MANAGEMENT DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2018

This management's discussion and analysis ("**MD&A**") should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2018 for Alaris Royalty Corp. ("**Alaris**" or the "**Corporation**"). The Corporation's consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and are recorded in Canadian dollars. Certain dollar amounts in the MD&A have been rounded to the nearest thousands of dollars.

This MD&A contains forward-looking statements that are not historical in nature and involve risks and uncertainties. Forward-looking statements are not guarantees as to the Corporation's future results since there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. See "Forward Looking Statements" for a discussion of the risks, uncertainties and assumptions relating to those statements. Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described under "Risks and Uncertainty" in the annual MD&A. This MD&A also refers to certain non-IFRS measures, including EBITDA, Normalized EBITDA, Earnings Coverage Ratio, Contracted EBITDA, Run Rate Payout Ratio, Actual Payout Ratio, Tangible Net Worth and Per Share values as well as certain financial covenants defined below to assist in assessing the Corporation's financial performance. The terms EBITDA, Normalized EBITDA, Earnings Coverage Ratio, Contracted EBITDA, Run Rate Payout Ratio, Actual Payout Ratio, Tangible Net Worth, Fixed Charge Coverage Ratio and Per Share values (the "**Non-IFRS Measures**") as well as certain financial covenants as defined below are financial measures used in this MD&A that are not standard measures under IFRS. The Corporation's method of calculating the Non-IFRS Measures may differ from the methods used by other issuers. Therefore, the Corporation's Non-IFRS measures may not be comparable to similar measures presented by other issuers. See "Results of Operations" for a reconciliation of EBITDA and Normalized EBITDA to earnings.

Run Rate Payout Ratio: refers to Alaris' total dividend per share expected to be paid over the next twelve months divided by the estimated net cash from operating activities per share Alaris expects to generate over the same twelve month period (after giving effect to the impact of all information disclosed as of the date of this report).

Actual Payout Ratio: refers to Alaris' total cash dividends paid during the period (annually or quarterly) divided by the actual net cash from operating activities Alaris generated for the period.

EBITDA refers to earnings determined in accordance with IFRS, before depreciation and amortization, net of gain or loss on disposal of capital assets, interest expense and income tax expense. EBITDA is used by management and many investors to determine the ability of an issuer to generate cash from operations. Management believes EBITDA is a useful supplemental measure from which to determine the Corporation's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and dividends.

Normalized EBITDA refers to EBITDA excluding items that are non-recurring in nature and is calculated by adjusting for non-recurring expenses and gains to EBITDA. Management deems non-recurring items to be unusual and/or infrequent items that the Corporation incurs outside of its common day-to-day operations. For the three and nine months ended September 30, 2018 and 2017, the gains on the redemption of the Agility units and the sale of the End of the Roll intangible asset, increase in fair value of investments, previously unrecognized distributions received upon the Labstat redemption and the KMH and Group SM bad debt expense are considered by management to be non-recurring charges. Foreign exchange realized and unrealized gains and losses are recurring but not considered part of operating results and excluded from EBITDA on an ongoing basis. Adjusting for these non-recurring items allows management to assess EBITDA from ongoing operations.

Normalized Earnings refers to earnings excluding items that are non-recurring in nature and is calculated by adjusting for non-recurring expenses, gains, non-cash unrealized gains and losses on foreign exchange items and the net tax impact of the adjustments to earnings. Management deems non-recurring items to be unusual and/or infrequent items that the Corporation incurs outside of its common day-to-day operations. The corresponding tax impact of the all non-recurring items is adjusted in Normalized Earnings. For the three and nine months ended September 30, 2018 and 2017, the gain on the redemption of the Agility units and the sale of the End of the Roll intangible asset and associated tax impact, increase in fair value of investments, previously unrecognized distributions received upon the Labstat redemption and the KMH and Group SM bad debt expense are considered by management to be non-recurring charges. Foreign exchange realized and unrealized gains and losses are recurring but not considered part of operating results and excluded from earnings on an ongoing basis.

Earnings Coverage Ratio refers to the Normalized EBITDA of a Partner divided by such Partner's sum of debt servicing (interest and principal), unfunded maintenance capital expenditures and distributions to Alaris.

Per Share values, other than earnings per share, refer to the related financial statement caption as defined under IFRS or related term as defined herein, divided by the weighted average basic shares outstanding for the period.

Fixed Charge Coverage Ratio refers to EBITDA less unfunded maintenance capital expenditures less income taxes divided by the sum of interest, debt repayments and dividends paid by Alaris.

Contracted EBITDA refers to EBITDA for the previous twelve months excluding proceeds from any disposition of investments and any distributions accrued and not received but including all projected contracted payments from new and existing investments for the twelve-month period following the investment date.

Tangible Net Worth refers to the sum of shareholders' equity less intangibles.

The Non-IFRS measures should only be used in conjunction with the Corporation's condensed consolidated interim financial statements, excerpts of which are available below, complete versions of these statements are available on SEDAR at www.sedar.com.

OVERVIEW

The Corporation earns its revenues by providing capital to private businesses (individually, a "**Private Company Partner**" and collectively the "**Partners**") in exchange for royalties, preferred distributions and interest ("**Distributions**") received in regular monthly payments that are contractually agreed to between the Corporation and each Private Company Partner. These payments are set for twelve months at a time and adjusted annually based on the audited performance of each Private Company Partner's gross revenue, gross margin, same store sales, or other similar "top-line" performance measure. The Corporation has limited general and administrative expenses with only fourteen employees.

RESULTS OF OPERATIONS

Quarter ended September 30, 2018 Compared to Quarter ended September 30, 2017

Three Months Ended September 30	2018	2017	% Change
Revenue per share	$ 0.62	$ 0.65	-4.6%
Normalized EBITDA per share	$ 0.55	$ 0.57	-3.5%
Net cash from operating activities per share	$ 0.46	$ 0.60	-23.3%
Dividends per share	$ 0.41	$ 0.41	+0.0%
Basic earnings per share	$ 0.52	$ (0.60)	+186.6%
Fully diluted earnings per share	$ 0.52	$ (0.60)	+186.6%
Normalized basic earnings per share	$ 0.48	$ 0.44	+9.1%
Weighted average basic shares outstanding (000's)	36,486	36,444	

For the three months ended September 30, 2018, revenue per share decreased by 4.6% as the comparable quarter included distributions from both SBI and Sequel, the two largest partners in our portfolio history (SBI closed in August 2018 and Sequel redeemed all units at the end Q3 2018). Other contributing factors were the profitable redemptions of all Labstat and Agility units and the partial redemption of Planet Fitness units, each exit provided annualized returns in excess of 18%, increasing book value per share. Partially offsetting these redemptions were distributions from new partners SBI, Body Contour Centers ("BCC"), Heritage and Fleet and follow on contributions to Federal Resources, Accscient, Sandbox and ccComm in addition to the partial restart of distributions from Kimco and SCR in 2018.

Normalized EBITDA of $0.55 per share decreased 3.5% compared to the three months ending September 30, 2017 due to the Sequel and SBI investment overlap in 2017 and slightly higher corporate costs, partially offset by positive net deployment and positive distribution resets. Net cash from operating activities was $0.46 per share, a decrease of 23.3% compared to the three months ended September 30, 2017. The decrease is a result of a change in working capital as the comparative period included a temporary increase in income taxes payable as a result of the Sequel redemption and resulting gain. Dividends paid were $0.405 per share during three months ended September 30, 2018, an Actual Payout Ratio of 88.9% for the period.

Partner Revenue (000's)	Quarter ended September 30, 2018	Quarter ended September 30, 2017	% Change	Comment
DNT	$ 3,735	$ 3,391	+10.2%	Gross revenue reset +6% in Jan-18, impact of FX
SBI	3,612	1,132	+218.9%	Contribution closed Aug-17
Federal Resources	3,500	2,649	+32.1%	Gross revenue reset +6% in Jan-18 and additional contribution in Dec-17
Sandbox	1,788	1,218	+46.8%	Reset of +2% Jan-18 and additional contributions in Sept-17 and Dec-17
Providence	1,544	1,411	+9.4%	Same customer sales reset +5% in Jan-18, FX impact
Accscient	1,307	951	+37.4%	Additional contributions in Jun-18 and Aug-18
LMS	1,297	1,178	+10.1%	Gross profit +12.4% Jan-18, FX impact on US investment
Planet Fitness	1,156	2,049	-43.6%	Reset of +5% Jan-18 and partial redemption in May-18
Unify (formerly Matisia)	901	846	+6.4%	Net revenue reset +2% in Jan-18, FX impact
Heritage	739	-	+100.0%	Contribution closed Jan-18
ccComm	766	220	+247.8%	Follow on contributions in Aug-17 and May-18
Fleet	686	-	+100.0%	Contribution closed Jun-18
SCR	450	300	+50.0%	Restarted partial distributions Jul-17
Kimco	392	-	+100.0%	Partial distributions of US$100k per month started in Apl-18
Body Contour Centers	368	-	+100.0%	Contribution closed Sept-18
Sequel	-	4,006	-100.0%	Redemption of units in Sept-17
Labstat	-	2,205	-100.0%	Redemption of units in Jun-18
Agility Health	-	959	-100.0%	Redemption of units in Feb-18
End of the Roll	-	292	-100.0%	Redemption of units in Jun-18
Group SM	-	150	-100.0%	No further distributions expected
Total Distributions	**$ 22,242**	**$ 22,959**	**-3.1%**	
Interest & other	443	817	-45.7%	Decrease in interest from Group SM related to the $17.0 million promissory note
Total Revenue	**$ 22,685**	**$ 23,776**	**-4.6%**	

Finance costs were $1.5 million compared to $1.9 million in the prior year, a -22.4% decrease due to lower weighted average debt outstanding (average outstanding debt of $100.6 million for the three months ending September 30, 2018 versus $121.5 million for the comparable period in 2017), partially offset by slightly higher interest rates.

Salaries and benefits were $0.8 million in the period, an increase of 16.7% compared to $0.7 million in the prior year period. The increase is due to higher average salaries. Corporate and office expenses were $0.7 million in the period compared to $0.1 million in the prior year period. The increase is due to the refund of a GST penalty payment received and credited in the comparable period.

Legal and accounting fees were $0.2 million in the period, a decrease of 56.6% compared to $0.5 million in the prior year period. The decrease is due to the Corporation incurring lower legal fees related to existing partners during the period.

For the three months ended September 30, 2018 the Corporation incurred stock-based compensation expenses of $0.8 million (2017 - $0.8 million) which includes: $0.5 million (non-cash expense) for the RSU Plan expense that is to be amortized over the thirty-six month vesting period of the plan (2017 - $0.6 million); and $0.3 million (non-cash expense) for the amortization of the fair value of outstanding stock options (2017 - $0.3 million).

The Corporation recorded earnings of $19.1 million, EBITDA of $23.4 million and Normalized EBITDA of $20.2 million for the three months ended September 30, 2018 compared to a loss of $22.0 million, EBITDA of $9.7 million and Normalized EBITDA of $20.8 million for the three months ended September 30, 2017. The 2.5% decrease in Normalized EBITDA is a result of slightly lower partner distributions (as discussed above), and higher corporate costs.

Reconciliation of Net Income to EBITDA (thousands)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017
Earnings / (Loss)	**$ 19,100**	**$ (22,031)**
Adjustments to Net Income:		
Amortization and depreciation	42	67
Finance costs	1,493	1,923
Income tax expense	2,736	10,274
EBITDA	**$ 23,371**	**$ (9,767)**
Normalizing Adjustments		
Gain on disposal of investment	-	(26,575)
Increase in investments at fair value	(7,118)	-
Impairment and other charges	-	41,017
Bad Debt Expense	-	9,813
Unrealized loss on foreign exchange	3,969	8,158
Realized (gain) / loss on foreign exchange	7	(998)
Accretion of prom. notes & other receivables	-	(384)
Penalties and Fees	-	(502)
Normalized EBITDA	**$ 20,229**	**$ 20,762**

The Corporation also shows a Normalized Earnings in the below table as certain financial metrics can be impacted on occasion due to redemptions and partner exits:

Normalized Earnings	**Three months ended September 30**	
in thousands except on per share basis	**2018**	**2017**
Earnings / (Loss) before the undernoted	$ 27,298	$ (1,677)
Finance costs	(1,493)	(1,923)
Impairment and other charges	-	41,017
Gain on partner redemptions	-	(26,575)
Increase in investments at fair value	(7,118)	-
Bad debt expense & reserve	-	9,813
Normalized Earnings pre-tax	**$ 18,687**	**$ 20,655**
Total income taxes	(2,736)	(10,274)
Tax normalizations for above items	1,434	5,764
Normalized Earnings	**$ 17,385**	**$ 16,146**
Normalized Earnings per share		
Basic	$0.48	$0.44
Fully diluted	$0.47	$0.44

Year to date ended September 30, 2018 Compared to Year to date ended September 30, 2017

Nine months Ended September 30	2018	2017	% Change
Revenue per share	$ 2.05	$ 1.85	+10.8%
Normalized EBITDA per share	$ 1.66	$ 1.59	+4.4%
Net cash from operating activities per share	$ 1.66	$ 1.43	+16.1%
Dividends per share	$ 1.215	$ 1.215	+0.0%
Basic earnings per share	$ 1.17	$ 0.01	+11600.0%
Fully diluted earnings per share	$ 1.16	$ 0.01	+11500.0%
Normalized basic earnings per share	$ 1.47	$ 1.21	+21.5%
Weighted average basic shares outstanding (000's)	36,483	36,433	

For the nine months ended September 30, 2018, revenue per share increased by 10.8% due to full distributions received from Labstat plus an additional $4.2 million of previously forgone distributions received as part of their redemption, in addition to new partners SBI, Heritage, Fleet and Body Contour Centers, follow on contributions into Federal Resources, Sandbox, Accscient and ccComm, and positive resets from the majority of our portfolio. This was partially offset by the reduction in distributions from the profitable redemptions of Sequel, Agility, End of the Roll and Labstat.

Normalized EBITDA of $1.66 per share increased by 4.4% compared to the nine months ending September 30, 2017 due to higher distributions, partially offset by higher corporate expenses and legal and accounting fees. Net cash from operating activities was $1.66 per share, an increase of 16.1% compared to the nine months ended September 30, 2017. The increase is a result of higher distributions (including Labstat as described above), the collection of US$2.9 million of unpaid distributions upon redemption of the Agility units and the 2017 Labstat sweep of $4.2 million. Dividends paid were $1.215 per share during the nine months ended September 30, 2018, an Actual Payout Ratio of 73.1% for the period. Excluding the one-time collection of the Agility accrued receivables and the collection of previously forgone distributions from Labstat, the Actual Payout Ratio would have been 83.1%.

Partner Revenue (000's)	Nine months ended September 30, 2018	Nine months ended September 30, 2017	% Change	Comment
DNT	$ 11,057	$ 10,782	+2.5%	Gross revenue reset +6% in Jan-18, offset by US$2.2M redemption, impact of FX
SBI	10,670	1,132	+842.2%	Contribution closed Sept-17
Federal Resources	10,329	8,291	+24.6%	+6% Gross Revenue in Jan-18, follow on contribution Dec-17
Labstat	8,340	5,955	+40.0%	$4.2M of forgone distributions, max distributions until redemption in Jun-18
Sandbox	5,334	3,418	+56.0%	Follow on contributions Sept-17 and Dec-17 and +2% reset Jan-18
Planet Fitness	5,184	6,410	-19.1%	Partial redemption in May-18, offset by +5% same club sales increase Jan-18
Providence	4,564	4,414	+3.4%	+5% same customer sales increase Jan-18, offset FX impact
LMS	3,871	3,565	+8.6%	Gross profit reset of +12.4% Jan-18, FX impact on USD distribution
Accscient	3,248	973	+233.8%	Contribution closed Jun-17, addt contributions in Jun-18 and Aug-18
Unify	2,661	2,648	+0.5%	+2% gross revenue increase Jan-18, offset by FX impact
Heritage	1,988	-	+100.0%	Contribution closed Jan-18
ccComm	1,525	593	+157.1%	Additional contributions in Aug-17 and May-18
SCR	1,200	300	+300.0%	Monthly distributions of $100k from Jul-18 to Apl-18 increasing to $150k thereafter
Fleet	801	-	+100.0%	Contribution closed in Jun-18
Kimco	780	-	+100.0%	Partial distributions of US$100k per month beginning Apl-18
End of the Roll	692	944	-26.7%	Redemption of all units in Jun-18
Agility Health	637	3,000	-78.8%	Redemption of all units in Feb-18
Body Contour Centers	368	-	+100.0%	Contribution closed in Sept-18
Sequel	-	12,174	-100.0%	Redemption of all units in Sept-17
Group SM	-	500	-100.0%	No further distributions expected
Total Distributions	**$ 73,249**	**$ 65,101**	+12.5%	
Interest & other	1,518	2,334	-34.9%	Decrease in interest from Group SM partially offset by interest on Kimco notes
Total Revenue	**$ 74,768**	**$ 67,435**	**+10.9%**	

Finance costs were $6.0 million compared to $5.0 million in the prior year, a 20.4% increase due higher interest rates on US and CDN denominated debt and a higher weighted average debt outstanding (average outstanding debt of $133.5 million for the nine months ending September 30, 2018 versus $107.2 million for the comparable period in 2017).

Salaries and benefit expenses were $2.8 million in the period, an increase of 2.4% compared to $2.7 million in the prior year period. The increase is due to higher base salaries offset by lower variable compensation.

Corporate and office expenses were $2.7 million in the period, an increase of 44.2% compared to $1.9 million in the prior year period. The increase is due to the timing of annual public company costs, one-time IT spending and a GST penalty refund in the comparable period.

Legal and accounting fees were $2.0 million in the period, an increase of 42.6% compared to $1.4 million in the prior year period. The increase is due to the Corporation incurring higher accounting and legal fees related to existing partners, legal fees on prospective deal which were expensed and corporate matters in 2018 (including the KMH strategic process, the Kimco restructuring and some additional consulting costs incurred on behalf of partner companies as part of an increased effort to support our current portfolio).

For the nine months ended September 30, 2018 the Corporation incurred stock-based compensation expenses of $2.3 million (2017 - $2.6 million) which includes: $1.5 million (non-cash expense) for the RSU Plan expense that is to be amortized over the thirty-six month vesting period of the plan (2017 - $1.7 million); and $0.8 million (non-cash expense) for the amortization of the fair value of outstanding stock options (2017 - $0.9 million).

The Corporation recorded earnings of $42.8 million, EBITDA of $60.6 million and Normalized EBITDA of $60.7 million for the nine months ended September 30, 2018 compared to earnings of $0.5 million, EBITDA of $20.9 million and Normalized

EBITDA of $58.0 million for the nine months ended September 30, 2017. The 4.7% increase in Normalized EBITDA is a result of the addition of new partners (Body Contour Centers, Fleet, Heritage, SBI), follow on contributions into existing partners (Federal Resources, Sandbox, Accscient and ccComm) in addition to top of the collar resets for the majority of the portfolio, partially offset by the reduction of distributions as a result of redemptions (Sequel, Labstat, End of the Roll and Agility) and higher corporate expenses.

Reconciliation of Net Income to EBITDA (thousands)	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Earnings	**$ 42,818**	**$ 472**
Adjustments to Net Income:		
Amortization and depreciation	172	201
Finance costs	6,027	5,007
Income tax expense	11,581	15,238
EBITDA	**$ 60,598**	**$ 20,918**
Normalizing Adjustments		
(Gain) on disposal of investment	(8,144)	(26,575)
Increase in investments at fair value	(11,151)	-
Impairment and other charges	-	42,491
Bad debt expense	25,974	9,813
Distributions received on redemption (Labstat)	(4,282)	-
Unrealized (gain) / loss on foreign exchange	(2,148)	12,730
Realized (gain) on foreign exchange	(146)	(518)
Accretion of prom. notes & other receivables	-	(396)
Penalties and Fees	-	(502)
Normalized EBITDA	**$ 60,701**	**$ 57,960**

The Corporation also shows a Normalized Earnings in the below table as certain financial metrics can be impacted on occasion due to redemptions and partner exits:

Normalized Earnings	Nine months ended September 30	
in thousands except on per share basis	**2018**	**2017**
Earnings before the undernoted	$ 58,278	$ 33,446
Finance costs	(6,027)	(5,007)
Impairment and other charges	-	42,491
Gain on partner redemptions	(8,144)	(26,575)
Increase in investments at fair value	(11,151)	-
Distributions received on redemption (Labstat)	(4,282)	-
Bad debt expense & reserve	25,974	9,813
Normalized Earnings pre-tax	**$ 54,648**	**$ 54,168**
Total income taxes	(11,581)	(15,238)
Tax normalizations for above items	10,621	5,219
Normalized Earnings	**$ 53,688**	**$ 44,150**
Normalized Earnings per share		
Basic	$1.47	$1.21
Fully diluted	$1.46	$1.20

Private Company Partner Update

The Corporation's interest in each of the Partners consists of a preferred partnership interest, preferred LLC or other equity interest, a loan, or ownership of intellectual property with a return based on distributions or royalties that are adjusted annually based on a formula linked to a top-line metric (i.e. sales, gross profit, same store sales) rather than a residual equity interest in the net earnings of such entities. The Corporation has no involvement in the day to day business of each Private Company Partner and has no rights to participate in management decisions. The Corporation does not have any significant influence over any of the Partners nor does it have the ability to exercise control over such Partners except in limited situations of uncured events of default. Instead, the Corporation has certain restrictive covenants in place designed to protect the ongoing payment of the distributions payable to Alaris. In addition, the Partners are required to obtain the consent of Alaris in certain circumstances prior to entering into a material transaction or other significant matters outside the normal course of business. Such transactions include, without limitation, acquisitions & divestitures, major capital expenditures, certain changes in structure, certain changes in executive management, change of control and incurring additional indebtedness or amending existing debt terms.

The following is a summary of each of the Partners recent financial results. Included in this summary will be a comment on the Partners' Earnings Coverage Ratio ("**ECR**"). Because this information other than with respect to fiscal year end is based on unaudited information provided by Private Company Partner management, each ECR, based on the most current information for the trailing twelve months, will be identified as part of a range. The ranges are: less than 1.0x, 1.0x to 1.2x, 1.2x to 1.5x, 1.5x to 2.0x and greater than 2.0x. A result greater than 1 is considered appropriate and the higher the number is, the better the ratio.

Additionally, the Corporation has disclosed the percentage of current run rate revenue based on the expected distributions from each Partner for the next twelve months based on information at November 5, 2018. Interest from promissory notes is 3.5% of run rate distributions from Partners.

Alaris Portfolio

Annual Distribution	Total run rate distributions of $99.1 million of which over 90.0% is USD denominated (US$70.1 million)
Description	The Corporation's investment thesis is to generally partner with companies with; (i) Established companies with a history of success (average age of partners is approximately 18.5 years) • Offer a required service or products in mature industries • Low risk of obsolescence • Non-declining asset bases (no exploration companies) (ii) Proven track record of free cash flow (iii) Low levels of debt - Allows excess cash flow to remain in the business to support growth and the Alaris distribution rather than paying principal and interest on debt. (iv) Low levels of capital expenditures required to maintain/grow a business - None of our partners are required to reinvest much of their cash flow back into their operations as they are typically asset light businesses with minimal equipment requirements. (v) Management continuity and quality management teams - The Corporation has invested in 28 partners since inception, exited our investment in thirteen partners over that time with ten yielding highly positive results displayed by a total return of 73% and a median IRR of 21%.
Contribution History	The Corporation has invested over $1.2 billion into 28 partners and 60 tranches of financing, including an average of approximately $150 million over the past five fiscal years (2013 – 2017).
Performance	The Corporation discloses an ECR to provide information on the financial health of our partners. The Corporation has four partners with ECR greater than 2.0x, two in the 1.5x-2.0x range, four between

	1.2x-1.5x and three in the 1.0x-1.2x range and two less than 1.0x.
Capital Structure	As a preferred equity investor we have invested in a diverse group of capital structures and we pride ourselves on achieving the optimal capital structure for our partners so both Alaris and our partners benefit. Of our existing portfolio seven of our fifteen have no debt, two partners have less than 1.0x Senior Debt to EBITDA and six partners have debt greater than 1.0x Senior Debt to EBITDA.
Reset	The annual distribution reset is another feature of our capital which we view as win-win. It aligns our interest with our partners while providing the majority of the upside to the entrepreneurs who create the business value. Of the partners which had resets effective in 2018 (mostly January 1st), all had positive resets with six hitting the top of their collar (+5% to 6%).

Accscient

Annual Distribution	US$3.4 million (or 5.9% of run rate revenue)
Description	Accscient provides IT Staffing, Consulting, and Outsourcing services and specializes in Digital Infrastructure Management, Enterprise Resource Planning, Business Intelligence and Database Administration.
Contribution History	In June 2017, the Corporation contributed US$20.0 million into Accscient LLC ("Accscient") (US$14.0 million permanent units and US$6.0 million redeemable units). In June 2018, the Corporation contributed an additional US$3.0 million, in exchange for an annualized distribution of US$0.4 million. In August 2018, the Corporation contributed an additional US$7.0 million, in exchange for an annualized distribution of US$1.0 million. Both follow on contributions were to fund or partially fund an acquisition which broadens their IT service offerings.
Performance	Based on unaudited statements provided by management for the eight months ended August 31, 2018, revenue, gross profit and EBITDA have increased versus the comparable period. The Accscient Distribution will be reset for the first time on January 1, 2019 based on the percentage change in gross profit from 2018 vs 2017 and has a collar of plus or minus 5%.
Fair Value	The fair value of the Accscient units increased by US$0.6 million during the three months ended September 30, 2018. The fair value of the Accscient units will fluctuate each quarter with foreign exchange rates but the underlying valuation of the Accscient units is evaluated each quarter.
ECR	The Earnings Coverage Ratio has increased since last quarter and is now between 1.5x and 2.0x.

Body Contour Centers

Annual Distribution	US$6.4 million (or 8.6% of run rate revenue)
Description	Body Contour Centers, LLC ("BCC") operates the largest private plastic surgery practice in the United States with over 50 locations across the country. Operating in nearly 30 states, it combines a consistent patient experience with the art of treating each patient as an individual with unique plastic surgery needs. Procedures are conducted by over 100 board-certified plastic surgeons and every surgical center is certified by AAAHC, the highest-level certification for plastic surgery. BCC is growing rapidly, doubling its location count over the last two years. The company celebrated its tenth year of

	delivering great patient outcomes in July 2018 and lives by a mission that everyone deserves to have their best body today and pursue their best life now.
Contribution History	On September 14, 2018, the Corporation entered into subscription and operating agreements with BCC, pursuant to which the Corporation made the initial contribution of US$46.0 million in exchange for preferred units in BCC, which entitles the Corporation to an initial annual distribution of US$6.4 million. BCC has the option to pay a portion of the BCC distribution, subject to a maximum of 2% of the aggregate contributed capital any given year as payment in kind ("PIK") provided that any amounts subject to the PIK must be paid in cash every three years. The Corporation, has also committed as part of the operating and subscription agreements with BCC to the additional contributions consisting of US$20.0 million ("Tranche 2") and US$25.0 million ("Tranche 3"). The additional contributions will be funded upon BCC satisfying certain financial targets. The additional BCC contributions will carry the same terms as the original BCC contribution. Up to 25% of the BCC units are redeemable at par at any time following the earlier of the second tranche closing and three years from the original closing date, prior to such time these units are non-redeemable. The BCC contribution was used to provide partial liquidity to existing equity holders.
Performance	There has been no change in financial performance since completing the transaction. The BCC distribution will be adjusted annually (commencing January 1, 2020) based on the change in same clinic sales, subject to a 6% collar.
Fair Value	The fair value of the BCC units remain unchanged from the date of investment. The fair value of the BCC units will fluctuate each quarter with foreign exchange rates but the underlying valuation of the BCC units is evaluated each quarter.
ECR	The Earnings Coverage Ratio on a proforma basis is between 1.5x and 2.0x.

ccComm

Annual Distribution	US$2.3 million (or 3.1% of run rate revenue)
Description	ccComm is a Sprint retailer with over 97 locations throughout the Northwest and Central U.S.
Contribution History	In January 2017, the Corporation purchased preferred units in ccComm for US$4.0 million. The Corporation contributed an additional US$2.2 million in August 2017 to complete an acquisition of additional Sprint retail locations. In May 2018, the Corporation contributed an additional US$10.0 million to fund the acquisition of additional Sprint locations. In exchange for the contribution, the corporation is entitled to an annualized distribution of US$1.4 million.
Performance	ccComm's revenue and EBITDA have decreased for the seven months ended July 31, 2018, compared to the same period in 2017. ccComm completed an acquisition of poor performing Sprint locations in September 2017 which have been a cash drag on the business (as expected at the time of the transaction). This in addition to lower phone sales volumes has resulted in a decline in their ECR. The Corporation expects a rebound in ECR in the upcoming quarters and no disruption in distributions. Distributions will increase or decrease based on net revenue to a collar of +/- 6%.
Fair Value	The fair value of the ccComm units will fluctuate each quarter with foreign exchange rates but the underlying valuation of the ccComm units is evaluated each quarter. The fair value of ccComm units remains unchanged at September 30, 2018.

ECR	The Earnings Coverage Ratio at September 30, 2018 has decreased from last quarter and is now below 1.0x. ccComm has no debt and sufficient cash on the balance sheet so no disruption to the monthly distributions is expected.

DNT Construction

Annual Distribution	US$11.4 million (or 15.2% of run rate revenue)
Description	DNT specializes in turnkey civil construction services to residential, commercial and municipal end markets including excavation, the installation of wet and dry utilities such as electrical, gas, sewage and water in the Austin, San Antonio corridor.
Contribution History	In June 2015, the Corporation purchased preferred units in DNT, for an aggregate acquisition cost of US$70.0 million (US$40.0 million permanent units and US$30.0 million redeemable units). In June 2018, DNT repaid US$0.2 million of the outstanding redeemable units as required under their annual redemption calculation, bringing the total redeemed units to $2.2 million since the investment date.
Performance	Based on unaudited financial statements provided by management for the eight months ended August 31, 2018, DNT's revenue and EBITDA are slightly ahead of the comparable period. Annual increase or decrease in DNT's distribution to Alaris is subject to a collar of +/- 6% and is based on gross revenues.
Fair Value	There was no change in the fair value of the DNT units during the three or nine months ending September 30, 2018. The fair value of the DNT units in Canadian dollars will fluctuate each quarter with foreign exchange rates.
ECR	The Earnings Coverage Ratio has decreased slightly since last quarter and remains just below 1.5x (between 1.2x and 1.5x).

Federal Resources

Annual Distribution	US$10.7 million (or 14.2% of run rate revenues)
Description	Federal Resources is a leading value-added provider of mission critical products and solutions to defense, first responder, homeland security and maritime end users in the United States.
Contribution History	In June 2015, the Corporation announced a US$7.0 million subscription for preferred stock (the "FED Units") of Federal Resources and a US$40.0 million secured subordinated loan (the "FED Loan") to Federal Resources, for an aggregate cost of US$47.0 million. In exchange for the Federal Resources Units and Loan, the Corporation was initially entitled to a combined US$7.1 million of annual distributions. In April 2016 and December 2017 Alaris made additional contributions of US$6.5 million and US$13.5 million in subsidiaries of Federal Resources. The additional contributions were used to fund or partially fund acquisitions in their industry.
Performance	Based on unaudited financial statements provided by management for the eight months ended August 31, 2018, Federal Resource's revenue and EBITDA are both well ahead of the comparable period.

Fair Value	The fair value of the Federal Resources units were increased by US$1.2 million in Q2 2018 as revenues continue to grow and we expect another positive reset in 2019. In the three months ended September 30, 2018 the fair value is unchanged. The fair value of the Federal Resources investment in Canadian dollars will fluctuate each quarter with foreign exchange rates.
ECR	The Earnings Coverage Ratio for Federal Resources has decreased slightly since the last quarter and remains between 1.2x and 1.5x.

Fleet

Annual Distribution	US$2.1 million (or 2.8% run rate revenue)
Description	Fleet serves America's top truck fleets and guarantees the lowest cost of operation by providing truck leasing and matching proprietary data driven IT processes with fleet analytics using the latest eco-efficient clean diesel technology to achieve optimum vehicle productivity, while reducing operating costs.
Contribution History	On June 15, 2018 the Corporation entered into subscription and operating agreements with Fleet, pursuant to which the Corporation contributed US$15.0 million, which entitles the Corporation to an initial annual distribution of US$2.1 million. Fleet has the option to pay a portion of the distribution, subject to a maximum of 2% (US$0.3 million in the first year) of the annualized yield in any given year as PIK (previously detailed in BCC) provided that any amounts subject to the PIK must be paid in cash every three years. US$7.5 million of the Fleet units are redeemable at par at any time. The Fleet distribution will be adjusted annually (commencing January 1, 2020) based on the change in net revenues, subject to a 6% collar. The Fleet contribution was used to fund continued growth and provide partial liquidity to existing shareholders.
Performance	Based on unaudited financial statements provided by management for the eight months ended August 31, 2018, Fleet's revenue and EBITDA are trailing the comparable period.
Fair Value	The contribution closed in June 2018 and there was no change in the fair value of the Fleet units during the three months ending September 30, 2018. The fair value of the Fleet units in Canadian dollars will fluctuate each quarter with foreign exchange rates.
ECR	The Earnings Coverage Ratio has declined from the date of closing and is now between 1.2x to 1.5x.

Heritage Restoration

Annual Distribution	US$2.3 million (or 3.0% of run rate revenue)
Description	Heritage Restoration, Holdings, LLC ("Heritage") is a leading specialty contractor providing masonry and masonry related services to the commercial building industry. With a focus on the restoration of existing structures, Heritage's services include masonry procurement, installation and restoration, concrete structure restoration, waterproofing and coating repair, Heritage provides quality customer service and workmanship throughout the entire New England area, employing over 100 highly skilled masons; carpenters; and laborers during peak times.
Contribution History	On January 23, 2018, the Corporation entered into subscription and operating agreements with Heritage, pursuant to which the Corporation invested US$15.0 million in exchange for preferred units in Heritage. The Corporation is entitled to an annual distribution of US$2.3 million for the first full year

	following the transaction, which equates to an initial yield of 15%. US$3.0 million of the Heritage units are redeemable at par at any time. The Heritage distribution will reset with a collar of +/- 6% annually based on gross revenue.
Performance	Based on unaudited financial statements provided by management for the eight months ended August 31, 2018, Heritage's revenue and EBITDA have both increased versus the comparable period.
Fair Value	The fair value of the Heritage units increased by US$0.8 million during the three months ended September 30, 2018 as the maximum reset is expected effective January 1, 2019. The fair value of the Heritage units in Canadian dollars will fluctuate each quarter with foreign exchange rates.
ECR	The Earnings Coverage Ratio for Heritage has increased since last quarter and remains above 2.0x.

Kimco

Annual Distribution	Received US$0.9 million year to date. Distributions will be recorded as received.
Description	Kimco has been providing commercial janitorial services since the 1970s. Kimco provides janitorial services to over 375 customers which range in size from multi-location national customers to regional single-site customers.
Contribution History	In June 2014, the Corporation purchased preferred units in Kimco for an aggregate acquisition cost of US$29.2 million. The Corporation purchased additional preferred units for US$3.0 million in December 2015 and US$2.0 million in November 2016. The Corporation contributed an additional US$4.0 million in 2017, by way of an unsecured promissory note, to reduce Kimco's total senior debt outstanding. Kimco is currently paying 8% per annum on the debt. In March 30, 2018, the Corporation loaned US$6.0 million to replace Kimco's existing subordinated debt from a third party, the debt bears interest of 12% per annum, with interest paid monthly. The Corporation also loaned US$3.8 million during the three months ended September 30, 2018 to provide additional capacity to fund working capital requirements. The US$3.8 million debt bears interest of 8% per annum as the Corporation views this as a short term loan compared to the US$6.0 million loan which is foresees as part of the capital structure long-term.
Performance	In March 2018, Kimco completed a debt refinancing, resulting in a new senior lender replacing existing senior debt and subordinated debt. The Kimco refinancing closed on March 30th, 2018 and, as a result, Kimco commenced monthly distributions to Alaris of USD$100 thousand in April 2018. The company experienced additional liquidity restrictions with the change to its senior lender and some operational challenges resulting in the Corporation loaning US$3.8 million to Kimco in Q3 2018. The loan can be repaid once liquidity restrictions are resolved. Kimco continues to pursue operational changes and the Corporation expects to receive full value for recent loans. For Q4 2018, the Corporation expects to continue to receive interest payments on all its outstanding debt, however the US$100 thousand monthly distributions have been temporarily suspended until bank required minimum liquidity thresholds have been met. As a result, no Kimco distributions have been included in our Run Rate Payout Ratio. Based on unaudited financial statements provided by Kimco management for the eight months ended August 31, 2018, revenue and EBITDA are behind the prior year due to the above mentioned operational challenges, customer turnover and higher labour costs.

Fair Value	The fair value of the Kimco units were decreased by US$1.4 million during the three months ended September 30, 2018, resulting in a total decrease of US$4.1 million in the nine month period as the Corporation has decreased its expectations and timing of future distributions. The fair value of the Kimco units in Canadian dollars will fluctuate each quarter with foreign exchange rates but the underlying fair value will be evaluated each quarter in USD.
ECR	The Earnings Coverage Ratio for Kimco under the new capital structure has decreased since last quarter and is now below 1.0x.

LMS Reinforcing Steel Group

Annual Distribution	CAD$5.2 million (or 5.2% of run rate revenue)
Description	LMS is a western Canadian concrete reinforcing steel fabricator and installer with operations in British Columbia, Alberta and Southern California.
Contribution History	The Corporation's original contribution into LMS was in 2007 subsequent to which it has since contributed a total of CAD$54 million. The Corporation completed a follow on contribution in 2016 (to a U.S. affiliate) of US$4.4 million to help LMS partially fund an acquisition. During the three months ended September 30, 2018, the Corporation provided $5.0 million via a short term loan bearing annual interest of 8%, escalating 2% annually. The proceeds were used to make opportunistic steel purchases prior to tariffs fully impacting prices on imported steel.
Performance	Based on unaudited financial statements prepared by LMS management for the eight months ended August 31, 2018, revenue and EBITDA are ahead of the comparable period.
Fair Value	The fair value of the LMS Canadian units and LMS US units were increased by $2.6 million in Q2 2018 as the audited increase exceeded expectations and increased a further $0.8 million in the three months ending September 30, 2018 due to the positive results in the current year. The fair value of the LMS US units in Canadian dollars will fluctuate each quarter with foreign exchange rates.
ECR	The Earnings Coverage Ratio for LMS has increased since last quarter and remains between 1.2x and 1.5x.

Planet Fitness

Annual Distribution	US$3.5 million (or 4.7% of run rate revenue)
Description	Planet Fitness, through its affiliates, operates over 58 fitness clubs in Maryland, Tennessee, Florida and Washington as a franchisee of Planet Fitness®.
Contribution History	In November 2014, the Corporation purchased preferred units in Planet Fitness, for an aggregate acquisition cost of US$35 million. In July 2015, the Corporation purchased an additional US$5 million of preferred units. In May 2018 Planet Fitness redeemed US$19.4 million of their outstanding units for a redemption price of US$25.0 million resulting in a US$5.8 million gain on invested capital.
Performance	Based on unaudited financial statements provided by Planet Fitness management for the eight months ended August 31, 2018, Planet Fitness' revenue and EBITDA are both ahead of the prior year due to

	organic growth of their existing clubs.
Fair Value	The Corporation increased the fair value of the Planet Fitness units by US$2.7 million during the three months ending March 31, 2018 in advance of the PF partial redemption. The fair value was increased an additional US$0.7 million in the three months ended September 30, 2018 as another maximum reset is expected effective January 1, 2018. The fair value of the remaining Planet Fitness units in Canadian dollars will fluctuate each quarter with foreign exchange rates.
ECR	The Earnings Coverage Ratio for Planet Fitness has increased from last quarter and now above 2.0x.

Providence Industries

Annual Distribution	US$4.7 million (or 6.3% of run rate revenues)
Description	Providence is a leading provider of design, engineering, development, manufacturing and sourcing services for international apparel companies and retailers.
Contribution History	In April 2015, the Corporation contributed US$30.0 million to Providence.
Performance	Based on unaudited financial statements provided by management for the eight months ended August 31, 2018, Providence's revenue and EBITDA have decreased versus the comparable period.
Fair Value	The fair value of the Providence units were decreased US$1.5 million during the three months ending June 30, 2018 as a customer that drove the 5% increase in 2017 has a material impact on their same customer sales. There was no change in the value of the Providence units during the three month period ending September 30, 2018. The fair value of the Providence units in Canadian dollars will fluctuate each quarter with foreign exchange rates.
ECR	The earnings coverage ratio for Providence has decreased since last quarter and remains well over 2.0x.

Sandbox

Annual Distribution	US$5.4 million (or 7.2% of run rate revenues)
Description	Sandbox offers a wide range of marketing and advertising services including strategic marketing and planning, creative development for all media and digital strategy solutions including CRM and data analytics for clients in a variety of industries within the US and Canada.
Contribution History	In March 2016, the Corporation purchased preferred units in Sandbox for an aggregate acquisition cost of US$22 million. The Corporation contributed an additional US$6.0 million in September 2017 to finance an acquisition completed by Sandbox and a further US$7.0 million in December 2017 to fund a performance earn out. The Sandbox distribution will reset annually +/-6% based on net revenue.
Performance	Based on unaudited financial statements provided by Sandbox management for the eight months ended August 31, 2018, revenue is flat and EBITDA is down versus the comparable period. Sandbox breached certain bank covenants due to non-recurring expenses. To prevent the suspension of Alaris distributions, the Corporation purchased the outstanding senior debt in Sandbox consisting of US$7.5 million of amortizing term debt and $5.0 million of an asset backed lending facility subsequent to September 30, 2018. The purchase of the senior debt provides the Corporation with additional

	control over the distribution of the free cash flow generated by Sandbox providing more certainty over future distributions. The previous senior lender covenants allowed for interruptions in distributions when the business is generating sufficient cash flow to service all financial obligations. Through proactively taking control of the senior debt, there is no change in the Corporations existing preferred equity and removes another external party for Sandbox and the Corporation to meet its objectives. Distributions have been paid in each month of 2018 and are expected to continue to be paid going forward. The term debt has annual repayments of $1.6 million (paid monthly) and both the term debt and revolver have LIBOR linked interest rates. The senior debt also provides additional rights and remedies in addition to the Corporation's preferred equity rights.
Fair Value	The fair value of the Sandbox units increased by US$1.4 million during the three months ending June 30, 2018 due to the positive reset confirmed through audited financial statements and increased by another US$0.8 million in the three months ended September 30, 2018 due to the year to date results. The fair value of the Sandbox units in Canadian dollars will fluctuate each quarter with foreign exchange rates.
ECR	The Earnings Coverage Ratio has decreased since last quarter and is now at the low end of the 1.0x to 1.2x range.

SCR Mine Services

Annual Distribution	$1.8 million (or 1.8% run rate revenue).
Description	SCR Mining and Tunneling, LP ("SCR") provides mining, surface and underground construction, electrical and mechanical services to the Canadian mining industry.
Contribution History	In May 2013, the Corporation purchased partnership units in SCR for an aggregate acquisition cost of $40 million. The SCR distribution will reset +/-6% based gross revenue.
Performance	Based on unaudited financial statements provided by management for the eight months ended August 31, 2018, SCR's revenue has increased and EBITDA is down slightly versus the comparable period. SCR has significant cash on its balance sheet to invest in capex and working capital as the business continues to rebound. Effective April 1, 2018 the Corporation and SCR agreed to increase the fixed monthly distribution from $100 thousand per month to $150 thousand ($1.8 million annually) along with a variable cash sweep based on available free cash flow, although no cash sweep is expected until 2019.
Fair Value	The fair value of the SCR units increased by $0.5 million during the three months ending September 30, 2018 due to the recent positive financial performance of SCR.
ECR	The Earnings Coverage Ratio for SCR has increased slightly since the last quarter and remains below 1.0x when considering full distributions but at the current distribution rate of $1.8 million the Earnings Coverage Ratio is between 1.0x and 1.2x.

SBI

Annual Distribution	US$11.1 million (or 14.7% of run rate revenue)
Description	SBI is a management consulting firm specializing in sales and marketing that is dedicated to helping companies reach their sales objectives. SBI conducts in-depth market research and partners with

	business leaders to develop strategies that enhance performance and drive results. Through evidence-based methods, SBI creates actionable procedures that, once embraced and adopted, result in lasting success.
Contribution History	In August 2017, the Corporation contributed US$85.0 million in SBI, in return for an annualized distribution of US$11.1 million. The distribution will reset based on gross revenue with a collar of +/-8%, with the first reset in January 2019. The SBI contribution is made up of US$75.0 million of permanent units as well as US$10.0 million of redeemable units. The redeemable units can be redeemed at par at any time up to the third anniversary following the closing of the SBI contribution at SBI's discretion. After the third anniversary the redeemable units will have the same repurchase metrics as the permanent units.
Performance	Based on unaudited information provided by SBI management for the nine months ended September 30, 2018, revenues are ahead and EBITDA is slightly behind the prior year.
Fair Value	The fair value of the SBI units were increase by US$3.0 million during the three and nine months ending September 30, 2018 due to a positive outlook on the upcoming reset. The fair value of the SBI units in Canadian dollars will fluctuate each quarter with foreign exchange rates.
ECR	The Earnings Coverage Ratio for SBI has increased as expected since the last quarter and remains between 1.0x and 1.2x. SBI has no senior debt and a strong backlog and over the last two quarters the ECR is above 1.5x. The Corporation expects an increasing Earnings Coverage Ratio over the coming periods based on SBI's current book of business.

Unify

Annual Distribution	US$2.8 million (or 3.7% of run rate revenue)
Description	Unify is a management consulting firm that works with companies to provide innovative, customized consulting solutions across four primary service lines: Business Intelligence, Enterprise Resource Planning Services, Project Leadership & Product Management, and Organizational Change Management
Contribution History	In October 2016, Salaris USA (wholly owned subsidiary of Alaris USA Inc.) made a contribution of US$18.0 million (comprised of US$12 million of permanent units and US$6 million of redeemable units) to Unify LLC (the "Unify Contribution"). The Unify Distribution resets annually +/-5% based on net revenue.
Performance	Based on unaudited financial statements prepared by Unify management for the nine months ended September 30, 2018, revenue and EBITDA have increased significantly versus the comparable period and exceeded forecast amounts.
Fair Value	There was no change in the fair value of the Unify units during the three and nine months ending September 30, 2018. The fair value of the Unify units in Canadian dollars will fluctuate each quarter with foreign exchange rates.
ECR	The Earnings Coverage Ratio for Unify has increased since last quarter and remains over 2.0x.

REDEMPTION OF PREFERRED UNITS

Agility Health – Q1 2018

On February 28, 2018, the Corporation successfully redeemed all of its units in Agility as a result of the sale of Agility to a third party. Gross proceeds to Alaris from the Agility Sale consisted of: (i) US$22.2 million for the preferred units Alaris holds in Agility LLC, which includes a premium of US$2.1 million over Alaris' original cost of US$20.1 million; (ii) US$2.9 million for all unpaid distributions up to February 28, 2018; and (iii) US$1.6 million for a loan outstanding, including all interest accrued on such loan. US$1.5 million of the repurchase price paid to Alaris was placed in escrow for 18 months to satisfy indemnification obligations under the transaction and is recorded in trade and other receivables. Following the escrow period any remaining escrowed funds will be paid to Alaris.

Planet Fitness partial redemption – Q2 2018

On May 11, 2018, the Corporation received a partial redemption of US$25.0 million from Planet Fitness in exchange for preferred units which had an associated US$3.3 million of annual distributions. The gain on the partial redemption was recorded as a fair value increase as at and for the three months ended March 31, 2018 of $3.5 million CAD. Subsequent to the transaction, the Corporation is entitled to US$3.5 million of run rate distributions on a remaining cost basis of US$20.6 million and fair value of US$23.5 million.

Labstat – Q2 2018

On June 25, 2018, the Corporation received $61.3 million as a result of the Labstat redemption, which represents a premium of $13.6 million over Alaris' original cost of $47.7 million. The fair value of the units were previously increased to reflect the maximum repurchase price, therefore no gain was recorded at the time of disposition.

Concurrent with the redemption of the preferred units, the Corporation also received $4.3 million for previously forgone distributions. The previously forgone distributions were a result of the Labstat annual distributions being determined by a cash flow sweep from 2013 to 2017. The amounts received were recognized as revenue upon redemption. The Corporation had previously not assigned any value on its balance sheet to the collection of the $4.3 million of previously forgone distributions because the amount and timing were dependent on the redemption of the preferred units.

As part of the redemption the Corporation received the repayment of the $3.7 million promissory note outstanding and $0.3 million of accrued interest. Prior to the redemption the Corporation also received the 2017 cash sweep of $4.2 million.

End of the Roll – Q2 2018

On June 29, 2018, the Corporation received $12.6 million as a result of the End of the Roll repurchasing the outstanding intangible asset. The End of the Roll intangible asset had a carrying value of $6.0 million and an original cost of $7.2 million. The Corporation recognized a $6.5 million gain at the time of redemption.

PROMISSORY NOTES

Group SM

In 2017, the Corporation provided $10.0 million to Group SM, which is secured against outstanding accounts receivable and has a first lien on the business. The secured note bears interest at 10% per annum. On June 15, 2018, the Corporation exercised its step in rights and assumed voting control over Group SM as a result of their failure to meet certain covenants in our operating and promissory note agreements. At June 30, 2018, the assumption of voting control of Group SM required Alaris to account for the transaction as a business combination. Voting control of Group SM was obtained with the sole intent of having the investment sold in the near term and the acquired business met the definition of assets held for sale and was presented as assets and liabilities held for sale in the June 30, 2018 interim financial statements. On August 24, 2018, the secured creditors of Group SM (including Alaris) filed an initial order under the Companies Creditor Arrangement Act ("CCAA") while appointing a Monitor and a Chief Restructuring Officer ("CRO") that would review the circumstances and make a recommendation to the court. This event ended Alaris control over Group SM. Due to the loss of control, Alaris de-recognized the assets and liabilities held for sale and re-recognized the fair value of the promissory note receivable.

On October 15, 2018, the CRO and Monitor accepted a bid to sell all of the assets of Group SM to that same purchaser that will see the Corporation receive full consideration for the remaining $10 million secured note with the closing expected to occur in the fourth quarter of 2018. The Corporation expects to receive between $5 million and $8 million in cash on closing and the remainder will be assumed by the purchasing company and will retain its security on the new business. Collection of the remaining amount is expected in the next twelve months as the purchaser has indicated to the Corporation an intent to repay Alaris in the near term. In addition, the Corporation has a $17.0 million unsecured demand note (interest at 8%) with Group SM, subordinate to a third party loan. During Q1 2018, the results of the ongoing restructuring process and Group SM's increasing working capital deficit reduced the Corporation's expected proceeds. As a result of the timing and increasing uncertainty surrounding the collection of the promissory note, the Corporation provided a reserve against the remaining carrying value of the promissory notes.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2018 the Corporation has a $300 million credit facility with a syndicate of Canadian chartered banks, the facility has a four year term with a maturity date in September 2021. In 2018, an additional bank joined the lending syndicate and the facility was increased from $280 million to $300 million and at the same time the accordion feature was reduced from $70 million to $50 million. The interest rate is based on a combination of the CAD Prime Rate ("Prime"), Bankers' Acceptances ("BA"), US Base Rate ("USBR") and LIBOR and the applicable spread determined by the Corporations Funded Debt to Contracted EBITDA. The Corporation realized a blended interest rate of 5.6% for the nine months ended September 30, 2018.

At September 30, 2018, the Corporation met all of its covenants as required by the facility. Those covenants include a maximum funded debt to contracted EBITDA of 2.5:1 (actual ratio is 1.71:1 at September 30, 2018); minimum tangible net worth of $450.0 million (actual amount is $612.9 million at September 30, 2018); and a minimum fixed charge coverage ratio of 1:1 (actual ratio is 1.22:1 at September 30, 2018). At September 30, 2018, the facility was $147.3 million drawn, US$110.2 million in USD denominated debt (December 31, 2017 - $173.5 million of which $112.7 million was denominated in USD).

In each of the first nine months of 2018 and 2017, the Corporation declared a dividend of $0.135 per common share, $1.215 per share and $44.3 million in aggregate (2017 - $1.215 per share and $44.1 million in aggregate). The Corporation had 36,481,247 voting common shares outstanding at September 30, 2018. The Corporation had working capital of approximately $11.9 million at September 30, 2018. Under the current terms of the various commitments, the Corporation has the ability to meet all current obligations as they become due.

WORKING CAPITAL

The Company's working capital (defined as current assets, excluding promissory notes and investment tax credits receivable, less current liabilities) at September 30, 2018 and December 31, 2017 is set forth in the tables below.

Working Capital	30-Sep-18	31-Dec-17
Cash	$ 16,089	$ 35,475
Prepayments	2,049	2,407
Foreign exchange contracts	173	1,430
Trade and other receivables	1,826	8,642
Total Current Assets	**$ 20,138**	**$ 47,954**
Accounts payable & accrued liabilities	2,412	1,707
Dividends payable	4,921	4,921
Foreign exchange contracts	-	-
Income tax payable	957	588
Total Current Liabilities	**$ 8,291**	**$ 7,217**
Net Working Capital	**$ 11,846**	**$ 40,737**

Management of the Corporation believes that the Corporation is able to meet its obligations as they become due.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Upon initial recognition all financial instruments, including derivatives, are recognized on the balance sheet at fair value. Subsequent measurement is then based on the financial instruments being classified into one of two categories: amortized cost and fair value through profit or loss ("FVTPL"). The Corporation has designated its financial instruments into the following categories applying the indicated measurement methods:

Financial Instrument	Category	Measurement Method
Cash and cash equivalents	Amortized cost	Amortized cost
Trade and other receivables	Amortized cost	Amortized cost
Promissory notes and other receivable	Amortized cost	Amortized cost
Investments at fair value	At fair value through profit or loss	At fair value through profit or loss
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Loans and borrowings	Amortized cost	Amortized cost
Foreign exchange contracts	At fair value through profit or loss	At fair value through profit or loss

The Corporation will assess at each reporting period whether there is a financial asset that is impaired using the expected credit loss model. An impairment loss is included in net earnings.

The Corporation holds derivative financial instruments to hedge its foreign currency exposure. The Corporation has entered into forward contracts equal to the monthly and quarterly flow of funds from the Corporation's US investments. The Corporation matches approximately 25-60% over a rolling twelve month period based on scheduled distributions to the Canadian parent and a portion of the scheduled distributions over a rolling 12 to 24 month period based distributions resulting in an economic hedge of the foreign currency exposure. The fair value of the forward contracts will be estimated at each reporting date and any unrealized gain or loss on the contracts will be recognized in profit or loss. As at September 30, 2018, for the next twelve months, the Corporation has total contracts of US$35.4 million average $1.2968 CAD. For the following twelve months, the Corporation has total contracts of US$5.4 million USD average $1.2635 CAD.

The Corporation records all transaction costs incurred, in relation to the acquisition of investments classified at fair value through profit or loss, as an additional cost of the investment. The Corporation applies trade-date accounting for the recognition of a purchase or sale of cash equivalents and derivative contracts.

The Corporation has the following financial instruments that mature as follows:

30-Sep-18	Total	0-6 Months	6 mo – 1 yr	1 – 2 years	3 – 4 years
Accounts payable and accrued liabilities	$ (2,412)	$ (2,412)	$-	$-	$-
Dividends payable	(4,921)	(4,921)	-	-	-
Income tax (payable) / receivable	(957)	(957)	-	-	-
Loans and borrowings	(147,337)	-	-	-	(147,337)
Total	$ (155,629)	$ (8,291)	$ -	$ -	$ (147,337)

The Corporation has sufficient cash on hand to settle all current accounts payable, accrued liabilities, dividends payable and all scheduled interest payments on the senior debt. In the event the senior debt is not renewed and principal payments become due, the debt would be refinanced, or alternatively, management expects that there would be sufficient cash flow from operations and expected Partner redemptions to meet all required repayments.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") for the Corporation.

DC&P are designed to provide reasonable assurance that material information relating to the Corporation is made known to the CEO and CFO by others, particularly in the period in which the annual filings are being prepared, and that information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified in securities legislation, and includes controls and procedures designed to ensure that such information is accumulated and communicated to the Corporation's management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. ICFR are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Corporation follows the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework.

Management, including the CEO and CFO, does not expect that the Corporation's DC&P and ICFR will prevent or detect all misstatements or instances of fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues, misstatements or instances of fraud, if any, within the Corporation have been detected. There was no change to the Corporation's ICFR that occurred during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

SUMMARY OF CONTRACTUAL OBLIGATIONS

The Corporation has an outstanding senior credit facility described under "Liquidity and Capital Resources", the only material contractual obligation of the Corporation is its commitment to fund two additional contributions (first for US$20.0 million and second of US$25.0 million) to Body Contour Centers ("BCC") when specified financial metrics have been reached, and leases for office space. The Corporation agreed to a five-year lease commencing July 2015 at its current location with remaining leasing commitments of $0.8 million.

Contractual Obligations	Total	< 1 year	1 – 3 years	4 – 5 years	> 5 years
Long term debt	$ 147,337	$ -	$ -	$ 147,337	$-
Additional Contributions to BCC	$ 58,127	$25,834	$ 32,293	-	-
Office lease	755	81	674	-	-
Total Contractual Obligations	$ 206,219	$ 25,915	$ 32,967	$ 147,337	$-

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Management is required to make estimates when preparing the financial statements. Significant estimates include the valuation of intangible assets and preferred limited partnership units, valuation of accounts receivable and promissory notes and income taxes. Refer to the condensed consolidated interim financial statements for the three and nine months ended September 30, 2018.

The Corporation capitalizes legal and accounting costs relating to a specific transaction once a letter of intent has been signed. The Corporation's transactions structured as limited partnerships are not amortized and will be assessed for objective evidence of impairment at each balance sheet date.

RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 9: Financial Instruments

Except as described below, the accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Corporation's consolidated financial statements as at and for the year ended December 31, 2017.

The Corporation has initially adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from January 1, 2018.

IFRS 9 introduces a single approach to determine whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. The approach is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The IAS 39 measurement categories for financial assets will be replaced by fair value through profit or loss ("FVTPL"), fair value through other comprehensive income and amortized cost.

IFRS 9 retains most of the IAS 39 requirements for financial liabilities and the Corporation does not anticipate any changes in classification or measurement of financial liabilities on transition to IFRS 9.

A new expected credit loss model for calculating impairment on financial assets classified at amortized costs replaces the incurred loss impairment model used in IAS 39. The new model will result in more timely recognition of expected credit losses.

When financial assets are impaired by credit losses and the entity records the impairment in a separate account (eg. an allowance account used to record individual impairments or a similar account used to record a collective impairment of assets) rather than directly reducing the carrying amount of the asset, it shall disclose a reconciliation of changes in that account during the period for each class of financial assets.

IFRS 9 is effective for years beginning on or after January 1, 2018. Based on the assessments undertaken to date, the only material change will be to the classification and measurement of investments at fair value. Although the investments at fair value will continue to be measured at fair value, fair value gains or losses will be recorded through profit or loss as opposed to through other comprehensive income. Therefore, on transition to IFRS 9, an adjustment of $17.0 million was made to move cumulative fair value gains or losses from the fair value reserve to retained earnings.

For those financial assets classified and measured at amortized cost, the expected credit loss model will be applied to determine impairment of financial assets. This will therefore apply to trade and other receivables, as well as promissory notes receivable.

There was no material change from its existing methodology in determining credit losses to the expected credit loss model that will be applied to assets classified at amortized cost. Therefore, there was no transition adjustment required.

IFRS 15: Revenue from Contracts with Customers

Revenue from Contracts with Customers provides guidance on revenue recognition and relevant disclosures, and is effective for annual reporting periods beginning on or after January 1, 2018. Due to the fact that the majority of its revenues are generated from financial instruments and therefore not in the scope of IFRS 15, the Corporation does not expect any material changes to its revenue recognition and does not anticipate any transition adjustments.

As a result of the adoption of the standard as outlined above the following there were a number of account policy changes, please see the accompanying condensed consolidated interim financial statements for additional disclosures.

SUMMARY OF QUARTERLY RESULTS

Quarterly Results Summary	Q3-18	Q2-18	Q1-18	Q4-17	Q3-17	Q2-17	Q1-17	Q4-16
Revenue	$ 22,685	$ 28,442	$ 23,641	$ 21,638	$ 23,775	$ 22,779	$ 20,881	$ 27,259
Earnings	$ 19,100	$ 26,863	$ (3,146)	$ 11,410	$ (22,031)	$ 10,656	$ 11,849	$ 21,724
Basic and Diluted Income	$ 0.52	$ 0.74	$ (0.09)	$ 0.31	$ (0.60)	$ 0.29	$ 0.33	$ 0.60
(loss) per Share/Unit	$ 0.52	$ 0.73	$ (0.09)	$ 0.31	$ (0.60)	$ 0.29	$ 0.32	$ 0.59

In Q3 2018, the Corporation recorded a $7.1 increase in investments at fair value. In Q2 2018, the Corporation recorded a $6.4 million gain on the repurchase of the End of the Roll intangible asset, a partial redemption of the Planet Fitness units and a $0.5 million increase in the fair value of investments. In Q1 2018, the Corporation recorded a $1.8 million gain on the redemption of the Agility units, a $3.5 million increase in the fair value of investments and a $25.9 million bad debt expense

related to the Phoenix and Group SM promissory note and Group SM accounts receivable. The Corporation began recognizing changes in the fair value of investments through earnings, effective January 1, 2018. Previously they were recognized in OCI and therefore not included in the below adjustment.

In Q4 2017, the Corporation recorded a $13.6 million bad debt expense as the remainder of the SHS promissory note was written off and a reserve related to the Kimco, Group SM and Phoenix promissory notes. In Q3 2017, the Corporation recorded $9.8 million in bad debt expense as unpaid distributions from Group SM were written off, the Corporation also recorded $41.0 million in impairment charges as the fair value of the Group SM units were reduced to nil in the period and realized a $26.6 million gain on the redemption of Sequel. In Q4 2016, the Corporation recorded a $0.9 million gain as well as an additional $5.3 million in distributions on the MAHC redemption.

OUTSTANDING SHARES

At September 30, 2018, the Corporation had authorized, issued and outstanding, 36,496,247 voting common shares.

For the nine months ended September 30, 2018, 15,000 shares were issued on the vesting of RSUs in Q2 2018 and no options were issued or exercised. At September 30, 2018, 276,651 RSUs and 2,242,364 stock options were outstanding under the Corporation's long-term incentive compensation plans. The outstanding stock options have a weighted average exercise price of $25.56, and as of September 30, 2018 all 2,242,364 options outstanding are out of the money.

At November 5, 2018, the Corporation had 36,496,247 common shares outstanding.

INCOME TAXES

In 2015, the Corporation received a notice of reassessment from the Canada Revenue Agency in respect of its taxation year ended July 14, 2009. The Corporation has since received notices of reassessment from the Canada Revenue Agency in respect of its taxation year ended December 30, 2009 through December 30, 2017 (collectively the "Reassessments"). Pursuant to the Reassessments, the deduction of approximately $121 million of non-capital losses and utilization of $6.8 million in investment tax credits ("ITC's") by the Corporation was denied, resulting in reassessed taxes and interest of approximately $47.0 million. Subsequent to filing the notice of objection for the July 14, 2009 taxation year, Alaris received an additional proposal from the CRA pursuant to which the CRA is proposing to apply the general anti avoidance rule to deny the use of non-capital losses, accumulated scientific research and experimental development expenditures and investment tax credits. The proposal does not impact the Corporation's previously disclosed assessment of the total potential tax liability (including interest) or the deposits required to be paid in order to dispute the CRA's reassessments. The Corporation has received legal advice that it should be entitled to deduct the non-capital losses and as such, the Corporation remains of the opinion that all tax filings to date were filed correctly and that it will be successful in appealing such Reassessments. The Corporation intends to continue to vigorously defend its tax filing position. In order to do that, the Corporation was required to pay 50% of the reassessed amounts as a deposit to the Canada Revenue Agency. The Corporation has paid a total of $19.3 million in deposits to the CRA relating to the Reassessments to date. It is possible that the Corporation may be reassessed with respect to the deduction of its tax pools in respect of its tax filings in respect of the 2018 taxation years, on the same basis. The carrying values of the remaining ITC's of $0.8 million at September 30, 2018 are at risk should the Corporation be unsuccessful in defending its position. The Corporation anticipates that legal proceedings through the CRA and the courts will take considerable time to resolve and the payment of the deposits, and any taxes, interest or penalties owing will not materially impact the Corporation's payout ratio.

The Corporation firmly believes it will be successful in defending its position and therefore, any current or future deposit paid to the CRA would be refunded, plus interest. The Corporation will continue to file its tax returns by claiming the remaining available investment tax credits in subsequent tax filings.

The comparative period deferred tax balances have been reclassified to conform to the current period presentation. The Corporation previously reported a net deferred tax liability of $8.2 million. This amount has been presented in these financial statements in the comparative period as a deferred tax asset of $3.8 million and a deferred tax liability of $10.6 million.

OUTLOOK

Based on Alaris' current agreements with its partners, the Corporations run rate revenues are estimated at $99.1 million. Total actual revenue from partners is expected to be $24.5 million in Q4 2018. Annual general and administrative expenses are currently estimated at $9.5 million for 2018 and include all public company costs.

The Corporation's Run Rate Payout Ratio is approximately 94%. The table below sets out our estimated Run Rate Payout Ratio alongside the after-tax impact of potential changes to certain Partners distributions.

Annualized Cash Flow	Comments	Amount ($)	$ / Share
Revenue	$1.32 USD/CAD exchange rate	$ 99,100	$ 2.72
General & Admin.		(9,500)	(0.26)
Interest & Taxes		(26,700)	(0.73)
Net cash flow		**$ 62,900**	**1.73**
Annual Dividend		59,000	1.62
Surplus		**$ 3,900**	**$ 0.11**
Other Considerations (after taxes and interest):			
SCR & Kimco	Every addtl $2 million in distributions received is $0.05/share	+1,600	+0.05
New Investments	Every $50 million deployed @ 15%	+3,563	+0.10

The senior debt facility was drawn to $147.3 million at September 30, 2018, with the capacity to draw up to another $152.7 million based on new covenants and credit terms, in addition to the $50 million accordion facility for a total of $202.7 million. The annual interest rate on that debt was approximately 5.6% at September 30, 2018.

Alaris' unique capital structure continues to fill a niche in the private capital markets. Therefore, Alaris continues to attract interest in its capital from private businesses across North America and is confident it will contribute capital to new, and existing Partners in 2018. As a conservative measure, Alaris does not use any estimates for future revenue earned from the contribution of capital into new or existing Partners in its guidance or budgeting process.

Certain information contained herein may be considered to be future oriented financial information or financial outlook under applicable securities laws, including statements regarding expected revenues (annually and quarterly), the Run Rate Payout Ratio and anticipated expenses. The purpose of providing such information in this MD&A is to demonstrate the visibility the Corporation has with respect to its revenue streams, and such statements are subject to the risks and assumptions identified for the business in this MD&A, and readers are cautioned that the information may not be appropriate for other purposes. See also "Forward Looking Statement" below.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward looking statements. Statements other than statements of historical fact contained in this MD&A may be forward looking statements, including, without limitation: management's expectations, intentions and beliefs concerning the growth, results of operations, performance and business prospects and opportunities of the Corporation and the Partners, the general economy, the amount and timing of the declaration and payment of dividends by the Corporation, the future financial position or results of the Corporation, business strategy, proposed acquisitions, growth opportunities, budgets, litigation, projected costs and plans and objectives of or involving the Corporation or the Partners. In particular, this MD&A contains forward looking statements regarding: the anticipated financial and operating performance of the Partners in 2018, the Earnings Coverage Ratio for the Partners and the Corporation's Run Rate Payout Ratio; the revenues and distributions to be received by Alaris in 2018 (on an annual and quarterly basis); the Corporation's general and administrative expenses and cash requirements in 2018; the CRA proceedings (including the expected timing and financial impact thereof); annualized net cash from operating activities; the impact of expected operational improvements and future investments for the Corporation; interest and tax expenses; dividends to be paid; changes in Distributions from Partners; the proposed resolutions to outstanding issues with certain Partners; the restart of Distributions from any partners not currently paying a Distribution; the timing for collection of deferred or unpaid Distributions; impact of new capital deployment; and Alaris' ability to attract new private businesses to invest in. Many of these statements can be identified by looking for words

such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. To the extent that any forward-looking statements herein constitute a financial outlook, including without limitation, estimated revenue, distributions and expenses, Run Rate Payout Ratio, dividends to be paid, the impact of capital deployment and changes in distributions from Partners, they were approved by management as of the date hereof and have been included to assist readers in understanding management's current expectations regarding Alaris' financial performance and are subject to the same risks and assumptions disclosed herein. There can be no assurance that the plans, intentions or expectations upon which these forward looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. Accordingly, readers are cautioned not to place undue reliance on any forward looking information contained in this MD&A. Statements containing forward looking information reflect management's current beliefs and assumptions based on information in its possession on the date of this MD&A. Although management believes that the expectations represented in such forward looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

Statements containing forward-looking information by their nature involve numerous assumptions and significant known and unknown facts and uncertainties of both a general and a specific nature. The forward looking information contained herein are based on certain assumptions, including assumptions regarding the performance of the Canadian and U.S. economies over the next 24 months and how that will affect our business and our ability to identify and close new opportunities with new Private Company Partners; the continuing ability of the business of the Partners to pay the distributions; the performance of the Private Company Partners; that interest rates will not rise in a material way over the next 12 to 24 months; that the businesses of the Partners will not change in a material way; more private companies will require access to alternative sources of capital; and that Alaris will have the ability to raise required equity and/or debt financing on acceptable terms.

Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward looking statements contained herein include risks relating to: the dependence of the Corporation on the Partners; risks relating to the Partners and their businesses; reliance on key personnel; general economic conditions; failure to complete or realize the anticipated benefits of transactions; limited diversification of Alaris' transactions; management of future growth; availability of future financing; inability to close new partner contributions in a timely fashion on anticipated terms or at all; competition; government regulation; leverage and restrictive covenants under credit facilities; the ability of the Partners to terminate (by way of a redemption) the various agreements with Alaris or a material portion of Alaris investment; unpredictability and potential volatility of the trading price of the common shares; fluctuations in the amount of cash dividends; restrictions on the potential growth of the Corporation as a consequence of the payment by Alaris of substantially all of its operating cash flow; income tax related risks; ability to recover from the Partners for defaults under the various agreements with Alaris; potential conflicts of interest; dilution; liquidity of Common Shares; changes in the financial markets; risks associated with the Partners and their respective businesses; a change in the ability of the Partners to continue to pay Distributions to Alaris; a material change in the operations of a Partner or the industries in which they operate; a failure to obtain the benefit of any concessions provided to any Partners; a failure to obtain by the Corporation or the Partners required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; litigation risk associated with the CRA's reassessment and the Corporation's challenge thereof; and material adjustments to the unaudited internal financial reports provided to Alaris by the Partners. The information contained in this MD&A, and the Corporations annual management discussion and analysis for the year ended December 31, 2017 including the information set forth under "Risks and Uncertainty", identifies additional factors that could affect the operating results and performance of the Corporation. Without limitation of the foregoing assumptions and risk factors, the forward looking statements in this MD&A regarding the revenues anticipated to be received from the Partners and the Corporation's general and administrative expenses are based on a number of assumptions including no adverse developments in the business and affairs of the Partners that would impair their ability to fulfill their payment obligations to the Corporation and no material changes to the business of the Corporation or current economic conditions that would result in an increase in general and administrative expenses.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this MD&A are made as of the date of this MD&A and Alaris does not undertake or assume any obligation to update or revise such statements to reflect new events or circumstances except as expressly required by applicable securities legislation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including the Corporation's Annual Information Form, is on available on SEDAR at www.sedar.com or under the "Investors" section of the Corporations website at www.alarisroyalty.com.