterly dividend adjusted on a pro-rata basis
Financial Advisors	<ul style="list-style-type: none">▪ RBC Capital Markets (A&W Revenue Royalties Income Fund) CIBC Capital Markets (A&W Food Services of Canada)
Legal Advisors	<ul style="list-style-type: none">▪ Davies Ward Phillips & Vineberg LLP (A&W Revenue Royalties Income Fund) Stikeman Elliott LLP (A&W Food Services of Canada)
Fairness Opinions	<ul style="list-style-type: none">▪ The Trustees received a Fairness Opinion from both RBC Capital Markets and TD Securities
Independent Valuation	<ul style="list-style-type: none">▪ The Trustees received a Formal Valuation from TD Securities
Closing	<ul style="list-style-type: none">▪ Transaction circular is expected to be made available in September followed by a Special Meeting of Unitholders, with closing expected in October
Recommendation by Trustees	<ul style="list-style-type: none">▪ The Trustees unanimously recommend that Unitholders vote in favour of the transaction

1. A&W Food Services has applied to list the shares of NewCo on the Toronto Stock Exchange (TSX). Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved the listing application and there is no assurance that the TSX will approve the listing application.

2. Closing unit price on the TSX on July 19, 2024 of \$28.54/unit. Total cash consideration offered to public unitholders is set equal to ~\$176 million, representing ~4.7 million units of the Fund at \$37.00/unit.

3. See "Cautionary Statements – Non-IFRS Measures".



Thank you!



APPENDIX

Non-IFRS Measures

This presentation makes reference to the following non-IFRS measures, non-IFRS ratios and supplementary financial measures. See “Cautionary Statements – Non IFRS Measures” and “Unaudited Combined Financial Information” at the front of this presentation.

“**Annual Same Store Sales Growth**” reflects the change in gross sales of A&W restaurants that operated during the entire specified year and previous year and is based on an equal number of days in each year. This measure is a key performance indicator for Food Services as it highlights the performance of the existing A&W restaurants.

“**Average Annual Same Store Sales Growth**” means the average of Annual Same Store Sales Growth from 2014 to 2023, excluding Annual Same Store Sales Growth from 2020 and 2021 due to COVID pandemic. As it relates to forecasted Average Annual Same Store Sales Growth it is the average Annual Same Store Sales Growth for each of 2025, 2026 and 2027.

“**Annual System Sales Growth**” is calculated as the percentage change in System Sales for the specified year as compared to the prior year. Food Services believes that Annual System Sales Growth is a key performance indicator as it provides an indication of the growth of the overall network of restaurants.

“**Average Annual System Sales Growth**” means the average of Annual System Sales Growth from 2014 to 2023, excluding Annual System Sales Growth from 2020 and 2021 due to COVID pandemic. As it relates to forecasted Average Annual System Sales Growth it is the average Annual System Sales Growth for each of 2025, 2026 and 2027.

“**Average Annual System Sales per Restaurant**” means total System Sales for an annual period divided by the total number of A&W restaurants at the end of the annual period.

“**Combined Adjusted EBITDA**” means the Fund’s and Food Services’ combined earnings before interest, tax, depreciation and amortization adjusted for certain one-off or non-recurring items as reconciled to net income before tax for each of the Fund and Food Services (refer to following pages for the reconciliation).

“**Average EBITDA Margin**” means average Combined Adjusted EBITDA divided by Food Services Revenue for the four years from 2020 to 2023 (refer to following pages for the reconciliation).

“**Combined Free Cash Flow (Combined Adjusted EBITDA less Capital Expenditures)**” means Combined Adjusted EBITDA less Food Services’ annual reported purchase of plant and equipment and purchase of intangible assets (refer to following pages for the reconciliation).

“**Combined FCF Conversion**” means Combined Free Cash Flow (Combined Adjusted EBITDA less Capital Expenditures) divided by Combined Adjusted EBITDA (refer to following pages for the reconciliation).

“**Average FCF Conversion**” means average Combined Free Cash Flow (Combined Adjusted EBITDA less Capital Expenditures) divided by Combined Adjusted EBITDA for the four years from 2020 to 2023 (refer to following pages for the reconciliation).

“**Combined Net Debt to Adjusted EBITDA**” means Combined Net Debt divided by Combined Adjusted EBITDA where Combined Net Debt reflects estimated gross transaction debt financing and other debt like liabilities less expected combined cash at close.

APPENDIX (CONT'D)

Combined Adjusted EBITDA Reconciliation

	Annual Figures			
	2020	2021	2022	2023
A&W Food Services				
Income Before Income Taxes⁽¹⁾	\$27.2	\$45.4	\$45.3	\$47.1
Income Before Income Taxes Attributable to Non-Controlling Interest	(\$1.1)	(\$1.7)	(\$1.7)	(\$1.6)
Finance Expense - Net	\$1.4	\$1.2	\$1.2	\$1.4
Depreciation & Amortization	\$4.0	\$4.3	\$4.5	\$5.0
Amortization of Deferred Gain	(\$2.9)	(\$3.1)	(\$3.5)	(\$3.7)
Share of Income From Associates	(\$7.2)	(\$9.7)	(\$10.8)	(\$11.4)
EBITDA	\$21.3	\$36.4	\$35.1	\$36.7
Impairment (Recovery) of Lease Receivables and Fixed Assets	\$4.3	(\$2.0)	(\$0.2)	\$0.0
Gain on Sale of Units of A&W RRIF	–	(\$2.7)	–	–
Net Loss on Disposal of Plant & Equipment	–	–	\$0.1	\$0.3
Start Up Net Losses on Pret a Manger	–	–	\$1.7	\$1.3
Recovery of Capitalized Costs	–	–	(\$1.3)	(\$1.3)
Transaction Costs	\$0.7	\$0.0	\$0.0	–
Adjusted EBITDA	\$26.2	\$31.7	\$35.3	\$37.1
A&W Revenue Royalties Income Fund				
Income Before Income Taxes⁽²⁾	\$35.9	\$46.0	\$53.9	\$51.6
Interest Expense	\$2.2	\$2.6	\$2.2	\$1.2
EBITDA	\$38.1	\$48.5	\$56.1	\$52.8
(Gain) Loss on Interest rate Swaps	\$1.4	(\$2.2)	(\$4.9)	\$1.2
Adjusted EBITDA	\$39.4	\$46.3	\$51.2	\$54.0
Combined Adjusted EBITDA	\$65.7	\$77.9	\$86.5	\$91.1
Combined Adjusted EBITDA	\$65.7	\$77.9	\$86.5	\$91.1
A&W Food Service's Revenue	\$201.9	\$245.0	\$299.4	\$299.3
Combined Adjusted EBITDA Margin	32.5%	31.8%	28.9%	30.4%
Average EBITDA Margin				31.0%

1. Income Before Income Taxes reflects Royalty Expense paid by A&W Food Services to A&W Revenue Royalties Income Fund of \$40.7 million, \$47.0 million, \$52.1 million, and \$54.9 million in 2020, 2021, 2022, and 2023, respectively; difference in Royalty Expense paid by A&W Food Services and Royalty Income received by A&W Revenue Royalties Income Fund is attributable to the different year ends of the two entities.

2. Income Before Income Taxes reflects Royalty Income paid by A&W Food Services to A&W Revenue Royalties Income Fund of \$40.4 million, \$47.1 million, \$52.2 million, and \$55.0 million in 2020, 2021, 2022, and 2023, respectively; difference in Royalty Expense paid by A&W Food Services and Royalty Income received by A&W Revenue Royalties Income Fund is attributable to the different year ends of the two entities.



APPENDIX (CONT'D)

Combined Free Cash Flow (Combined Adjusted EBITDA less Capital Expenditures) Reconciliation

	Annual Figures			
	2020	2021	2022	2023
Combined Adjusted EBITDA	\$65.7	\$77.9	\$86.5	\$91.1
A&W Food Service's Purchase of Plant and Equipment	(\$1.8)	(\$2.5)	(\$1.7)	(\$3.0)
A&W Food Service's Purchase of Intangible Assets	–	–	(\$3.0)	(\$3.0)
Combined Free Cash Flow (Combined Adjusted EBITDA less Capital Expenditures)	\$63.9	\$75.5	\$81.9	\$85.1
Combined Free Cash Flow	\$63.9	\$75.5	\$81.9	\$85.1
Combined Adjusted EBITDA	\$65.7	\$77.9	\$86.5	\$91.1
Combined FCF Conversion	97.3%	96.8%	94.6%	93.4%
Average FCF Conversion				96.0%

APPENDIX (CONT'D)

Risk Factors

An investment in NewCo shares involves risk. Material risks related to Food Services' business (including those generally impacting the QSR industry) are identified in the Fund's Annual Information Form dated February 27, 2024 (the "AIF") which is available under the Fund's profile on SEDAR+ at www.sedarplus.ca. However, those risks are expressed in the AIF from the perspective of the Fund and, consequently, their impact on the Royalty and Food Services ability to pay such royalties to the Fund. Following completion of the Transaction, NewCo will continue on as Food Services and, as a result, NewCo shareholders will be directly exposed to each of the risks related to Food Services' business. Those risks could materially and adversely impact the results, financial condition, performance or prospects of Food Services' business and, consequently, cause the market price or value of NewCo shares to decline or reduce the amount of any dividend paid on those shares.

Additional material risks relating to the Transaction and NewCo shares include the following risks:

- *the completion of the Transaction may not occur on the anticipated terms and timing or at all;*
- *failure to complete the Transaction could negatively impact market price of the units of the Fund;*
- *the Valuation and Fairness Opinions will not reflect changes in circumstances that may have occurred or that may occur between the date of the Combination Agreement and the completion of the Transaction;*
- *there could be unknown or undisclosed risks or liabilities of Food Services, a private company, that could materially and adversely affect Food Services' business, financial condition or results of operations and for which the Fund would not be permitted to terminate the Combination Agreement and would not be indemnified by Food Services' Shareholders following closing;*
- *tax consequences of the Transaction may differ from anticipated treatment;*
- *the anticipated benefits of the Transaction, including the potential for improved liquidity, increased institutional ownership and research coverage, and a market valuation that is more comparable to other publicly traded QSRs, may not occur on a timely basis or at all;*
- *market conditions may cause the market price of NewCo shares to fluctuate substantially;*
- *an active, liquid and orderly trading market for NewCo shares may not develop;*
- *the change in the investment profile from income to total return following completion of the Transaction may put selling pressure on NewCo shares that adversely affects their market price and liquidity;*
- *payment of future cash dividends on NewCo shares will be subject to the discretion of NewCo Board and may vary from time to time or be suspended entirely depending on, among other things, NewCo's performance and, as a result, the rate and amount of any such dividend is not guaranteed;*
- *the significant ownership of NewCo shares by the Food Services' Shareholders may adversely affect the market price and liquidity of NewCo shares due to their ability to exercise substantial influence over NewCo and a relatively smaller public float of NewCo shares;*
- *actual or expected sales of a significant number of NewCo shares by Food Services' shareholders could cause their market price to decline;*
- *covenants contained in NewCo's credit agreement will affect and, in some cases, significantly limit the manner in which NewCo will operate its business, including with respect to the timing and amount of dividends; and*
- *assumptions underlying the forward-looking information contained herein may prove to be materially incorrect due to the other risks identified above, including those identified in the AIF (see "Cautionary Statements - Forward-Looking Information" at the front of this presentation).*