

# A&W Revenue Royalties Income Fund Receives Final Court Approval for the Combination Transaction with A&W Food Services

VANCOUVER, BC, Oct. 11, 2024 /CNW/ - A&W Revenue Royalties Income Fund (TSX: AW.UN) (the "Fund") is pleased to announce that the Ontario Superior Court of Justice (Commercial List) has issued a final order approving the plan of arrangement under the *Canada Business Corporations Act* in respect of its previously announced strategic combination (the "Transaction") with A & W Food Services of Canada Inc. ("A&W Food Services") to create a leading publicly traded growth-focused quick-service restaurant ("QSR") franchisor ("A&W Food Services NewCo"). Pursuant to the Transaction, A&W Food Services will be amalgamated with certain of its holding companies to form A&W Food Services NewCo and will acquire all of the units of the Fund (the "Units") for common shares of A&W Food Services NewCo ("A&W Food Services NewCo Shares"), cash or a combination of cash and A&W Food Services NewCo Shares, as the case may be.

Completion of the Transaction remains subject to the satisfaction or waiver of certain customary closing conditions. In accordance with the final order, the Transaction will become effective after the close of business on October 17, 2024 (the "Effective Date"), subject to the terms and conditions of the combination agreement in respect of the Transaction, all of which have been or are expected to be satisfied by or on such date, and the filing of articles of arrangement in respect of the Transaction. The A&W Food Services NewCo Shares have been conditionally approved for listing on the Toronto Stock Exchange ("TSX"), subject to fulfilling all of the requirements of the TSX. Subject to the approval of the TSX, it is expected that (a) the Units will be delisted from the TSX after the close of business on the Effective Date, (b) the A&W Food Services NewCo Shares will be listed (but not yet posted for trading) on the TSX after the close of business on the Effective Date, and (c) the A&W Food Services NewCo Shares will be posted and begin trading on the TSX at the open of business on the business day immediately following the Effective Date, being October 18, 2024, under the symbol "AW".

Based on an Effective Date of October 17, 2024, holders of Units ("Unitholders") will be entitled to receive a distribution of \$0.10520 per Unit from the Fund (the "Accrued Distribution") in connection with the Transaction, which will be payable together with and in addition to the consideration for their Units under the Transaction to Unitholders who have validly deposited their Units, together with a duly completed letter of transmittal and election form, with the depositary for the Transaction, so that, in effect, Unitholders will receive the Fund's regular monthly distribution for October, prorated for the number of days to closing of the Transaction. Beneficial Unitholders who hold their Units through intermediaries and are entitled to receive the consideration for their Units under the Transaction will also receive the Accrued Distribution through their intermediaries together with such consideration. The distribution previously declared by the Fund on October 1, 2024 and payable on October 21, 2024 to Unitholders of record at the close of business October 15, 2024 for the period of September 1 to September 30, 2024 is separate and distinct from the Accrued Distribution payable under the Transaction.

## About A&W Revenue Royalties Income Fund

A&W Revenue Royalties Income Fund is a limited purpose trust established to invest in A&W Trade Marks Inc. ("Trade Marks"), which through its interest in the A&W Trade Marks Limited Partnership (the "Partnership"), owns the A&W trade-marks used in the A&W QSR business in Canada. The A&W trade-marks comprise some of the best-known brand names in the Canadian foodservice industry. In return for licensing A&W Food Services to use its

trade-marks, Trade Marks (through the Partnership) is entitled to royalties equal to 3% of the gross sales reported by A&W restaurants in the Royalty Pool.

## About A&W Food Services

A&W is a leading QSR and the second largest burger chain in Canada with a 68-year history of service excellence, menu innovation and value creation. Operating coast-to-coast and serving over 197 million guests annually, A&W restaurants feature famous trade-marked menu items such as The Burger Family<sup>®</sup>, Chubby Chicken<sup>®</sup> and A&W Root Beer<sup>®</sup>.

<sup>®</sup> trademark of A&W Trade Marks Limited Partnership, used under license.

## Forward-looking Information:

Certain statements in this press release contain forward-looking information within the meaning of applicable securities laws in Canada. The forward-looking information in this press release includes, but is not limited to: expectations relating to the timing and completion of the Transaction; statements relating to the delisting of the Units from the TSX and the listing of the A&W Food Services NewCo Shares on the TSX and the issuance by the TSX of bulletins related thereto; and statements relating to the Accrued Distribution. The words "expects", "plans", "will", and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words.

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 Fund's ability to consummate the Transaction on the terms, conditions and timing currently contemplated.

Inherent in forward-looking information are risks and uncertainties beyond the Fund's 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 press release is subject to, among others, the specific risks and uncertainties relating to the Transaction set out in the Fund's management information circular dated August 29, 2024 (the "Circular") under "*Risk Factors*", in addition to the other information contained, or incorporated by reference, in the Circular. The Circular can be accessed under the Fund's issuer profile on SEDAR+ at [sedarplus.ca](https://sedarplus.ca). Readers are cautioned that the risk factors referred to above are not exhaustive and additional risks and uncertainties, including those currently unknown or considered immaterial to Fund may also adversely affect the Transaction. There can be no assurance that forward-looking information contained in this press release will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

The forward-looking information contained in this press release is based on the beliefs of the Fund's management as well as on assumptions which such management believes to be reasonable based on information available at the date hereof and is subject to change after such date. All forward-looking information in this press release is qualified in its entirety by this cautionary statement and, except as required by law, the Fund undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

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