



A&W Reaches Agreement in Principle with Pret A Manger to pilot Pret brand in A&W Restaurants

Vancouver, B.C. 25 October, 2021 13:01 PDT - A&W Revenue Royalties Income Fund (the “Fund”) (TRADING SYMBOL: TSX: AW.UN) and A&W Food Services of Canada Inc. (“**Food Services**”) announce that Food Services has entered into a non-binding term sheet reflecting an agreement in principle (the “**Agreement**”) with UK-based Pret A Manger (Europe) Limited (“**Pret**”), which sets forth the general terms and conditions of a proposed Country Agreement with Pret that would grant Food Services master franchisor rights to Canada (the “**Country Agreement**”).

Pursuant to the Agreement, Food Services will be granted the exclusive right to use the Pret brand in Canada for a two-year pilot (the “**Trial Phase**”) during which Food Services will introduce the Pret brand within A&W restaurants in select markets in Canada. If the Trial Phase is successful, Food Services will be granted the exclusive right to expand the Pret brand across Canada (the “**Expansion Phase**”) pursuant to an agreed development plan. The proposed exclusive Canadian rights to be granted to Food Services during both the Trial Phase and Expansion Phase remains subject to the negotiation and completion of the definitive Country Agreement, which is subject to Board approval.

Currently, the Fund, through its investment in A&W Trade Marks Inc. (“Trade Marks”), is entitled to receive royalties from Food Services on the sales of the 994 A&W restaurants in the royalty pool (the “**Royalty**”). This Royalty will also apply to the Pret products sold within A&W restaurants during the trial Phase, to the extent such restaurants are in the royalty pool. Should the Trial Phase prove successful the Royalty will also be earned by the Fund on the sales of any Pret products made within A&W restaurants thereafter.

MEDIA INFO FOR A&W

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ABOUT THE FUND

The Fund is a limited purpose trust established to invest in Trade Marks, which through its interest in A&W Trade Marks Limited Partnership (the Partnership), owns the A&W trade-marks used in the A&W quick service restaurant business in Canada. In return for licensing Food Services to use its trade-marks, Trade Marks (through the Partnership) receives royalties equal to 3% of the gross sales reported by A&W restaurants in the Royalty Pool.

About A&W Food Services of Canada Inc.

A&W Food Services of Canada Inc. is a corporation amalgamated under the laws of Canada and is 100 per cent Canadian owned and is one of the strongest brand names in the Canadian foodservice industry.

A&W is the nation's second largest hamburger restaurant company with over 1,000 locations coast-to-coast. A&W Restaurants feature famous trade-marked menu items such as The Burger Family®, Chubby Chicken®, and A&W Root Beer®. For more information, please visit www.aw.ca.

About Pret A Manger

Pret A Manger is a sandwich and coffee chain commonly referred to as Pret and based in the United Kingdom. The first shop opened in London in 1986. Pret's sandwiches, salads and wraps are freshly made each day in shop kitchens using quality ingredients and all coffees are 100% organic. Pret currently has more than 450 shops and operates in the UK, US, Hong Kong, France, Dubai, Switzerland, Brussels, Singapore and Germany. For more information, please visit <https://www.pret.co.uk/en-GB>

Forward-Looking Information

Certain statements in this news release may contain forward-looking information within the meaning of applicable securities laws in Canada (forward-looking information). 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. Specific forward-looking statements include statements with respect to the expectation that: Food Services will be granted master franchisor rights to Canada, Pret products will be made available at various A&W restaurants across Canada, Food Services will receive an exclusive license to use the Pret brand in Canada with further development rights, the definitive Country Agreement between the parties will be reached and that the Fund will earn the Royalty on the sales of Pret products made within A&W restaurants.

The forward-looking information is based on assumptions that management considered reasonable at the time it was prepared. The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated by the forward-looking information.

For further AW.UN Investor information:

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