ALARIS

EQUITY PARTNERS INCOME TRUST

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

This management's discussion and analysis ("**MD&A**") should be read in conjunction with the audited financial statements for the years ended December 31, 2021 and 2020 for Alaris Equity Partners Income Trust ("**Alaris**" or the "**Trust**"). The Trust'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 guaranteed as to the Alaris future results since there are inherent difficulties in predicting those. 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". This MD&A also refers to certain Non-GAAP and Other Financial Measures, including EBITDA, Earnings Coverage Ratio, Run Rate Payout Ratio, Actual Payout Ratio, Run Rate Revenue, Run Rate Cash Flow, IRR, Per Unit amounts and Net Working Capital. The terms EBITDA, Earnings Coverage Ratio, Run Rate Payout Ratio, Actual Payout Ratio, Run Rate Revenue, Run Rate Cash Flow, IRR, Per Unit amounts and Net Working Capital (collectively, the "**Non-GAAP and Other Financial Measures**") are financial measures used in this MD&A that are not standard measures under IFRS. The Trust's method of calculating the Non-GAAP and Other Financial Measures may differ from the methods used by other issuers. Therefore, the Trust's Non-GAAP and Other Financial Measures may not be comparable to similar measures presented by other issuers.

Partner company names are referred to as follows: LMS Management LP and LMS Reinforcing Steel USA LP (collectively, "**LMS**"), SCR Mining and Tunneling, LP ("**SCR**"), Kimco Holdings, LLC ("**Kimco**"), PF Growth Partners, LLC ("**PFGP**"), DNT Construction, LLC ("**DNT**"), Unify Consulting, LLC ("**Unify**"), Accscient, LLC ("**Accscient**"), Heritage Restoration, LLC ("**Heritage**"), Fleet Advantage, LLC ("**Fleet**"), Body Contour Centers, LLC ("**BCC**" or "**Body Contour Centers**"), GWM Holdings, Inc. and its subsidiaries ("**GWM**"), Amur Financial Group Inc. ("**Amur**"), Stride Consulting LLC. ("**Stride**"), Carey Electric Contracting LLC ("**Carey Electric**"), Edgewater Technical Associates, LLC ("**Edgewater**"), Falcon Master Holdings LLC, dba FNC Title Service ("**FNC**"), Brown & Settle Investments, LLC and a subsidiary thereof (collectively, "**Brown & Settle**"), 3E, LLC ("**3E**") and Vehicle Leasing Holdings, LLC, dba D&M Leasing ("**D&M**"). Former partner company names are referred to as follows: Federal Resources Supply Company and its subsidiaries ("**FED**" or "**Federal Resources**"), ccCommunications LLC ("**ccComm**"), M-Rhino Holdings LLC, dba Providence Industries ("**Providence**"), Sandbox Acquisitions, LLC and Sandbox Advertising LP (collectively, "**Sandbox**") and Sales Benchmark Index LLC ("**SBI**").

The Non-GAAP and Other Financial Measures should only be used in conjunction with the Trust's audited consolidated financial statements, excerpts of which are available below, complete versions of these statements are available on SEDAR at www.sedar.com.

OVERVIEW

Alaris' purpose, through its subsidiaries, is to provide non-control permanent equity to private companies to meet their business and capital objectives, which includes management buyouts, dividend recapitalization and growth and acquisitions. Alaris achieves this by investing its capital, through its subsidiaries, into private businesses (individually, a "**Private Company Partner**" and collectively the "**Partners**") primarily through preferred equity, in addition to common equity, subordinated debt and promissory notes. In exchange for the investments in preferred equity, subordinated debt and promissory notes, the Trust earns distributions, dividends and interest ("**Distributions**") received in regular monthly or quarterly payments that are contractually agreed to between Alaris and each Private Company Partner. These payments are set for twelve months at a time and are adjusted annually based on the audited performance of each Private Company Partner's gross revenue, gross profit, same store sales or other similar "top-line" performance measures. Alaris' preferred equity investments can also appreciate through the reset metric and typically include a premium upon exit or redemption. In certain situations, Alaris also invests through owning a minority common equity position in our Partners and participates in the growth and distributions in proportion to our ownership percentage. Alaris has limited general and administrative expenses with only sixteen employees.

RESULTS OF OPERATIONS

Below is a summary of the Trust's Revenue, EBITDA (1), cash generated from operating activities, Trust distributions declared and basic earnings all divided by the weighted average basic units outstanding. The per unit results, other than EBITDA per unit (1) are supplementary financial measures and are provided for the three months and years ended December 31, 2021 and 2020. Total Revenue, EBITDA (1), cash generated from operating activities and earnings are outlined below as obtained from the Trust's accompanying audited financial statements for the years ended December 31, 2021 and 2020.

	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
Revenue per unit	$ 0.83	$ 0.88	-5.7%	$ 3.36	$ 3.03	+10.9%
EBITDA per unit	$ 1.26	$ 1.12	+12.5%	$ 4.35	$ 1.48	+193.9%
Cash generated from operating activities per unit	$ 0.76	$ 0.73	+4.1%	$ 2.83	$ 2.40	+17.9%
Distributions declared per unit	$ 0.33	$ 0.31	+6.5%	$ 1.28	$ 1.32	-3.0%
Basic earnings per unit	$ 1.02	$ 0.85	+20.0%	$ 3.28	$ 0.56	+485.7%
Fully diluted earnings per unit	$ 0.97	$ 0.80	+21.3%	$ 3.13	$ 0.56	+458.9%
Weighted average basic units (000's)	45,121	36,472		43,994	36,121	

Revenue

	Three months ended December 31			Year ended December 31		
$ thousands except per unit amounts	2021	2020	% Change	2021	2020	% Change
Revenues	$ 37,619	$ 31,973	+17.7%	$ 147,664	$ 109,568	+34.8%
Revenue per unit	$ 0.83	$ 0.88	-5.7%	$ 3.36	$ 3.03	+10.9%

For the three months ended December 31, 2021, revenue per unit decreased by 5.7% compared to the same period in 2020 due to Alaris receiving 80% of Kimco's full year 2020 distribution in Q4 2020 and additional Distributions from BCC that were deferred from Q2 2020, as well as fewer Distributions in Q4 2021 from FED following their redemption. These were partially offset by additional Distributions in the three months ended December 31, 2021 from the new investments in Edgewater, FNC, Brown & Settle, 3E and D&M, as well as full Distributions from PFGP as they were still deferring their Distributions during Q4 2020 as a result of the impact of COVID-19.

In the year ended December 31, 2021, revenue per unit increased by 10.9% compared to 2020 due to the new investments listed above, follow-on investments in GWM, BCC and Accscient, receiving Distributions from PFGP (partial in the first half of 2021 and full Distributions in Q3 and Q4) as well as receiving additional Distributions from Kimco in 2021 that were deferred from a prior year. These were partially offset by the redemption of SBI in 2020, the redemption of FED in Q4 2021 and also a lower average exchange rate in 2021 as the average exchange rate from USD to CAD deteriorated approximately 7% from 2020. See below for Distributions from each of the Alaris Partners for the years ended December 31, 2021 and 2020.

(1) EBITDA and EBITDA per unit are Non-GAAP financial measures and refer to earnings determined in accordance with IFRS, before depreciation and amortization, interest expense (finance costs) and income tax expense and the same amount divided by weighted average basic units outstanding. EBITDA and EBITDA per unit are used by management and many investors to determine the ability of an issuer to generate cash from operations, aside from still including fluctuations due to changes in exchange rates and changes in the Trust's investments at fair value. Management believes EBITDA and EBITDA per unit are useful supplemental measures from which to determine the Trust's ability to generate cash available for servicing its loans and borrowings, income taxes and distributions to unitholders. The supporting calculation for Alaris' EBITDA is on the following page. The Trust's method of calculating these Non-GAAP financial measures may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures presented by other issuers.

Partner Revenue ($ thousands)	Three months ended December 31, 2021	Three months ended December 31, 2020	% Change	Year ended December 31, 2021	Year ended December 31, 2020	% Change	Comment
GWM	$ 3,828	$ 3,930	-2.6%	$ 15,229	$ 10,048	+51.6%	Follow-on in Oct-20, reset -8% in Jan-21
DNT	3,407	3,803	-10.4%	13,575	15,415	-11.9%	Partial redemption Dec-20
FED	1,136	3,481	-67.4%	11,641	14,376	-19.0%	Redemption in Oct-21
BCC	2,926	4,731	-38.2%	11,373	9,141	+24.4%	Follow-on in Dec-20, reset -6% in Jan-21
Kimco	1,479	4,538	-67.4%	10,182	5,730	+77.7%	Additional US$3.4m in Q3-21 from pre-2020
LMS	2,117	1,855	+14.1%	8,463	7,449	+13.6%	Positive 15.6% reset Jan-21, FX impact
PFGP	2,962	-	+100.0%	8,415	2,696	+212.1%	Deferral of distributions from Q2-20 to Q4-20
Accscient	2,162	1,818	+18.9%	8,398	7,477	+12.3%	Follow-on in Feb-21, +2.5% reset Jan-21
Brown & Settle	2,160	-	+100.0%	8,142	-	+100.0%	Contribution closed in Feb-21
Amur	1,528	1,625	-6.0%	6,105	6,500	-6.0%	Reset -6% in Jan-21
D&M	2,813	-	+100.0%	5,627	-	+100.0%	Contribution closed in Jun-21
FNC	1,418	-	+100.0%	5,537	-	+100.0%	Contribution closed in Jan-21
Edgewater	1,349	-	+100.0%	5,364	-	+100.0%	Contribution closed in Dec-20
SCR	1,411	1,150	+22.7%	5,061	4,200	+20.5%	Additional cash sweep in 2021 of $861k
Unify	1,075	1,059	+1.5%	4,279	4,359	-1.8%	Positive 5% reset Jan-21, FX impact
3E	1,447	-	+100.0%	3,927	-	+100.0%	Contribution closed in Feb-21
Heritage	746	828	-9.9%	2,963	3,404	-13.0%	Negative 6% reset in Jan-21, FX impact
Carey Electric	710	790	-10.1%	2,900	1,714	+69.2%	Contribution closed in Jun-20
Fleet	496	480	+3.3%	1,972	1,985	-0.7%	Positive 6% reset Jan-21, FX impact
Stride	255	274	-6.9%	1,013	1,127	-10.1%	Reset -3.8% in Jan-21, FX impact
ccComm	-	-	+100.0%	-	294	-100.0%	Redemption in Q3-21
SBI	-	-	+100.0%	-	9,176	-100.0%	Redemption in Jan-20, make-whole distributions
Providence	-	-	+100.0%	-	514	-100.0%	Ceased operations as of Dec-20
Distributions - Pref / Debt	**$ 35,425**	**$ 30,362**	**+16.7%**	**$ 140,166**	**$ 105,605**	**+32.7%**	
Common Equity Distributions	1,418	732	+93.7%	3,294	1,137	+189.7%	Common dividends from FNC in 2021
Total Distributions	**$ 36,843**	**$ 31,094**	**+18.5%**	**$ 143,460**	**$ 106,742**	**+34.4%**	
Interest	320	594	-46.1%	1,841	2,741	-32.8%	Kimco and LMS repayments in 2021
Realized FX Gain / (Loss)	456	285	+60.0%	2,363	85	+2680.0%	FX contracts at favorable rates to spot in 2021
Total Revenue	**$ 37,619**	**$ 31,973**	**+17.7%**	**$ 147,664**	**$ 109,568**	**+34.8%**	

EBITDA [(1)]

$ thousands except per unit amounts	Three months ended December 31 2021	Three months ended December 31 2020	% Change	Year ended December 31 2021	Year ended December 31 2020	% Change
Earnings	$ 46,102	$ 30,847	+49.5%	$ 144,244	$ 20,291	+610.9%
Depreciation and amortization	46	53	-13.2%	211	222	-5.0%
Finance costs	6,723	4,772	+40.9%	24,988	18,103	+38.0%
Total income tax expense	3,756	5,181	-27.5%	21,801	14,757	+47.7%
EBITDA	$ 56,627	$ 40,853	+38.6%	$ 191,244	$ 53,373	+258.3%
Weighted average basic units (000's)	45,121	36,472		43,994	36,121	
EBITDA per unit	$ 1.26	$ 1.12	+12.5%	$ 4.35	$ 1.48	+193.9%

For the three months ended December 31, 2021, EBITDA per unit increased by 12.5% compared to Q4 2020 primarily due to an unrealized gain on foreign exchange in the current period of $1.3 million, compared to a loss in Q4 2020 of $4.0 million. Further contributing to the improvement was a reduction in total operating expenses per unit to $0.17 per unit in the current period (total operating expenses of $7.9 million) from $0.19 per unit in Q4 2020 (total operating expenses of $7.0 million).

In the year ended December 31, 2021, EBITDA per unit increased by 193.9% compared to 2020 mainly due to a net increase in investments at fair value of $63.2 million during 2021 as compared to a net realized and unrealized loss from investments at fair value during 2020 of $41.5 million. The significant loss in 2020 related to the total net decrease in the investments at fair value recorded in Q1 2020 of $84.9 million, due to the impact of COVID-19 on Alaris' Partners. The net increase in investments at fair value of $63.2 million during 2021 outlines the recovery in the financial performance for the majority of Alaris' Partners since 2020. Also contributing to the improvement in EBITDA per unit for the year ended December 31, 2021 is the 10.9% increase in revenue per unit discussed above, as well as an improvement in general and administrative expenses per unit of $0.10, as discussed on the following page.

Cash generated from operating activities

	Three months ended December 31			Year ended December 31		
$ thousands except per unit amounts	**2021**	**2020**	**% Change**	**2021**	**2020**	**% Change**
Cash generated from operating activities	$ 34,499	$ 26,780	+28.8%	$ 124,681	$ 86,827	+43.6%
Cash generated from operating activities per unit	$ 0.76	$ 0.73	+4.1%	$ 2.83	$ 2.40	+17.9%

As cash generated from operating activities excludes all non-cash items in the Trust's consolidated statement of comprehensive income, the cash generated from operating activities per unit and the changes from period to period is an important tool to use to summarize the ability for Alaris to generate cash.

Cash generated from operating activities per unit in Q4 2021 increased by 4.1% compared to Q4 2020 due to changes in working capital, primarily related to changes in the income tax receivable and payable balances related to the timing and amounts of tax payments and provisions, as well as a slight improvement in general and administrative expenses per unit. These increases were partially offset by the decrease in revenue per unit discussed above.

In the year ended December 31, 2021, cash generated from operating activities per unit increased by 17.9% compared to 2020 due to the increase in revenue per unit discussed above as well as fewer general and administrative expenses. These improvements were partially offset by a higher average exchange rate in the prior year, which increased USD revenues in 2020, as well as higher finance costs per unit in the current year due to a higher amount of average senior debt outstanding.

The Actual Payout Ratio (2) for Alaris for the year ended December 31, 2021 was 52.7%, an improvement from 57.8% in 2020.

Earnings

	Three months ended December 31			Year ended December 31		
$ thousands except per unit amounts	**2021**	**2020**	**% Change**	**2021**	**2020**	**% Change**
Earnings	$ 46,102	$ 30,847	+49.5%	$ 144,244	$ 20,291	+610.9%
Basic earnings per unit	$ 1.02	$ 0.85	+20.0%	$ 3.28	$ 0.56	+485.7%

Basic earnings per unit increased by 20.0% in the three months ended December 31, 2021, as compared to the Q4 2020, as a result of the unrealized gain on foreign exchange in the current period as well as a reduced income tax expense.

(2) Actual Payout Ratio is a supplementary financial measure and refers to Alaris' total cash distributions paid during the period (annually or quarterly) divided by the actual net cash from operating activities Alaris generated for the period. It represents the free cash flow after distributions paid to unitholders available for either repayments of senior debt and/or to be used in investing activities. The Trust's method of calculating this supplementary financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

For the year ended December 31, 2021, basic earnings per unit improved significantly as a result of the improvement in revenue per unit and a reduction in general and administrative expenses. Further contributing to the increase in earnings per unit was the net increase in investments at fair value in 2021 of $63.2 million compared to 2020 earnings per unit of $0.56 including the net unrealized and realized loss on investments of $41.5 million as discussed earlier.

General and administrative expenses

	Three months ended December 31			Year ended December 31		
$ thousands except per unit amounts	2021	2020	% Change	2021	2020	% Change
Salaries and benefits	$ 3,425	$ 2,248	+52.4%	$ 8,112	$ 4,595	+76.5%
Corporate and office	284	895	-68.3%	1,803	2,514	-28.3%
Legal and accounting fees	1,329	1,287	+3.3%	3,358	7,410	-54.7%
General and administrative	$ 5,038	$ 4,430	+13.7%	$ 13,273	$ 14,519	-8.6%
General and administrative per unit	$ 0.11	$ 0.12	-8.3%	$ 0.30	$ 0.40	-25.0%

General and administrative expenses, which includes salaries and benefits, corporate and office, and legal and accounting fees, was $5.0 million in the three months ended December 31, 2021 (2020 - $4.4 million), an increase of 13.7% compared to Q4 2020. There was an increase of $1.2 million, or 52.4%, in salaries and benefits expense, due to an increase in the management bonus in 2021 as compared to the management bonus in 2020. The basis of the management bonus calculation in 2021 being a % of Alaris' net cash from operating activities per unit compared to the prior year. There was also a nominal increase of 3.3% in legal and accounting fees due to general increases and additional accounting work. These increases were partially offset by a reduction in corporate and office expenses of $0.6 million, or 68.3%, due to the prior year including non-recurring CRA fees of $0.3 million.

For the year ended December 31, 2021, general and administrative expenses decreased by $1.2 million, or approximately 8.6%, compared to in 2020. The main driver was the reduction in legal and accounting fees as these fees decreased by $4.0 million, or 54.7%, from 2020 to 2021. The additional legal and accounting fees in 2020 related to Alaris' conversion to an income trust ($2.5 million) as well as post-closing costs related to the Sandbox transaction. Corporate and office expenses also decreased to $1.8 million in 2021 from $2.5 million in 2020, a decrease of $0.7 million or approximately 28.3%. The reason for this decrease primarily relates to the CRA fees discussed above. Partially offsetting these decreases was an increase in salaries and benefits expenses of $3.5 million, or 76.5%, due to an increase in the management bonus in 2021. The total general and administrative expenses per unit in 2021 of $0.30 decreased by 25.0% from $0.40 per unit in 2020, primarily due to the reduction in legal fees in 2021.

Finance costs

	Three months ended December 31			Year ended December 31		
$ thousands except per unit amounts	2021	2020	% Change	2021	2020	% Change
Finance costs	$ 6,723	$ 4,772	+40.9%	$ 24,988	$ 18,103	+38.0%
Finance costs per unit	$ 0.15	$ 0.13	+15.4%	$ 0.57	$ 0.50	+14.0%

Finance costs in the three months ended December 31, 2021 of $6.7 million (2020 - $4.8 million) increased by 40.9% primarily due to a higher average amount of senior debt outstanding during Q4 2021 as compared to Q4 2020. Additionally, the average interest rate realized during the current period was higher than the prior year.

For the year ended December 31, 2021, finance costs were $25.0 million (2020 - $18.1 million), a 38.0% increase also due to higher average senior debt and higher average interest rates in 2021 as compared to the prior year. The higher average senior debt was a result of the new and follow-on investments made during Q4 2020 and Q1 2021, primarily being made through drawdowns on Alaris' senior credit facility.

Transaction Diligence costs

$ thousands except per unit amounts	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
Transaction diligence costs	$ 1,401	$ 1,521	-7.9%	$ 4,246	$ 5,532	-23.2%
Transaction diligence costs per unit	$ 0.03	$ 0.04	-25.0%	$ 0.10	$ 0.15	-33.3%

Transaction diligence costs in the three months ended December 31, 2021 were $1.4 million (2020 - $1.5 million), which is a decrease of $0.1 million and relatively consistent with the prior period based on a similar level of activity.

For the year ended December 31, 2021, transaction diligence costs of $4.2 million (2020 - $5.5 million) decreased by 23.2% due to less external diligence being required during 2021 as compared to the prior year. In 2020 diligence costs were incurred to support the initial investments in Edgewater, FNC, Brown & Settle and 3E; whereas in 2021 the diligence costs were primarily incurred to support the initial investment in D&M as well as follow-on investments.

Unit-based compensation

$ thousands except per unit amounts	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
Unit-based compensation	$ 1,385	$ 1,019	+35.9%	$ 5,362	$ 2,708	+98.0%
Unit-based compensation per unit	$ 0.03	$ 0.03	+0.0%	$ 0.12	$ 0.07	+71.4%

In the three months ended December 31, 2021 unit-based compensation costs totalled $1.4 million (2020 - $1.0 million), an increase of $0.3 million or 35.9%, as a result of a higher unit price for the Trust's publicly traded units at December 31, 2021 as compared to the prior year end. At each reporting period the total liability related to the outstanding RTUs and PTUs is re-valued based on the period end unit price.

For the year ended December 31, 2021, unit-based compensation increased by $2.7 million to $5.4 million (2020 - $2.7 million), close to two times the amount of expenses incurred in the prior year. This increase in unit-based compensation is primarily due to the additional units that vested during 2021 as compared to 2020. In the year ended December 31, 2021, 243,612 units vested into new trust units as compared to 97,359 in 2020, mainly due to Alaris' performance thresholds being met with regards to employee RTUs that vested during 2021; whereas the same performance thresholds were not met with regards to the units that vested in 2020.

OUTLOOK

The Trust deployed approximately $357.8 million in 2021, consistent with the Trust's total acquisition of investments in its consolidated statement of cash flows. This deployment has contributed to a record year of revenue for Alaris of $147.7 million or $3.36 per unit. Total revenue in Q4 2021 of $37.6 million was higher than expected due to follow-on investments in 3E, D&M and BCC, incremental common Distributions from FNC, as well as a higher average exchange rate than forecasted. As outlined below, the outlook for the next twelve months remains positive with Run Rate Revenue (3) in 2022 expected to be approximately $150.7 million. This includes current contracted amounts, an additional US$2.4 million from PFGP related to deferred Distributions during COVID-19 and an estimated $3.1 million of common dividends or Distributions. Alaris expects total revenue from its Partners in Q1 2022 of approximately $38.6 million.

(3) Run Rate Revenue is a supplementary financial measure and refers to Alaris' total revenue expected to be generated over the next twelve months based on contracted Distributions from current Partners as well as an estimate for common dividends or distributions based on past practices, where applicable. Run Rate Revenue is a useful metric as it provides an expectation for the amount of revenue Alaris can expect to generate in the next twelve months based on information known. The Trust's method of calculating this supplementary financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

The Run Rate Cash Flow table below outlines the Trust's expectation for revenue, general and administrative expenses, interest expense, tax expense and distributions to unitholders for the next twelve months. The Run Rate Cash Flow is a Non-GAAP financial measure and outlines the net cash from operating activities, net of distributions paid, that Alaris is expecting to have after the next twelve months. This measure is comparable to net cash from operating activities less distributions paid, as outlined in Alaris' consolidated statements of cash flows. The Trust's method of calculating this Non-GAAP financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

Annual general and administrative expenses are currently estimated at $14.0 million and include all public company costs. The Trust's Run Rate Payout Ratio (4) is expected to be within a range of 60% and 65% when including Run Rate Revenue (3), overhead expenses and its existing capital structure. The table below sets out our estimated Run Rate Cash Flow alongside the after-tax impact of positive net deployment and the impact of every $0.01 change in the USD to CAD exchange rate.

Run Rate Cash Flow *($ thousands except per unit)*		**Amount ($)**	**$ / Unit**
Revenue		**$ 150,700**	**$ 3.34**
General and administrative expenses		(14,000)	(0.31)
Interest and taxes		(44,600)	(0.99)
Net cash from operating activities		**$ 92,100**	**$ 2.04**
Distributions paid		(59,600)	(1.32)
Run Rate Cash Flow		**$ 32,500**	**$ 0.72**
Other considerations (after taxes and interest):			
New investments	Every $50 million deployed @ 14%	+3,563	+0.08
USD to CAD	Every $0.01 change of USD to CAD	+/- 900	+/- 0.02

The senior debt facility was drawn to $326.6 million at December 31, 2021 in the Trust's statement of financial position. The annual interest rate on that debt, inclusive of standby charges on available capacity, was approximately 4.5% for the year ended December 31, 2021. Subsequent to December 31, 2021, the proceeds from the senior unsecured debentures issued in February 2022 of $62.0 million ($65.0 million of proceeds net of $3.0 million of transaction costs) were used to repay senior debt. Following this repayment the total drawn as of the date of this release is approximately $265 million, with the capacity to draw up to an additional $135 million based on covenants and credit terms.

The Trust's Run Rate Payout Ratio (4) does not include new potential deployment opportunities. However, Alaris expects to maintain our track record of net positive capital deployment as a result of the demand for Alaris' capital which continues to fill a niche in the private capital markets.

(4) Run Rate Payout Ratio is a Non-GAAP financial ratio that refers to Alaris' distributions per unit expected to be paid over the next twelve months divided by the net cash from operating activities per unit calculated in the Run Rate Cash Flow table. Run Rate Payout Ratio is a useful metric for Alaris to track and to outline as it provides a summary of the percentage of the net cash from operating activities that can be used to either repay senior debt during the next twelve months and/or be used for additional investment purposes. The Trust's method of calculating this Non-GAAP financial ratio may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers. Run Rate Payout Ratio is comparable to Actual Payout Ratio as defined above in (2).

Common Equity Investments

Alaris has added a minority common equity position in some Partners to its investment strategy. Common equity investments are assessed on each individual opportunity, won't appear in every new Partner and will generally be a small portion of total capital invested. Alaris management believes this feature will facilitate access to more transactions as well as an opportunity to participate in greater upside of certain partnerships. Additionally, in certain situations where Alaris owns common equity, there is an expectation of a current yield by way of discretionary common dividends or distributions consistent with past practices in the business, and as cash flows allow. The Run Rate Revenue (3) includes an estimate for common equity dividends or distributions from the Partners based on each Partner's forecasted cash flows for 2022 and expected capital allocation decisions.

Inclusive in the table above summarizing Distributions from Partners during the year ended December 31, 2021, there were $2.6 million of common equity distributions from FNC, $0.4 million of common equity dividends from Amur and $0.3 million of common equity distributions from Carey Electric. In the fiscal year 2020, common dividends and distributions were received from Amur and Carey Electric totalling $1.1 million. The other six common equity investments, D&M, PFGP, Edgewater, Fleet, GWM and Brown & Settle, are focused on growth and reinvestment in the short-term period, through which Alaris expects to increase its common equity value over time rather than through cash distributions.

Private Company Partner Update

Through its subsidiaries, the Trust's investment in each of the Partners consists of a preferred partnership interest, preferred equity interest or loans, with a return generated from Distributions 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. Alaris may also invest in a minority common equity position along side its preferred equity or loans.

Alaris has no involvement in the day to day business of each Private Company Partner and has no rights to participate in normal course management decisions. Alaris 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, Alaris has certain restrictive covenants in place designed to protect the ongoing payment of Distributions 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.

Included in the summary table below is each Partners' Earnings Coverage Ratio ("**ECR**") (5). 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 1.0x is considered appropriate and the greater the number is, the better the ratio. Alaris notes that these ECRs are based on historical results, which includes impacts from COVID-19.

Description: Alaris' investment thesis is to generally partner with companies that have:

(i) A history of success (average age of partners is approximately 25 years)

- Offer a required service or products in mature industries;
- Low risk of obsolescence; and
- Non-declining asset bases.

(ii) Proven track record of free cash flow

(iii) Low levels of debt – reduced leverage minimizes risk from business fluctuations and allows for additional free cash flow to remain in the business to support growth and Distributions to Alaris and common equity owners.

(iv) Low levels of capital expenditures required to maintain/grow a business – Our partners are typically not 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 - Alaris has invested in 37 partners since inception, exited our investment in eighteen partners over that time with twelve yielding highly positive results displayed by a total return of 60% and a median IRR of 19%.

Contribution History: Alaris has invested over $1.9 billion into 37 partners and over 85 tranches of financing, including an average of approximately $217 million over the past five fiscal years (2017 – 2021). During the year ended December 31, 2021, Alaris deployed in excess of this annual average with deployment of approximately $357.8 million.

Performance: Alaris discloses an ECR to provide information on the financial health of our partners. Alaris has twelve partners with an ECR greater than 2.0x (Accscient, Amur, BCC, Carey Electric, D&M, DNT, Fleet, FNC, Heritage, Kimco, Stride and Unify), three in the 1.5x-2.0x range (3E, GWM and LMS), two between 1.2x-1.5x (PFGP and SCR) and two between 1.0x-1.2x (Brown & Settle and Edgewater).

Capital Structure: With a primary focus on being a preferred equity investor, we have invested into a diverse group of capital structures and we pride ourselves on achieving the optimal capital structure so both Alaris and our Partners benefit. Of our existing portfolio, nine of our nineteen Partners have no debt, four partners have less than 1.0x Senior Debt to EBITDA and six partners have debt greater than 1.0x Senior Debt to EBITDA on a trailing twelve months basis.

Reset: The annual Distribution reset is another feature of our capital which we view as win-win. The reset allows for Alaris to participate in the growth of its Partners while providing the majority of the upside to the entrepreneurs who create the business value.

(5) Earnings Coverage Ratio ("ECR") is a supplementary financial measure and refers to the EBITDA of a Partner divided by such Partner's sum of debt servicing (interest and principal), unfunded capital expenditures and Distributions to Alaris. Management believes the earnings coverage ratio is a useful metric in assessing our Partners' continued ability to make their contracted Distributions. The Trust's method of calculating this Non-GAAP financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

The following is a summary of each of the Partners recent financial results. The below table outlines the date the original contribution to each Partner was made, the total invested to date (net of any partial redemptions since the initial investment), Run Rate Revenue (3) in exchange for the preferred equity and subordinated debt investments for the next twelve months, ECR range for the most recent trailing twelve month periods received, estimated 2022 reset, year-to-date changes in revenue and EBITDA compared to the comparable period in 2020 and the unrealized gains or losses to the investments at fair value for the year ended December 31, 2021. See the table below for additional relevant information on each Partner that has occurred during the year ended December 31, 2021. Unless specifically discussed within each Partner update, the ECR range outlined below is consistent with the prior quarterly disclosure. For fair values of each investment refer to Note 5 in the Trust's accompanying audited financial statements for the years ended December 31, 2021 and 2020.

Partner	Original Investment Date	Current Total Invested (000's)	Run Rate Revenue (000's)	As a % of total	ECR Range	Estimated 2022 Reset	Year-to-date changes in:		Fair Value Changes
							Revenue	EBITDA	Year Ended Dec. 31/21
3E	Feb 2021	US $39,500	US $5,648	5%	1.5x - 2.0x	+ 6%	↑	↑	US +$500
Accscient	Jun 2017	US $46,000	US $7,200	6%	> 2.0x	+ 5%	↑	↑	US +$2,600
Amur	Jun 2019	CA $70,000	CA $6,477	4%	> 2.0x	+ 6%	↑	↑	CA +$2,700
BCC	Sep 2018	US $91,000	US $12,786	11%	> 2.0x	+ 6%	↑	↑	-
Brown & Settle	Feb 2021	US $66,394	US $7,969	7%	1.0x - 1.2x	+ 6%	↑	↓	US ($1,700)
Carey Electric	Jun 2020	US $15,000	US $2,009	2%	> 2.0x	- 5%	↓	↑	US +$180
D&M	Jun 2021	US $74,500	US $9,380	8%	> 2.0x	n/a	↑	↑	US +$3,400
DNT	Jun 2015	US $62,800	US $11,017	9%	> 2.0x	+ 6%	↑	↑	US +$2,300
Edgewater	Dec 2020	US $34,000	US $4,020	4%	1.0x - 1.2x	- 6%	↓	↓	US ($2,600)
FNC	Jan 2021	US $40,000	US $4,816	4%	> 2.0x	+ 7%	↑	↑	US +$7,450
Fleet	Jun 2018	US $35,000	US $3,780	3%	> 2.0x	n/a	↑	↑	US ($1,300)
GWM	Nov 2018	US $106,000	US $9,138	8%	1.5x - 2.0x	0%	↔	↑	US +$476
Heritage	Jan 2018	US $15,000	US $2,519	2%	> 2.0x	+ 6%	↑	↑	-
Kimco	Jun 2014	US $34,200	US $4,762	4%	> 2.0x	+ 2%	↑	↓	US +$9,221
LMS	Feb 2007	US $60,564	CA $7,060	5%	1.5x - 2.0x	- 18%	↓	↓	CA ($4,900)
PFGP	Nov 2014	US $92,500	US $12,220	10%	1.2x - 1.5x	+ 5%	↑	↑	US +$14,200
SCR	May 2013	CA $40,000	CA $5,200	4%	1.2x - 1.5x	n/a	↓	↓	CA ($600)
Stride	Nov 2019	US $6,000	US $759	1%	> 2.0x	- 6%	↓	↓	US ($500)
Unify	Oct 2016	US $25,000	US $3,583	3%	> 2.0x	+ 5%	↑	↓	US +$2,600

Note: The year-to-date changes in Revenue and EBITDA are based on unaudited information provided by management of each Private Company Partner and are summarized here based on being either relatively consistent or whether or not they've increased or decreased, when compared against the same period in 2020.

(3) Run Rate Revenue is s supplementary financial measure and refers to Alaris' total revenue expected to be generated over the next twelve months based on contracted distributions from current Partners as well as an estimate for common dividends or distributions based on past practices, where applicable. Run Rate Revenue is a useful metric as it provides an expectation for the amount of revenue Alaris can expect to generate in the next twelve months based on information known. The Trust's method of calculating this supplementary financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

PARTNER UPDATES

***3E* – utility service provider working on critical infrastructure throughout Southeastern and Midwest U.S.**

- Alaris contributed US$22.5 million into 3E in February 2021, in exchange for preferred equity. Alaris also contributed an additional US$7.5 million to an escrow account to be funded to 3E in two additional tranches once certain performance targets were met. These were met during Q3 and Q4 2021 resulting in the full investment of US$30.0 million of preferred equity at December 31, 2021. The initial yield to Alaris on the investment of US$30.0 million was 14%, a portion of which reset for the first time on January 1, 2022 with the maximum annual reset being a +/- 6% based on change in gross profit. Based on unaudited results for the year-ended December 31, 2021, 3E will be resetting up the full +6% at January 1, 2022.
- During Q4 2021, Alaris contributed an additional US$9.5 million into 3E at an initial yield of 13%, or annualized Distributions of US$1.2 million. Proceeds from the additional contribution were used to partially fund two acquisitions in similar businesses. Following the contribution, Alaris has invested a total of US$39.5 million in 3E during 2021 with Distributions for 2022 estimated to be US$5.6 million.
- Based on 3E's unaudited financial results for the year ended December 31, 2021 and giving effect to the 3E investment and other changes to 3E's capital structure, the resulting earnings coverage ratio has improved since Alaris' initial investment and is now between 1.5x and 2.0x. As a result of 3E's positive reset in 2021 there was also an increase to the fair value of the 3E investment during 2021 of US$0.5 million, bringing the fair value at December 31, 2021 to US$40.0 million.

***Accscient* – IT staffing, consulting and outsourcing services throughout the United States**

- During Q1 2021, Alaris contributed an additional US$8.0 million into Accscient in exchange for preferred equity with an initial yield of 14.3%, or approximately US$1.1 million on an annualized basis.
- Based on Accscient's unaudited financial results for the year ended December 31, 2021, their reset in 2022 is expected to be a positive 5%, which is the top of the collar. Based on this positive reset, as well as their outlook for 2022, the fair value of the Accscient investment was increased by US$2.6 million during the year ended December 31, 2021. Following the increase in fair value the Accscient investment at December 31, 2021 is US$49.5 million.
- Accscient's earnings coverage ratio has improved since Q3 2021 and is now greater than 2.0x.

***Amur Financial Group* – mortgage originations and asset management in Canada**

- Based on Amur's unaudited financial results for the year ended December 31, 2021 and the change in revenue compared to 2020, Alaris is expecting a positive 6% reset for the 2022 Distributions, which is the top of their collar. As a result of the positive reset as well as their outlook for 2022, the fair value for the Amur investment was increased by $2.7 million during the year resulting in total fair value at December 31, 2021 of $73.2 million.

***Body Contour Centers* – cosmetic surgery practice across the United States with over 40 locations**

- During Q4 2021, Alaris contributed an additional US$25.0 million into BCC, which was part of the original investment commitment in September 2018, once BCC hit certain earnings targets, which they did during 2021. The initial yield on the additional contribution is 13% and will reset for the first time in January 2023. Following this investment, Alaris' total investment in BCC at December 31, 2021 was US$91.0 million.
- Based on BCC's unaudited financial results for the year ended December 31, 2021, Alaris is expecting a positive 6% reset on the preferred Distributions in 2022, which is the top of their collar. There has been no change in the fair value of the BCC investment during 2021, resulting in a fair value at December 31, 2021 of US$90.6 million.

***Brown & Settle* – full-service large-parcel site development contractor, based in the Mid-Atlantic region of the U.S.**

- On February 9, 2021, Alaris contributed a total of US$66.0 million into Brown & Settle, which consisted of: an aggregate of US$53.7 million of combined subordinated debt and preferred equity and US$12.3 million in exchange for a minority common equity ownership of the company. During Q4 2021, Brown & Settle undertook a reorganization pursuant to which Alaris agreed to contribute the subordinated debt investment in exchange for additional preferred equity. Therefore, at December 31, 2021, the investment of US$53.7 million was solely preferred equity. The total yield to Alaris on this investment did not change as a result of the reclassification.
- Due to project delays in Q1 2021 as a result of timing and weather issues, along with compressed margins, the Brown & Settle results are down compared to the prior year. The business performs large projects, the timing of which can drive volatility in earnings as compared to prior year periods. These initial results reduced Alaris' expectations for a positive reset in 2022 and drove a decrease in the fair value of the Brown & Settle investment of US$5.0 million during Q2 2021. Since that time the business has performed well and exits Q4 2021 with a significant amount of work on hand. As such, the 2022 reset has improved and is expected to be a positive 6%, which is the top of their collar. As a result of the improvement in reset and their outlook for 2022, the overall decrease in the fair value of the Brown & Settle investment for the year ended December 31, 2021 was US$1.7 million, inclusive of the reduction in Q2 2021, with offsetting increases of US$3.3 million in Q3 and Q4 2021. The resulting fair value of the Brown & Settle investment at December 31, 2021 is US$64.7 million.
- During Q3 2021, the Trust contributed US$0.4 million in exchange for additional common units.
- Due to the timing of projects, Brown & Settle is deferring a portion of their Distributions to align with the resulting free cash flow from those projects. During 2021 and subsequent to year-end, Brown & Settle paid US$6.5 million of the US$6.7 million of Distributions contractually owed. These unpaid Distributions are expected to be collected within the next six months. The long-term outlook for the company remains unchanged.
- As outlined above, based on Brown & Settle's unaudited financial results for the year ended December 31, 2021, the revenue increase in 2021 compared to 2020 will be greater than 6%, resulting in a maximum 6% reset on the Brown & Settle Distributions for 2022. However, as outlined in the table above although their revenue increased, their EBITDA declined year over year due to margin pressure on certain contracts.

***Carey Electric* – electrical contracting in Illinois**

- During Q2 2021, Carey Electric redeemed US$1.0 million of the preferred units at par, in accordance with their operating agreement. Subsequent to December 31, 2021 Carey Electric redeemed an additional US$1.0 million of the preferred units at par. The resulting total that is invested as of the date of this release is US$15.0 million, inclusive of preferred and common equity.
- Based on unaudited financial results and due to a softer Q4 2021 than in the prior year, Alaris is expecting a negative 5% reset for 2022.

***D&M* – Independent direct-to-consumer provider of vehicle sourcing and leasing services in Texas**

- Founded in 1976, D&M is the largest independent direct-to-consumer provider of vehicle sourcing and leasing services in the United States. D&M is a fixture in the Texas market, with operations in Fort Worth, Dallas, Grand Prairie, Austin and Houston and a prevalent online business. D&M's service takes the hassle out of the traditional new car experience and enables clients to enhance their experience as compared to the traditional dealership sales model. D&M's business is focused on leasing new and high quality pre-owned vehicles as well as financing used lease returns and providing ancillary services.
- Alaris contributed US$70.0 million into D&M on June 28, 2021, consisting of US$62.5 million of preferred equity and US$7.5 million in exchange for a minority ownership of the common equity. The initial annual distribution on the preferred equity is US$8.75 million, which equates to an initial pre-tax yield of 14%. The D&M distribution will

reset +/-7% annually based on the change in gross profit, with the first reset commencing January 1, 2023. D&M can elect to defer up to US$2.5 million of the preferred Distributions in the first full year (4% of the total preferred equity contribution) with any such deferred Distributions compounding at the current yield of the D&M Distribution.

- During Q4 2021, Alaris contributed an additional US$4.5 million in preferred equity and US$0.8 million of a short-term promissory note to D&M, both in exchange for initial annualized yields of 14%. The short-term promissory note is expected to be repaid within the next six months. The Distributions on the additional investment in preferred equity will reset for the first time on January 1, 2023.
- Based on unaudited financial results for the year ended December 31, 2021, D&M's earnings coverage ratio has increased to be greater than 2.0x, driven by growth of the business.
- As a result of their strong performance as well as their outlook for their expected results in 2022, there was an increase of US$3.4 million to the fair value of the D&M investment during the year ended December 31, 2021. The resulting fair value at year-end is US$77.9 million.

***DNT* – civil construction contractor in Austin and San Antonio, Texas**

- Based on the unaudited financial results for DNT for the year ended December 31, 2021, the reset on the 2022 Distributions is expected to be a positive 6%, which is the top of their collar. As a result of this positive reset as well as their outlook for 2022, the fair value of the DNT investment was increased by US$2.3 million during the year ended December 31, 2021. The resulting fair value of the DNT investment at December 31, 2021 is US$62.7 million.

***Edgewater* – professional and technical services firm supporting the U.S Department of Energy**

- Alaris contributed US$34.0 million into Edgewater in December 2020 consisting of US$30.55 million of preferred equity and US$3.45 million in exchange for a minority ownership of the common equity.
- Due to delays in placing staff onto contracts as well as continued impacts of COVID-19 to their business, the Edgewater results for the year ended December 31, 2021 have declined compared to the prior year. As a result, Alaris expects a 6% negative reset in 2022, which has resulted in a decrease of US$2.6 million in the fair value of the Edgewater investment in the year ended December 31, 2021. The resulting fair value of the Edgewater investment at December 31, 2021 is US$31.4 million.

***Fleet Advantage* – provides flexible leasing and truck lifecycle management solutions in the United States**

- During Q4 2021, Alaris contributed an additional US$25.0 million to Fleet, which consisted of an additional US$17.0 million of preferred equity as well as an investment of US$8.0 million in exchange for a minority ownership of the common equity in Fleet. The transaction also included an exchange of Alaris' existing preferred equity at their original cost base of US$10.0 million. Since these existing preferred units had previously been recorded at a fair value of US$11.3 million prior to this transaction, the rollover of these units at a value of US$10.0 million resulted in a decrease of US$1.3 million in the year ended December 31, 2021. Following the transaction, the initial annual Distributions in exchange for US$27.0 million of preferred equity are US$3.8 million, an initial yield of 14%. The investment in common equity in Fleet will be entitled to common equity dividends if and when Fleet declares such dividends and as their cash flows allow. The fair value of the total investment in Fleet at December 31, 2021 is US$35.0 million.

<u>FNC Title Services</u> – full-service title and settlement company, specializing in reverse mortgages in the U.S.

- Alaris contributed US$40.0 million into FNC on January 7, 2021, consisting of US$32.15 million of preferred equity and US$7.85 million in exchange for a minority ownership of the common equity.
- Based on FNC's historical practice of paying distributions on its common equity, Alaris expects to receive distributions on a regular basis throughout the year, as excess cash flows are generated. During 2021, Alaris received US$2.0 million of common distributions attributable to our minority position in FNC's common equity which equates to an approximate annualized yield of 25%.
- Based on unaudited financial results for the year ended December 31, 2021, FNC's revenue and EBITDA have both continued to grow resulting in an expected positive 7% reset on their preferred Distributions in January 2022. As a result of this top of the collar reset and their positive outlook for 2022, the fair value of the FNC investment was increased by US$7.45 million during the year ended December 31, 2021. This brings the fair value of the FNC investment at December 31, 2021 to US$47.45 million.

<u>GWM</u> – provides data-driven digital marketing solutions for advertisers globally

- During Q4 2021, Alaris received a US$25.8 million partial redemption of preferred units and partial repayment of outstanding subordinated indebtedness in GWM and as part of the transaction re-invested US$30.0 million into GWM in exchange for a minority ownership in the common equity. The US$25.8 million of proceeds received from the partial redemption had an associated cost basis of US$25.0 million, resulting in a realized gain on redemption of US$0.8 million. Following the closing of the partial redemption and follow-on investment, the total investment in GWM at December 31, 2021 includes US$76.0 million of preferred equity and subordinated indebtedness and US$30.0 million of common equity. The preferred equity and subordinated indebtedness are yielding US$9.1 million of annualized Distributions.
- Based on GWM's unaudited financial results for the year ended December 31, 2021, GWM's revenue is relatively flat as compared to the prior year, any reset upon receipt of audited financial statements is expected to be minimal. The reset expectations changed from Q3 2021 as GWM experienced a slower Q4 2021 within their legacy division which operates at lower margins, their EBITDA remains up year over year.

<u>Heritage Restoration</u> –provides masonry and masonry services to commercial building industry in Massachusetts

- Based on unaudited financial results for the year ended December 31, 2021, Heritage's distribution reset in 2022 is expected to be a positive 6%, which is the top of their collar. The fair value of the Heritage investment remains unchanged at US$15.2 million as at December 31, 2021.

<u>Kimco</u> – commercial janitorial services throughout the United States

- Kimco continued its successful 2020 into 2021, as many clients continue to require higher margin ancillary cleaning services as COVID-19 concerns are still very prevalent. Based on unaudited financial results for the year ended December 31, 2021, Kimco's distribution reset is expected to be a positive 1.5%. As a result of this positive reset as well as the outlook for Kimco going forward, there was an increase in the fair value of the Kimco units in 2021 of US$9.2 million. The resulting fair value at December 31, 2021 is US$35.8 million.
- Kimco continues to evaluate a potential full redemption of the Kimco units, as well as the repayment of the outstanding promissory notes. Based upon a revised redemption formula proceeds to Alaris are estimated to be between US$65.0 million and US$70.0 million. In addition to Alaris receiving proceeds on a potential redemption, during the year ended December 31, 2021 Kimco repaid US$4.0 million of outstanding promissory notes, US$4.5 million of long-term accounts receivable and US$3.4 million of unaccrued Distributions related to amounts from prior years. Alaris used the proceeds from these payments to repay senior debt.

***LMS** – rebar and post tensioning fabrication and installer in British Columbia, Alberta, and California*

- Due to constraints on inputs, most notably the rising price of steel, LMS' margins have compressed beginning in late 2020. The margin compression as well as delays in projects starting has resulted in an expected negative reset in 2022 of approximately 18%. As there is no collar, the expected negative reset resulted in a decrease in the fair value of the LMS investment of $4.9 million during the year ended December 31, 2021. The resulting fair value of the LMS investment at December 31, 2021 is $47.7 million.
- During Q3 2021, LMS repaid in full the $3.0 million of outstanding promissory notes.

***PFGP** – Planet Fitness franchisee with over 70 fitness clubs in the United States and Australia*

- As of December 31, 2021, PFGP is onside with all of their senior debt covenants and paid all their contracted Distributions to Alaris from July 2021 onwards. Commencing January 2022, the deferred Distributions of US$9.1 million will be repaid in monthly $0.2 million instalments until the balance is nil. These arrangements require the PFGP to maintain covenant compliance with its senior lenders, which is expected.
- Based on PFGP's unaudited financial results for the year ended December 31, 2021, the reset on Distributions in 2022 is expected to be a positive 5%, which is the top of the collar. Due to this positive reset, the return to full Distributions in the second half of 2021, as well as a positive outlook heading into 2022, there was an increase in the fair value of US$14.2 million in the year ended December 31, 2021. This increase in fair value not only reflects the continued growth of the business, but also includes recovering the US$7.0 million decrease in fair value recorded during 2020 as a result of the impact that COVID-19 had to PFGP's business and the overall industry in that year. The resulting fair value of the PFGP investment at December 31, 2021 is US$99.7 million.
- As part of a commitment made in July 2019 for a total of US$8.0 million, the Trust has a commitment to fund a remaining US$3.5 million, having funded US$4.5 million to date. The timing of the contribution is to be determined.

***SCR** – mining services in Eastern Canada*

- Based on SCR's unaudited financial results for the year ended December 31, 2021, their revenue and EBITDA have decreased compared to the prior year. This is mainly due to a union strike at one of their major customers. All operations were up and running again by Q4 2021; however, due to these issues and the decline in results, there was a decrease to the fair value of the SCR investment of $0.6 million during the year ended December 31, 2021.
- Additionally, due to the softer results realized during 2021 than in 2020, the earnings coverage ratio for SCR has decreased and is now between 1.2x and 1.5x.
- The minimum annual Distributions expected remain at $4.2 million (total contracted amount under the original agreement for 2021 is $6.58 million). Beginning in 2021, SCR and Alaris have agreed to a new arrangement whereby the $4.2 million in annual Distributions is the base required amount and SCR will pay an additional amount semi-annually determined by the free cash flow generated, which can exceed the aforementioned $6.58 million. Based on the unaudited financial results for SCR in 2021, the total additional distribution to Alaris was $0.9 million bringing the total to $5.1 million.

***Stride Consulting** – staff augmentation for code development under the agile methodology, based in New York City*

- Due to a slow start to 2021 and based on Stride's unaudited financial results for the year ended December 31, 2021, a negative reset of 6% is expected in 2022. This negative reset has led to the fair value being decreased by US$0.5 million during 2021. The resulting fair value at December 31, 2021 is US$5.5 million.

***Unify Consulting* – IT Consulting, based in Washington State with operations throughout the United States**

- Based on their unaudited financial results for the year ended December 31, 2021 revenue has increased in 2021 and a positive 5% top of the collar reset is expected for 2022. This reset and a positive outlook for 2022 resulted in the fair value of the Unify investment being increased by US$2.6 million during the year ended December 31, 2021.

FORMER PARTNERS

FED:

On October 26, 2021, FED redeemed all of Alaris' investments which had a cost base of US$67.0 million and was comprised of preferred equity and a secured subordinated loan. The gross proceeds received on the redemption totaled US$80.9 million, inclusive of a US$13.9 million premium. The proceeds from this redemption were used to repay senior debt on Alaris' credit facility. Alaris' total return on its FED investment was US$75.0 million or 113% which represents an unlevered IRR [6] of over 19% during the six year partnership. The FED return was generated by collecting over US$61.7 million of Distributions and interest payments since Alaris' initial investment in June 2015, as well the premium of US$13.9 million as part of the proceeds on redemption.

ccComm:

On July 2, 2021, Alaris received US$11.0 million from ccComm as a negotiated redemption of preferred units. Alaris was carrying its investment in ccComm at a book value of US$3.8 million prior to the redemption and had not received a Distribution from ccComm since January 2020. During Q4 2021, Alaris received an additional US$1.0 million from ccComm as part of the negotiated redemption of preferred units. To date, including the proceeds received of US$12.0 million and US$5.1 million of Distributions received since the initial investment, Alaris received a total of US$17.1 million of its US$19.2 million invested.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2021 Alaris Equity Partners Inc. ("**AEP**"), the Trust's subsidiary, has a $400 million credit facility with a syndicate of Canadian chartered banks, which has a maturity date in November 2023 and is secured by a general security agreement on all of the Trust's assets. 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 Trust's covenants. Alaris realized an annualized blended interest rate (inclusive of standby fees) of 4.5% for the year ended December 31, 2021.

At December 31, 2021 Alaris met all of its covenants as required by the facility and had US$256.8 million (CA$328.2 million) drawn on its credit facility (December 31, 2020 – US$180.3 million and CA$1.0 million, total of CA$231.4 million). The amount in the Trust's statement of financial position of $326.6 million is the total drawn of $328.2 million reduced by $1.6 million of unamortized debt amendment and extension fees.

Subsequent to December 31, 2021 after receiving the $62.0 million of proceeds from the debenture offering (discussed below) the total drawn for covenant purposes is approximately $265 million with the available capacity being $135 million.

In March 2021, Alaris completed a bought deal short-form prospectus offering, with the total trust units being issued of 5,909,375 at a price of $16.00 per unit, for aggregate gross proceeds of $94.6 million. After deduction of the underwriters' fees and expenses of the offering, net proceeds to Alaris were $90.3 million.

In Q1 2021, Alaris entered into amendments with its syndicate of senior lenders increasing the base of its credit facility from $330 million to $400 million which included the addition of a seventh bank to the lending syndicate.

(6) IRR is a supplementary financial measure and refers to internal rate of return, which is a metric used to determine the discount rate that derives a net present value of cash flows to zero. Management uses IRR to analyze partner returns. The Trust's method of calculating this supplementary financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

Subsequent to December 31, 2021, Alaris completed a bought deal offering of $65.0 million of senior unsecured debentures at a price of $1,000 per debenture. The debentures will bear interest at a rate of 6.25% per annum, payable semi-annually in arrears on the last day of March and September of each year, commencing on March 31, 2022, and the debentures will mature on March 31, 2027. After the deduction of the underwriters' fees and expenses of the offering, net proceeds to Alaris were approximately $62.0 million and were used to repay senior debt.

In 2019, Alaris issued convertible debentures. The hybrid instrument has a face value of $100.0 million, annual interest rate of 5.5% payable semi-annually and maturity of five years from the issue date. The debentures are convertible at the holder's option at any time prior to the close of business on the earlier of the business day immediately preceding the maturity date of June 30, 2024 and the date specified by Alaris for redemption of the debentures into fully paid and non-assessable units of Alaris at a conversion price of $24.25 per unit, being a conversion rate of approximately 41.2371 units for each $1,000 principal amount of debentures.

Holders of debentures are advised that conversions of debentures into units pursuant to the terms of the debenture indenture dated June 11, 2019 will be processed up until the date that is five business days prior to each upcoming interest payment.

Alaris declared a quarterly distribution in December 2021 of $0.33 per unit (2020 - $0.31 per unit). Total distributions declared in the year are $1.28 per unit and $57.7 million in aggregate (2020 - $1.3225 per unit and $48.6 million in aggregate).

Since converting to an income trust, the tax profile of distributions changed from being 100% eligible dividends to a combination of return of capital, eligible dividends, capital gains and interest income. The effective tax rate of Alaris' distribution, for an Alberta individual in the top tax bracket, for 2021 was 37.5%. If the same distribution was received from a corporation, the effective tax rate would be 34.3%. For 2021, the split of the distributions was as follows:

Tax Profile of Distributions **For the year ended December 31, 2021**		
Per unit		**2021**
Dividends	$	0.0098
Trust Income	$	0.9920
Return of Capital	$	0.2782
Total paid	$	1.2800
As a percentage of total		**2021**
Dividends		0.8%
Trust Income		77.5%
Return of Capital		21.7%
Total		100.0%

As disclosed in its consolidated financial statements for the year ended December 31, 2021, Alaris has exposure to credit risk, other price risk, liquidity risk, and market risk, including foreign exchange risk and interest rate risk.

NET WORKING CAPITAL

Alaris' Net Working Capital is a Non-GAAP financial measure and is defined as current assets less current liabilities, and as at December 31, 2021 and 2020 is set forth in the tables below. The Trust uses this measure to assess the Trust's liquidity position. The Trust's method of calculating the Non-GAAP financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

Net Working Capital	31-Dec-21	31-Dec-20
Cash	$ 18,447	$ 16,498
Foreign exchange contracts	71	1,489
Trade and other receivables	3,181	981
Income taxes receivable	28,991	12,669
Promissory notes and other assets	13,555	4,000
Total Current Assets	**$ 64,245**	**$ 35,637**
Accounts payable and accrued liabilities	8,214	5,351
Distributions payable	14,899	12,089
Office Lease	500	659
Income tax payable	740	723
Total Current Liabilities	**$ 24,353**	**$ 18,822**
Net Working Capital	**$ 39,892**	**$ 16,815**

Alaris had Net Working Capital of approximately $39.9 million at December 31, 2021, which does not include the $10.0 million of senior debt repaid in Q4 2021 and drawn for the distribution payment subsequent to December 31, 2021. Under the current terms of the various commitments, Alaris has the ability to meet all current 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. Alaris has designated its financial instruments into the following categories applying the indicated measurement methods.

Financial Instrument	Measurement Method
Cash and cash equivalents	Amortized cost
Accounts receivables	Amortized cost
Promissory notes and other assets	Amortized cost
Investments	Fair Value or amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans and borrowings	Amortized cost
Convertible debentures	Amortized cost
Derivative contracts	Fair Value
Other long-term liabilities	Fair Value or amortized cost

Alaris will assess at each reporting period whether there is a financial asset carried at amortized cost that is impaired using the expected credit loss model. An impairment loss where applicable would be included in earnings.

Alaris holds derivative financial instruments to hedge its foreign currency exposure and variable interest rate exposure. Alaris purchases forward exchange rate contracts to match a portion of the quarterly distributions and expenses in Canadian dollars on a rolling 12-month basis and also for a portion of the expected distributions and expenses in Canadian dollars on a rolling 12 to 24 month basis. The fair value of the forward contracts is estimated at each reporting date and any unrealized gain or loss on the contracts is recognized in profit or loss. As at December 31, 2021, for the next twelve months, Alaris has total contracts to sell US$29.1 million forward at an average $1.2647 CAD. For the following twelve months, Alaris has total contracts to sell US$22.8 million forward at an average $1.2692 CAD.

Alaris has an interest rate swap that allows for a fixed interest rate of 0.35% in replace of LIBOR on US$25.0 million of debt as well as an additional interest rate swap that allows for a fixed interest rate of 0.74% instead of LIBOR on US$50.0 million of senior debt, both of which with expiries in June 2023.

Alaris has the following financial instruments that mature as follows:

31-Dec-21	Total	0-6 Months	6 mo – 1 yr	1 – 2 years	Year 3 and Thereafter
Accounts payable and accrued liabilities	$ 8,214	$ 7,827	$ 387	$-	$-
Distributions payable	14,899	14,899	-	-	-
Office Lease	500	75	72	144	209
Other long-term liabilities	1,933	-	-	1,389	544
Convertible debenture	100,000	-	-	-	100,000
Loans and borrowings	326,569	-	-	326,569	-
Total	$ 452,115	$ 22,801	$ 459	$ 328,102	$ 100,753

Alaris has sufficient cash on hand to settle all current accounts payable, accrued liabilities, distributions payable and all scheduled interest payments on the senior debt. In the event the senior debt is not renewed beyond the agreed upon extension 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

A. Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Trust's management (including the CEO and CFO) of the effectiveness of the design and operation of the Trust's disclosure controls and procedures, as defined in National Instrument 52-109. Based on that evaluation, the Trust's management (including the CEO and CFO) concluded that the Trust's disclosure controls and procedures were designed to provide a reasonable level of assurance over disclosures of material information and are effective as of December 31, 2021. The Trust uses the 2013 Committee of Sponsoring Organization of the Treasury Commission (COSO) framework.

Management Report on Internal Controls over Financial Reporting

The Trust's management, (including the CEO and CFO) have assessed and evaluated the design and effectiveness of the Trust's internal controls over financial reporting as defined in National Instrument 52-109 as of December 31, 2021. Alaris' assessment included documentation, evaluation and testing of its internal controls over financial reporting. Based on that evaluation, Alaris' management concluded that its internal controls over financial reporting are effective as defined by National Instrument 52-109.

There were no changes in internal controls during the year ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect Alaris' internal control over financial reporting.

SUMMARY OF CONTRACTUAL OBLIGATIONS

Alaris, through its subsidiaries, has an outstanding senior credit facility and convertible debentures both of which are described under "Liquidity and Capital Resources", a commitment to fund PFGP an additional US$3.5 million with an exact timing of which unknown at this time and leases for office space. Subsequent to December 31, 2021, an additional contractual obligation has arisen with regards to the unsecured debentures of $65.0 million with a maturity date in March 2027.

Contractual Obligations	Total	< 1 year	1 – 3 years	4 – 5 years	> 5 years
Loans and borrowings	$ 326,569	$ -	$ 326,569	$ -	$ -
Convertible debenture	100,000	-	100,000	-	-
Additional contribution to PFGP	4,473	-	4,473	-	-
Office lease	689	147	390	152	-
Total Contractual Obligations	$ 431,731	$ 147	$ 431,432	$ 152	$ -

RELATED PARTY TRANSACTIONS

The Trust had no transactions with related parties for the years ending December 31, 2021 or 2020.

In addition to salaries, the Trust also provides long-term compensation to employees of its subsidiaries in the form of options and RTUs as well as bonuses. Key management personnel compensation comprised the following:

Key Management Personnel	2021	2020
Base salaries and benefits	$ 1,600	$ 1,024
Bonus	751	853
Unit-based payments (non-cash)	232	859
Total	**$ 2,583**	**$ 2,736**

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Management is required to make estimates when preparing the financial statements. Significant estimates include the valuation of investments at fair value, valuation of accounts receivable and promissory notes and income taxes. Refer to the consolidated financial statements for the year ended December 31, 2021.

Alaris' transactions structured as limited partnerships are not amortized and will be assessed for objective evidence of impairment at each balance sheet date.

As disclosed in Note 12 to the consolidated audited financial statements for the year ended December 31, 2021, subsequent to the sale of Sandbox in Q1 2020, AEP received a complaint (the "Complaint") from the purchasers of Sandbox concerning its disputes arising out of the sale of the Sandbox assets, which alleges damages of approximately US$37.2 million. AEP and the Trust believe the claims within the Complaint are without merit and is vigorously defending the case. The Complaint has progressed to the discovery stage and AEP has filed a counterclaim against the purchasers of Sandbox. Based upon its knowledge of the facts of the pre-closing of Sandbox, the sale process and other advice obtained to date, no liability has been recorded in the financial statements.

SUMMARY OF QUARTERLY RESULTS

Amounts are in thousands except for income (loss) per unit:

In each period, an unrealized (non-cash) foreign exchange gain/loss has impacted earnings.

Quarterly Results Summary	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20	Q3-20	Q2-20	Q1-20
Revenue	$ 37,619	$ 42,878	$ 34,933	$ 32,234	$ 31,973	$ 23,421	$ 20,203	$ 33,971
Earnings / (loss)	$ 46,102	$ 46,178	$ 29,318	$ 22,646	$ 30,847	$ 28,571	$ 3,535	$ (42,662)
Basic and Diluted Income /	$ 1.02	$ 1.03	$ 0.65	$ 0.56	$ 0.85	$ 0.80	$ 0.10	$ (1.16)
(loss) per Unit	$ 0.97	$ 0.97	$ 0.63	$ 0.54	$ 0.80	$ 0.75	$ 0.10	$ (1.16)

In Q4 2021, Alaris' earnings included a total net unrealized gain on investments of $25.6 million, which largely consisted of increases to the fair values of PFGP of $8.6 million and of FNC of $6.1 million. In Q3 2021, Alaris' earnings included a total net unrealized gain on investments of $15.9 million, which largely consisted of an increase to the fair value of Kimco of $8.2 million. In Q2 2021, Alaris' earnings included a total net unrealized gain on investments of $16.2 million. This largely consisted of an unrealized gain of $8.9 million as part of the proceeds received in the ccComm redemption. In Q1 2021, Alaris' earnings included a total net unrealized gain on investments at fair value of $5.5 million. It also included the reversal of previously recorded credit losses related to the Kimco promissory notes and outstanding long-term accounts receivable. The total reversal of this prior impairment included in Q1 is $4.0 million.

In Q4 2020, Alaris' earnings included a total net unrealized gain on investments at fair value of $23.2 million. It also included Q2 2020 Distributions from BCC that had previously been deferred as well as a one-time catch up payment in December from Kimco for the remainder of their 2020 contracted Distributions, as they didn't re-start paying Distributions in 2020 until Q3. In Q3 2020, Alaris' earnings included a total unrealized gain on investments at fair value of $11.9 million. In Q2 2020, Alaris' earnings were impacted negatively by the deferral of the BCC and PFGP Distributions and the significant tax expense recorded, as a result of the finalization of the new U.S. tax regulations on hybrid arrangements (discussed in further detail below). These were partially offset by the net unrealized gain on investments at fair value of $8.4 million. In Q1 2020, Alaris recognized a net realized and unrealized loss from investments of $84.9 million, caused by the estimated impact that COVID-19 has had and will continue to have on our Partner's operations. This unrealized loss was the main cause of the overall loss in the period of $42.7 million. Offsetting this fair value loss was an increase in revenues mainly due to the $9.2 million of additional Distributions paid by SBI at the time of their redemption in January as a result of redeeming their preferred units prior to the three-year anniversary of the investment, which would have otherwise occurred in Q3 2020.

OUTSTANDING UNITS

At December 31, 2021, Alaris had authorized, issued and outstanding, 45,149,386 voting trust units.

During the year ended December 31, 2021, 243,612 units were issued on the vesting of RTUs and no options were granted, issued or exercised.

At December 31, 2021, 314,021 RTUs and 984,019 options were outstanding under Alaris' long-term incentive compensation plans. The outstanding options have a weighted average exercise price of $21.55 and as of December 31, 2021, all 984,019 options outstanding were out of the money.

In March 2021, Alaris completed an additional bought deal short-form prospectus offering, with the total trust units being issued of 5,909,375 at a price of $16.00 per unit, for aggregate gross proceeds of $94.6 million. After deduction of the underwriters' fees and expenses of the offering, net proceeds to Alaris were $90.3 million.

As at March 9, 2022, Alaris had 45,149,386 units outstanding.

INCOME TAXES

Beginning in 2015, the Trust began receiving notices of reassessment (the "Reassessments") from the Canada Revenue Agency (the "CRA") in respect of its 2009 through 2019 taxation years to deny the use of non-capital losses, accumulated scientific research and experimental development expenditures and investment tax credits. Pursuant to the Reassessments, the deduction of approximately $121.2 million of non-capital losses and utilization of $9.9 million in investment tax credits ("ITCs") by the Trust were denied, resulting in reassessed taxes and interest of approximately $61.0 million (2020 - $55.6 million).

Subsequent to filing the original notice of objection for the July 14, 2009 taxation year, Alaris received an additional proposal from the CRA proposing to apply the general anti avoidance rule to deny the use of these deductions. The proposal does not impact the Trust'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.

At the time the relevant transactions were completed, the Trust received legal advice that it should be entitled to deduct the non-capital losses and claim ITCs. Based on ongoing discussions with its legal counsel, the Trust remains of the opinion that all tax filings to date were filed correctly and that it will be successful in appealing such Reassessments. The Trust intends to continue to vigorously defend its tax filing position. In order to do that, the Trust was required to pay 50% of the reassessed amounts as a deposit to the Canada Revenue Agency and Alberta Treasury. The Trust has paid a total of $25.0 million (2020 - $20.2 million) in deposits to the CRA and Alberta Treasury relating to the Reassessments to date. These deposits have been recorded on the statement of financial position.

Should the Trust be unsuccessful, it will be required to pay the remaining reassessed taxes and interest and will not recover the $25.0 million in deposits paid to December 31, 2021.

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) and anticipated expenses. The purpose of providing such information in this MD&A is to demonstrate the visibility Alaris 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.

RISK FACTORS

Alaris' risk factors described below comprise risks that we know about and that we consider material to our business or results of our operations. The innovative financing structure we use to invest in private businesses involves unique risks together with the other risks present in the industry as a whole. When considering an investment in Trust Units, investors and others should carefully consider these risk factors and other uncertainties and potential events that may adversely affect our business and financial performance. We operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time. Management cannot predict all risk factors or the effect of such factors on our business, reputation, financial condition, cash flows, ability to pay predictable and stable distributions, response to changes in our industry, our ability to complete strategic acquisitions or divestitures in an efficient manner or at all or the market price of our Trust Units.

We have organized our risks as follows:

- Strategic Risk Factors Relating to our Business.
- Operational and Financial Risk Factors Relating to our Business.
- Risk Factors Relating to our Partners.

STRATEGIC RISK FACTORS RELATING TO OUR BUSINESS

WE DEPEND ON OUR PARTNERS' OPERATIONS, ASSETS AND FINANCIAL HEALTH

We depend on the operations, assets and financial health of our Partners through our agreements with them. Our ability to pay distributions, to satisfy our debt service obligations and to pay our operating expenses depends on our Partners' consistent payment of Distributions, our sole source of cash flow. Increases or decreases to Distributions generally follow the percentage change of each Partner's revenues, same-store sales, gross margin or other similar top-line measures. As a result, subject to certain conditions, if a negative percentage change to a Partner's applicable performance measure will reduce Distributions. The failure of any material Partner (or collectively several non-material Partners) to pay its Distribution could materially adversely affect our financial condition and cash flows. Each Partner may have liabilities or other matters that we do not identify through our due diligence or ongoing communications and monitoring procedures, which may have a material adverse effect on the Partners and the applicable performance measure.

While the Trust's subsidiaries have certain rights and remedies available to them under the terms of the agreements with the Partners, such rights and remedies, including the right to receive Distributions, are generally subordinated to the payment rights and security interests of the Partner's senior lenders, such as through standstill provisions limiting our exercise of certain remedies until the senior debt is fully paid or for a specified period.

Because Alaris' voting rights in our Partners are generally limited, our ability to exercise direct control or influence over the operations of our Partners may be limited (except for our consent rights and when there has been an uncured event of default and required Distributions have not been made). Further, Alaris' consent rights and remedies are generally subordinated to the rights of and/or require the consent of our Partners' senior lenders and may also be subject to additional regulatory restrictions applicable to a Partner or the industry they operate in. Payment of Distributions therefore depends on several factors that may be outside our control.

During the onset of the COVID-19 pandemic, certain material Partners suspended or decreased Distributions, and several Partners applied for financial support under the U.S. Coronavirus Aid, Relief, and Economic Security Act ("**CARES Act**"). To help facilitate such Partners' application process and to help ensure they received the financial assistance they then required to address the economic uncertainty they were facing, Alaris agreed to waive certain consent rights and remedies for the period that any indebtedness such Partners received remained outstanding or was forgiven under the rules and regulations applicable to the CARES Act. While those waivers have now expired, with the forgiveness or repayment of the indebtedness, there can be no guarantee that the Partners will not require similar assistance in the future if the COVID-19 pandemic continues to impact Partner businesses and/or the economy as a whole. While such waivers remain in place, Alaris' ability to enforce all of its rights under our agreements with the applicable Partners may be limited. Payment of Distributions therefore depends on several factors that may be outside of Alaris' control. The agreements with the Partners also provide the Partners with an ability to purchase, repay or redeem Alaris' investment therein. If a material Partner or a series of Partners that collectively represent a material amount of revenues, purchases, repays or redeems Alaris' equity and we are unable to redeploy the proceeds in a favourable manner into new or existing Partners, it could have a material adverse impact on the business of Alaris, including the revenues generated thereby.

There is generally no publicly available information, including audited or other financial information, about our Partners and their boards of directors and management are not subject to the same governance and disclosure requirements applicable to Canadian public companies. Therefore, we rely on our Management and third-party service providers to investigate the business of each Partner. However, neither our due diligence efforts nor our ongoing monitoring procedures can provide assurance that we will uncover all material information about a Partner necessary to make fully informed decisions. In addition, our due diligence and monitoring procedures will not necessarily ensure that an investment will succeed. Partners may have significant variations in operating results; may from time to time be parties to litigation; may be engaged in rapidly changing businesses; may expand business operations to new jurisdictions or business lines; may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; or may experience adverse changes in their business cycle or in the industries in which they operate.

Numerous factors may affect the quantum of a Partner Distribution or the ability of a Partner to maintain its Partner Distribution obligations, including: its failure to meet its business plan; regulatory or other changes affecting its industry; integration issues related to acquisitions, new locations or new business lines; a downturn in its industry; negative economic conditions; changes in legislation or regulations governing a business or industry; material changes in the unaudited information provided to Alaris; disruptions in the supply chain; disputes with suppliers, customers or service providers or changes in arrangements with them; and working capital or cash flow management issues. Deterioration in a Partner's financial condition and prospects may cause or coincide with a material reduction in the amount of its Distributions. See "*Risk Factors Relating to Material Partners*".

WE ARE SUBJECT TO RISKS AFFECTING ANY NEW PARTNERS

The businesses of any new Partners may be subject to one or more of the risks referred to under the heading "*Risk Factors Relating to Material Partners*" or similar risks and may be subject to other risks particular to such business or businesses. A material change in a Partner's business or its ability to pay Distributions could have an adverse effect on our business.

WE MAY NOT COMPLETE OR REALIZE THE ANTICIPATED BENEFITS OF OUR PARTNER ARRANGEMENTS

A key element of our growth plan is adding new Partners and making additional investments in existing Partners. We cannot guarantee our ability to identify and complete new investment opportunities. Achieving the benefits of future investments will depend in part on successfully identifying and capturing opportunities in a timely and efficient manner and in structuring such arrangements to ensure a stable and growing stream of Distributions. From time to time, Alaris has been required to grant concessions to certain Partners to help them manage their debt covenants, working capital or for other reasons. Such concessions may create temporary or permanent reductions in the Partner's payment of Distributions, which may negatively affect our operations, financial condition or cash flows. There are also no guarantees that the perceived benefits of such concessions will, in fact, exist.

WE HAVE LIMITED DIVERSIFICATION IN OUR PARTNERS

Although Alaris currently has 19 Partners and diversification continues to improve, Alaris does not have stringent fixed guidelines for diversification for our Partners. At any given time, a significant portion of our assets may be dedicated to a single business or industry. If any single Partner or industry does not succeed or experiences a downturn, this could have a material adverse effect on our business, results from operations and financial condition.

Our business and the business of each Partner is subject to changes in North American and international economic conditions, including higher inflation, rising interest rates, labour shortages, recessionary or inflationary trends, capital market volatility, consumer credit availability, currency exchange rates, consumers' disposable income and spending levels, job security and unemployment, corporate taxation and overall consumer confidence. Market and political events and other conditions, including reactions to the COVID-19 pandemic, disruptions in the international credit markets and other financial systems, may result in a deterioration of global economic conditions. These conditions could reduce confidence in the broader North American and global credit and financial markets and create a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Despite various actions by governments, from time to time, there may be concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions. These factors could negatively impact company valuations and impact the performance of the global economy. A return of any of these negative economic events could have a material adverse effect on our business and our Partners' business, financial condition, results of operations and cash flows. For specific risks related to COVID-19, see "*Risk Factors—Operational and Financial Risk Factors Relating to Our Business—The global COVID-19 outbreak has caused disruptions to the U.S. and Canadian economies and has, and may continue to, negatively impact certain Partners*"" and "*Risk Factors—Risks relating to all of our Partners generally—Public health crises, epidemics and pandemics may negatively impact our Partners' business continuity*".

Alaris and our Partners' businesses could be adversely affected by extraordinary political, social, economic events, war, terrorist attacks, natural disasters and public health threats

International political, social and economic events, acts of war and terrorism, natural disasters and major epidemics and pandemics, may, directly or indirectly, adversely impact our and our Partners' businesses. Escalating military tension between Russia and Ukraine and other conflicts, or conversely peaceful developments, arising in the Middle East, Asia or Eastern Europe and other areas of the world that significantly impact the price of important commodities can negatively affect financial markets and the global economy. Any such negative impacts could have a material adverse effect on our and our Partners' businesses, financial condition, results of operations and cash flows.

OUR ABILITY TO MANAGE FUTURE GROWTH AND CARRY OUT OUR BUSINESS PLANS MAY HAVE AN ADVERSE EFFECT ON OUR BUSINESS AND OUR REPUTATION

Our ability to sustain continued growth depends on our ability to identify, evaluate and contribute financing to potential Partners that meet our criteria. Accomplishing such a result on a cost-effective basis largely depends on Alaris' sourcing capabilities, our management of the investment process, our ability to provide capital on terms that are attractive to private businesses and our access to financing on acceptable terms. As Alaris grows, we will also need to hire, train, supervise and manage new employees. Failure to effectively manage future growth or to execute on our business plans to add new Partners could have a material adverse effect on our business, reputation, financial condition and results of operations. We also rely on our reputation to maintain positive relationships with our investors and other stakeholders and with investment banks and other investment sources to receive potential Partner opportunities. Any action that undermines the public or an investment source's opinion of Alaris may adversely affect our unit price or continued growth.

WE FACE COMPETITION WITH OTHER INVESTMENT ENTITIES

Alaris competes for investment opportunities with many private equity funds, mezzanine funds, equity and non-equity-based investment funds, royalty companies and other institutional and strategic investors, including the public and private capital markets and senior debt providers. Some of our competitors, particularly those operating in the United States, are substantially larger and have considerably greater financial resources and more diverse funding structures than Alaris. Competitors may have a lower cost of funds, and many have access to funding sources and unique structures that are unavailable to Alaris. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their market shares and use high amounts of leverage to increase valuations given to entrepreneurs. There is no assurance that the competitive pressures that we face will not have a material adverse effect on our business, financial condition and results of operations. As a result of this competition, we may be unable to take advantage of attractive investment opportunities, and there can be no assurance that Alaris will be able to identify and make investments that satisfy our business objectives or that we will be able to meet our business goals.

POTENTIAL INVESTMENT OPPORTUNITIES

Alaris regularly evaluates, considers and engages in discussions with respect to potential investment opportunities that it believes may help it achieve its commercial and growth plans, and in connection therewith, it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. There can be no assurance that any such discussions, non-binding letters of intent or conditional agreements will result in a definitive investment agreement and, if they do, what the terms or timing of such would be or that such investment will be completed by Alaris. If Alaris does complete any such transaction, it cannot assure investors that the transaction will ultimately strengthen its financial or operating results, prospects or competitive position or that it will not be viewed negatively by securities analysts or investors. Such transactions may also involve significant commitments of Alaris' financial and other resources, including the completion of additional financings of equity or debt (which may be convertible into equity). Any such activity may fail to generate revenue, income or other returns to Alaris, and the resources committed to such activities will not be available to Alaris for other purposes.

OPERATIONAL AND FINANCIAL RISK FACTORS RELATING TO OUR BUSINESS

WE ARE SUBJECT TO TAX-RELATED RISKS

CRA Re-Assessment

Alaris received notices of reassessment (the "**Reassessments**") from the CRA for our 2009 through 2020 taxation years to deny the use of non-capital losses, accumulated scientific research and experimental development expenditures and investment tax credits. The Reassessments seek to deny the deduction of approximately $121.2 million of non-capital losses and utilization of $9.9 million in investment tax credits ("ITCs") by the Trust, resulting in reassessed taxes and interest of approximately $61 million. After filing the original notice of objection for the July 2009 taxation year, the CRA sent Alaris a further notice proposing to apply the general anti-avoidance rule to deny the ITC deductions. The proposal does not affect Alaris' 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.

At the time the relevant transactions were completed, the Trust received legal advice that it should be entitled to deduct the non-capital losses and claim ITCs. Based on ongoing discussions with its legal counsel, the Trust remains of the opinion that all tax filings to date were filed correctly and that it will be successful in appealing the Reassessments. Alaris intends to continue to vigorously defend its tax filing position. In order to do that, Alaris was required to deposit 50% of the reassessed amounts with the CRA and Alberta Treasury. As of the date of this filing, Alaris has deposited $25 million with the CRA and Alberta Treasury.

Alaris anticipates that achieving a final resolution of the Reassessments will take considerable time. The payment of deposits and any taxes, interest or penalties owing should not materially impact the Trust's payout ratio. We believe we will be successful in defending our position and therefore expect that the CRA will refund any current or future deposit with interest.

International Structure

Alaris' international structure is subject to assessment and possible adjustment by any of the taxation authorities in the jurisdictions in which it operates based on differences of interpretation of the applicable tax laws and the manner in which such laws have been implemented.

On April 8, 2020, the U.S. Treasury Department and IRS published the final regulations ("**Regulations**") addressing hybrid financing arrangements. The key impact that these Regulations had on Alaris is that certain interest payments made by Alaris' U.S. entities in 2019 and 2020 may not be deductible. In 2019, Alaris took a deduction for interest expense, against which a reserve of $10.4M was booked in 2020. In 2020, Alaris did not take a deduction for interest and therefore Alaris was not required to take a reserve in 2021.

Furthermore, certain changes in the structure and business practices of our Partners could affect our structure. Although we are of the view that the corporate structure has been implemented correctly and is being managed and monitored properly, there can be no assurance that our Partners' business models will continue to allow us to fully benefit from our corporate structure. Where this is the case, our operating results could be adversely affected.

Mutual Fund Trust Status

The Trust may cease to qualify as a "mutual fund trust" for purposes of the Canadian *Income Tax Act* ("**Tax Act**"). If the Trust did not so qualify for such purposes continuously throughout a taxation year, it would be subject to adverse tax consequences, which may materially reduce its ability to make distributions on the Trust Units.

Furthermore, if the Trust was considered to have been established primarily for the benefit of Non-Residents, depending on the character of the properties held by the Trust at that time, it could be permanently disqualified from qualifying as a "mutual fund trust" for such purposes.

The Trust Units will cease to be qualified investments for a Registered Plan under the Tax Act unless the Trust qualifies as a "mutual fund trust" (as defined in the Tax Act).

Laws, Rules and Regulations Applicable to the Trust

There can be no assurance that additional changes to the taxation of income trusts or corporations or changes to other government laws, rules and regulations, either in Canada or the United States, will not be undertaken which could have a material adverse effect on the Trust's unit price and its activities and undertakings. There can be no assurance that the Trust will benefit from any rules applicable to corporations, that these rules will not change in the future or that the Trust will avail itself of them.

General

Income tax provisions, including current and deferred income tax assets and liabilities, and income tax filing positions require estimates and interpretations of federal and provincial income tax rules and regulations and judgments as to their interpretation and application to Alaris' specific situation. The business and operations of Alaris are complex, and we have executed a number of significant financings and transactions over the course of our history. The computation of income taxes payable as a result of these transactions involves many complex factors and Alaris' interpretation of and compliance with relevant tax legislation and regulations.

OUR ABILITY TO RECOVER FROM PARTNERS FOR DEFAULTS UNDER OUR AGREEMENTS WITH THEM MAY BE LIMITED

Each Partner provides certain representations and warranties and covenants to us on the Partner and its business and certain other matters. Following a transaction with Alaris, the Partner may distribute all or a substantial portion of the proceeds that it receives from us to its security holders or owners. If we suffer any loss because of a breach of the representations and warranties or non-compliance with any other terms of an agreement with a Partner, we may not recover the entire amount of our loss from the Partner. The Partner may not have sufficient property to satisfy our loss. In addition, our rights and remedies upon default are generally subordinated to a Partner's senior lenders, if any, or may be subject to regulatory restrictions applicable to the Partner or the industry in which they operate, which can limit our ability to recover any losses from Partners. Furthermore, a Partner may try to contest the application of our remedies, which could delay (or, if a Partner's contest succeeds, deny) the operation of our rights and remedies and add costs to Alaris.

THERE ARE RISKS RELATED TO ALARIS' AND OUR PARTNERS' OUTSTANDING DEBT

Market interest rates remained low during the COVID-19 pandemic, but we expect that interest rates in North American will rise. The U.S. Federal Reserve has signaled its concerns with inflation and announced that it will begin to reduce its purchases of mortgage and other bonds. On March 2, 2022, the Bank of Canada announced that it was increasing its target overnight rate to 0.5%, with the bank rate at 0.75% and the deposit rate at 0.5%. While interest rates remain low, we cannot predict the nature and timing of future changes to monetary policies or the impact that monetary policies will have on our activities and financial results.

Certain features of our outstanding debt, including the renewal of such debt on substantially similar terms, and any outstanding debt of the Partners could adversely affect our ability to raise additional capital, to fund our operations, to pay distributions, and could limit our ability to react to changes in the economy and our industry, expose us to interest rate risks and could prevent us from meeting certain of our business objectives. An inability to meet our debt covenants could cause a default under our senior credit facility, which may then require repayment of any outstanding amounts at a time when Alaris may not have sufficient cash available to make such repayment. In addition, a default under our debt facility may impact our ability to obtain future debt financing on terms favorable to Alaris. Furthermore, an inability of any material Partner (or a group of non-material Partners collectively representing a material portion of our revenues) to meet its (or their) debt covenants and a failure of a Partner to refinance or restructure its debt where necessary can affect the ability to pay Distributions and therefore impact Alaris' cash flows. In addition, where a Partner has defaulted under our agreements, our right to exercise our remedies may be subordinate to the Partner's senior lender and subject to a standstill provision until the senior debt is repaid or for a specified period.

In addition, if Alaris or any of its assets becomes subject to any insolvency, bankruptcy, receivership, liquidation, reorganization or similar proceedings, Alaris' outstanding debt will rank in priority to equity holders (with the indebtedness under the senior credit facility ranking in priority to the Debentures and other unsecured debt).

ALARIS AND OUR PARTNERS ARE SUBJECT TO SIGNIFICANT REGULATION

Alaris, its subsidiaries and our Partners are subject to various laws, regulations and guidelines in the jurisdictions in which they operate (including U.S. federal, state and local laws and Canadian federal, provincial and local laws) and may become subject to new laws, regulations and guidelines, particularly as a result of acquisitions or additional changes to the jurisdictions in which they operate. The financial and managerial resources necessary to ensure such compliance could escalate significantly, which could have a material adverse effect on Alaris' and the Partners' business, resources, financial condition, results of operations and cash flows. The same goes for any failure to maintain compliance or obtain any required approvals. Such laws and regulations are subject to change. Accordingly, it is impossible for Alaris or the Partners to predict the cost or impact of changes to such laws and regulations on their respective future operations.

THERE ARE NO GUARANTEES AS TO THE TIMING AND AMOUNT OF DISTRIBUTIONS

Payment of distributions will depend on several factors, including Distributions received, profitability, debt covenants and obligations, foreign exchange rate, the availability and cost of acquisitions, fluctuations in working capital, the timing and amount of capital expenditures, applicable law and other factors which may be beyond our control. We cannot guarantee distributions, which fluctuate with our performance and the performance of our Partners. There can be no assurance as to payment of distributions we pay if any. The market value of the Trust Units may deteriorate if we cannot pay distributions in accordance with our distribution policy, or at all, and such deterioration may be material.

THERE ARE NO GUARANTEES AS TO THE AVAILABILITY OF FUTURE FINANCING FOR OPERATIONS, DISTRIBUTIONS AND GROWTH

We expect that our principal sources of funds for our operations, including our distribution, will be the cash we generate from Distributions. We believe that funds from these sources will provide Alaris with sufficient liquidity and capital resources to meet our ongoing business operations at existing levels. Despite our expectations, Alaris may require new equity or debt financing to meet our financing and operational requirements. There can be no assurance that this financing will be available when required or available on commercially favourable terms or on terms that are otherwise satisfactory to Alaris, in which event our financial condition may be materially adversely affected.

The payout by Alaris of substantially all of our operating cash may make future investment capital and operating expenditures dependent on increased cash flow or additional financings. Alaris may require equity or debt financing to acquire interests in new Partners or make additional contributions to our current Partners. Although we have succeeded in obtaining such financing as and when required to date, there can be no assurance that such financing will be available when required or will be on commercially favourable terms. A lack of availability or commercially favourable terms could limit our growth. The ability of Alaris to arrange such financing in the future will depend in part upon the prevailing capital market conditions and our business performance.

OUR ABILITY TO PAY DISTRIBUTIONS IS AFFECTED BY THE TERMS OF OUR SENIOR CREDIT FACILITY

Our ability to pay distributions is subject to applicable laws and contractual restrictions in the instruments governing our indebtedness. The degree to which Alaris is leveraged and compliance with other debt covenants under the Senior Credit Facility could have important consequences for Unitholders including: (a) our ability to obtain additional financing for future contributions to private companies may be limited; (b) all or part of our cash flow from operations may be dedicated to the repayment of our indebtedness, thereby reducing funds available for future operations or for payment of distributions; (c) certain of our borrowings are at variable rates of interest, which exposes us to the risk of increased interest rates; and (d) we may be more vulnerable to economic downturns and be limited in our ability to withstand competitive pressures. These factors may adversely impact our cash flow and, as a result, the amount of cash available for payment of distributions.

Interest expense has been estimated to calculate our distributable cash based on current market conditions that are subject to fluctuations. Such fluctuations could lead to an unanticipated material increase in interest rates that could, in turn, have a material adverse effect on cash available to pay distributions.

WE ARE SUBJECT TO FLUCTUATIONS IN THE U.S./CANADIAN DOLLAR PAIRING (USD/CAD)

Most Partners pay Distributions in USD. But Alaris pays distributions in CAD. We currently have currency hedges in place to manage the risk and economic consequences of foreign currency exchange fluctuations on our monthly cash flows and natural hedges such as carrying U.S. dollar-denominated debt. However, the Canadian dollar relative to the U.S. dollar is subject to fluctuations, and the currency hedges are for a limited period. There can be no guarantee that future hedges will be at rates of USD/CAD that fully protect Alaris' cash flows against major fluctuations. As a result, failure to adequately manage our foreign exchange risk could adversely affect our business, financial condition and results of operation. In general, where we continue to have a majority of our investments in the U.S., a declining Canadian dollar versus the U.S. dollar is a net benefit to Alaris' monthly cash flows and to the principal value of its investments.

Certain of our currency hedges are conducted through a forward contract, which comes with an obligation to fulfill the contract at a future date. If Alaris did not have adequate USD to sell under the forward contract, it would have to pay the difference between the contract price and the current spot price. If the current spot price is in Alaris' favour, it could receive a cash benefit from being unable to fulfill its forward contract. But if the spot to forward price differential is not in Alaris' favour, it could owe considerable money to the holder of the contract. A significant loss of USD revenue could cause Alaris to fail to meet its obligations under the forward contracts. This could result from a decline in a Partner's business, which diminishes its Distribution, or if a material U.S. Partner repurchases (or several U.S. Partners repurchase) Alaris. Any cash outlay to meet a forward contract obligation could impair Alaris' cash flows.

Alaris has investments in several U.S.-based businesses and will continue to invest in U.S.-based businesses in U.S. denominated currency. The Senior Credit Facility allows for USD-denominated draws to fund U.S.-based businesses. This will act as a natural hedge on cash flows and future repurchases by Partners. However, Alaris may, from time-to-time, purchase USD in the spot market based on the USD/CAD rate of exchange at the time of investment to make U.S.-based investments. If Alaris is redeemed on a USD-based investment, it may incur a loss in the Canadian dollar equivalent if the USD/CAD spot rate is lower at the time of the redemption than it was when the original investment was made. Alaris does not hedge the fair value of its USD-denominated investments because there is no expectation to be redeemed or to exit these investments, and therefore the timing of such exit events is uncertain. This exposes Alaris to a cash loss, or gain, on a USD investment, even if the investment was successful in its U.S.-based currency. Alaris adjusts the fair value of its USD denominated investments based on the USD/CAD rate on the balance sheet date for each quarter and records an unrealized gain or loss to account for the fluctuations in the exchange rate.

OUR PARTNERS HAVE TERMINATION RIGHTS THAT MAY BE EXERCISED

Each Partner has the right to terminate their agreement with Alaris through repurchase or redemption rights. Some of these rights may be restricted for a fixed period following Alaris' initial investment. Although Management believes that the repurchase or redemption purchase price would adequately compensate Alaris for the forgone payments, we would need to reinvest the cash received, including possibly repurchasing for cancellation of our own Trust Units to maintain our Trust Distribution levels. There is no assurance that we would be able to successfully identify and complete any such alternative investments or complete any such Trust Unit repurchase.

OUR PARTNERS AND WE RELY HEAVILY ON KEY PERSONNEL

The success of Alaris and our Partners depends on the abilities, experience, efforts and industry knowledge of their respective senior management and other key employees, including their ability to retain and attract skilled management and employees. The long-term loss of the services of any key personnel for any reason could have a material adverse effect on the business, financial condition, results of operations or future prospects of Alaris or a Partner. The growth plans of Alaris and the Partners described in this document may require additional employees, increase the demand on management and produce risks in both productivity and retention levels. Alaris and our Partners may be unable to attract and retain additional qualified management and employees as needed. There can be no assurance that Alaris or our Partners will effectively manage their growth, and any failure to do so could have a material adverse effect on our business, financial condition, results of operations and future prospects.

OUR UNIT PRICE IS UNPREDICTABLE AND CAN BE VOLATILE

A publicly traded income trust will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Trust Units will trade are unpredictable. The market price of the Trust Units could fluctuate significantly in response to variations in quarterly and annual operating results, the results of any public announcements we make, general economic conditions, unexpected volatility in global stock markets and other factors beyond our control.

WE MAY ISSUE ADDITIONAL TRUST UNITS DILUTING EXISTING UNITHOLDERS' INTERESTS

We may issue an unlimited number of Trust Units or other securities for consideration and on terms as we establish without Unitholder approval. Any further issuance of Trust Units will dilute the interests of existing Unitholders if the proceeds of such issuances are not being used in a manner that is accretive to Alaris' net cash from operating activities per Trust Unit. Unitholders have no pre-emptive rights in connection with such future issuances.

WE ARE SUBJECT TO A RISK OF LEGAL PROCEEDINGS

In the normal course of business, we may be subject to or involved in lawsuits, claims, regulatory proceedings and litigation for amounts not covered by our liability insurance. Some of these proceedings could result in high costs. Although the outcome of such proceedings is not predictable with assurance, Alaris has no reason to believe that the disposition of such matters could have a significant impact on our financial position, operating results or ability to carry on our business activities. As of the date of this document, no material claims or litigation have been brought against Alaris.

GENERAL RISKS RELATED TO THE DEBENTURES

In June 2019, Alaris issued $100 million aggregate principal amount of convertible debentures, convertible at the holder's option at any time before the close of business on the earlier of the business day immediately preceding the June 30, 2024 maturity date and the date specified by Alaris for the redemption of the convertible debentures into fully paid and non-assessable Trust Units at a conversion price of $24.25 per Trust Unit, being a conversion rate of approximately 41.2371 Trust Unit for each $1,000 principal amount of convertible debentures (the "**2024 Debentures**"). Each series of the 2024 Debenture will rank pari passu with each other 2024 Debenture of the same series and, subject to certain statutory exceptions, with all other present and future subordinated and unsecured indebtedness of Alaris (except for any sinking fund provisions applicable to different series of 2024 Debentures or similar types of obligations of Alaris).

In February 2022, Alaris issued $65 million aggregate principal amount of senior unsecured debentures with a maturity date of March 31, 2027, and bearing interest of 6.25% per year, payable by the Trust semi-annually in arrears on the last business day in March and September of each year commencing March 31, 2022 (the "**2027 Debentures**"). Each 2027 Debenture ranks pari passu with each other 2027 Debenture and, subject to certain statutory exceptions, with all other present and future unsubordinated and unsecured indebtedness of Alaris. Alaris may, at its option, repay the principal amount of the 2027 Debentures in Canadian dollars or by delivery of fully paid and non-assessable Trust Units. Together, the 2024 Debentures and 2027 Debentures are referred to as the "**Debentures**".

If Alaris or any of its assets becomes subject to any insolvency, bankruptcy, receivership, liquidation, reorganization or similar proceedings, Alaris must first repay the Senior Credit Facility and any other senior indebtedness which may arise from time to time before repaying holders of Debentures. Following repayment in full of the Senior Credit Facility and any other senior indebtedness, the Debentures become entitled to the distribution of any remaining assets of Alaris to satisfy any owing obligations on such Debentures. In addition, any assets of Alaris that are subject to a security interest or are required to be marshalled by the rights of any creditor ranking senior to the holders of the Debentures may not be available to satisfy any obligations owing on the Debentures. As a result, if Alaris or any of its assets becomes subject to any insolvency, bankruptcy, receivership, liquidation, reorganization or similar proceedings, Alaris may have insufficient assets remaining to pay amounts due on any or all of the then outstanding Debentures.

Additionally, any deterioration in Alaris' financial condition may affect our ability to pay principal, premium (if any) and interest on the Debentures when due. Alaris is prohibited from making any payment on the Debentures if: (a) a default, event of default or acceleration occurs under the Senior Credit Facility or any other senior indebtedness or any swap obligation of any senior creditor or its affiliates; (b) a default under the Senior Credit Facility or any other senior indebtedness permits the holders of the Senior Credit Facility or any other senior indebtedness (as applicable) to accelerate its maturity; or (c) if such payment would create a default of the Senior Credit Facility or any other senior indebtedness that would permit acceleration of its maturity.

Alaris may Redeem the Debentures before Maturity

Between June 30, 2022, and June 30, 2023 (and subject to regulatory approval and any restrictions on the redemption of 2024 Debentures of a particular series), Alaris has the right to redeem the 2024 Debentures, either in whole at any time or in part from time to time, on at least 30 and not more than 60 days' notice, at a redemption price equal to the principal amount of the 2024 Debentures plus accrued and unpaid interest, as long as the volume-weighted average trading price of the Trust Units on the TSX for the 20 consecutive trading days ending on the fifth trading day before the date on which the notice of redemption is given is at least 125% of the conversion price. Holders of 2024 Debentures should assume that Alaris will exercise its redemption right if refinancing at a lower interest rate becomes available or if Management determines that it is otherwise in Alaris' best interest to redeem the 2024 Debentures.

Between March 31, 2025, and March 31, 2026 (and subject to regulatory approval and any restrictions on the redemption of 2027 Debentures of a particular series), Alaris has the right to redeem the 2027 Debentures, either in whole or in part, on at least 30 and not more than 60 days' notice, at a redemption price equal to 103.125% of the principal amount of the 2027 Debentures to be redeemed plus accrued and unpaid interest up to but excluding the date of redemption. On or after March 31, 2016, and the maturity date of the 2027 Debentures, Alaris has the right to redeem the 2027 Debentures, either in whole or in part, on at least 30 and not more than 60 days' notice, by issuing Trust Units at a redemption price equal to the principal amount of the 2027 Debentures to be redeemed plus accrued and unpaid interested up to but excluding the date of redemption.

Redemption of Debentures upon a Change of Control

Alaris must offer to purchase all 2024 Debentures within 30 days of the acquisition of voting control or direction of more than 50% of the outstanding Trust Units. Upon such an event, Alaris may not have sufficient funds to satisfy the required purchase of all 2024 Debentures. Within 30 days following the occurrence of the acquisition of voting control or direction of more than 50% of the outstanding Trust Units, Alaris must offer to purchase, in whole or in part, the 2027 Debentures then outstanding for 100% of the principal amount of the 2027 Debentures plus accrued and unpaid interest up to but excluding the date of acquisition.

Additionally, the rights under the Senior Credit Facility or any other senior indebtedness in existence at such time may restrict such a purchase.

Effect of interest rates on the price of Debentures

The market value of the Debentures will fluctuate with the interest rates in effect from time to time. Consequently, the market value of the Debentures may decline if general interest rates begin to rise.

NATURE OF INVESTMENT

Unitholders of Alaris do not hold a share of a body corporate. As holders of Trust Units, Unitholders do not have statutory rights normally associated with ownership of shares of a corporation, including, for example, the right to bring "derivative" actions. The rights of Unitholders are based primarily on the Declaration of Trust, a copy of which is available under the Trust's profile at www.sedar.com. There is no statute governing the affairs of the Trust equivalent to the *Canada Business Corporation Act* which sets out the rights and entitlements of shareholders of corporations in various circumstances.

WE ARE NOT, AND DO NOT INTEND TO BECOME, REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT AND RELATED RULES

We have not been and do not intend to become registered as an investment company under the U.S. Investment Company Act and related rules in reliance on the exemption from such registration under section 3(c)(7) of that Act. The U.S. Investment Company Act and related rules provide certain protections to investors and restrict companies who register with the U.S. Securities and Exchange Commission (the "**SEC**") as investment companies. None of these protections or restrictions is or will be available to investors in Alaris. In addition, as long as Alaris is an "investment company" under the Investment Company Act, to comply with the section 3(c)(7) exemption from registration and avoid being required to register as an investments company under the U.S. Investment Company Act and related rules, we have implemented restrictions on the ownership and transfer of the Trust Units, which may materially affect your ability to hold or transfer the Trust Units. If we needed to register with the SEC as an investment company, compliance with the U.S. Investment Company Act would significantly and adversely affect our ability to conduct our business.

POTENTIAL INVESTORS' ABILITY TO INVEST IN TRUST UNITS OR TO TRANSFER ANY TRUST UNITS THAT INVESTORS HOLD MAY BE LIMITED BY CERTAIN ERISA, U.S. TAX CODE AND OTHER CONSIDERATIONS

Alaris has restricted the ownership and holding of Trust Units so that none of our assets will constitute "plan assets" (as defined in the Plan Asset Rules) of any of the following: (a) an "employee benefit plan" (under section 3(3) of ERISA that is subject to Part 4 of Subtitle B of Title I of ERISA; (b) a plan, individual retirement account or another arrangement that is subject to Section 4975 of the Code; (c) any other retirement or benefit plan that is not described in (a) or (b), but that is subject any similar law; or (d) an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement in (a) through (c) under ERISA, the Code or similar law.

If Alaris' assets were considered "plan assets" of any of the above entities, non-exempt "prohibited transactions" under section 406 of ERISA, section 4975 of the Code or similar law could arise from transactions the Trust or any of our subsidiaries enters into in the ordinary course of business, leading to tax penalties and mandatory rescission of such transactions. Consequently, each recipient and subsequent transferee of Trust Units will, or will be deemed to, represent and warrant that it is not an entity described in (a) through (d) in the preceding paragraph and that no portion of the assets used to acquire or hold its interest in Trust Units or any beneficial interest in them constitutes or will constitute the assets of such an entity. Any holding or transfer of Trust Units in violation of such representation will be void. See "Ownership and Transfer Restrictions".

FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FACTA") PROVISIONS

In general, FATCA imposes due diligence, reporting and withholding obligations on foreign (non-U.S.) financial institutions and certain foreign (non-U.S.) non-financial entities. Failure by such an institution or entity to comply with these obligations could subject it to a 30% U.S. withholding tax on certain U.S. source income (including interest, dividends, rents, royalties, compensation, other passive income and gross proceeds from the sale or other disposition of property that produce similar of U.S. source income) and thereby reduce its distributable cash and net asset value. In 2014, Canada and the United States entered into an Intergovernmental Agreement (the "**IGA**") to facilitate compliance with FATCA by Canadian financial and non-financial institutions and entities.

Under the IGA and the Canadian legislation enacted to implement the IGA (the "**Canada IGA Legislation**"), Alaris (and our subsidiaries): (a) registered with the IRS and acquired identifying numbers; (b) performed, and will continue to perform, specified diligence to determine whether they have any "U.S. reportable accounts"; and (c) will annually, report to the CRA required information about U.S. "account holders", which could include certain of Alaris' Unitholders. Under the Canada IGA Legislation, Unitholders may need to provide identity, residency and other information to Alaris (and may be subject to penalties for failing to do so) that, for certain U.S. persons or certain non-U.S. entities controlled by certain U.S. persons, Alaris would then report to the CRA. The CRA may report such information about U.S. reportable accounts to the IRS under the exchange-of-information provisions in the Canada-U.S. tax treaty.

Under the Canada IGA Legislation, equity and debt interests that regularly trade on an established securities market are not treated as "financial accounts". If the Trust Units are regularly traded on an established securities market, Alaris will not need to provide information to the CRA about U.S. holders of Trust Units. Because we believe the Trust Units would be considered regularly traded on an established securities market, Alaris does not expect to report information about U.S. Unitholders to the CRA under FATCA. However, if in the future the Trust Units are no longer considered regularly traded on an established securities market, Alaris' reporting obligations under FATCA may change.

Alaris and its subsidiaries intend to continue to take any measures and implement any procedures that we, in consultation with our legal and tax counsel, find necessary or desirable to comply with our obligations under the IGA and, more particularly, the Canada IGA Legislation. If Alaris or a subsidiary of does not satisfy the applicable requirements of the IGA and the Canada IGA Legislation or if the Canadian government does not comply with the IGA and if Alaris is otherwise unable to comply with any relevant legislation, then Alaris (or a subsidiary of Alaris) could be subject to FATCA tax.

The discussion above reflects the Code, guidance issued by the IRS and the United States Treasury Department, including regulations and IRS notices, and the IGA and the Canada IGA Legislation (and their interpretations and the guidance issued by the CRA). Future guidance, including explanations of and rulings interpreting current authorities, may affect the application of FATCA to Alaris in a manner unfavorable to Alaris and holders of Trust Units.

PASSIVE FOREIGN INVESTMENT COMPANY ("PFIC") RULES AND POTENTIAL IMPLICATIONS FOR U.S. UNITHOLDERS

Sections 1291 through 1298 of the Code provide for special (and generally unfavorable for U.S. unitholders) rules applicable to non-U.S. corporations that constitute PFICs. A non-U.S. corporation will constitute a PFIC for any taxable year in which either (a) at least 75% of its gross income is passive income (which would include, among other things and subject to certain exceptions, dividends, interest, royalties, rents, annuities and other income of a kind that would be "foreign personal holding company income", as defined in Section 954(c) of the Code) or (b) at least 50% of our assets by value (determined on the basis of a quarterly average) produce or are held for the production of passive income. For this purpose, the non-U.S. corporation will be deemed to receive its proportionate share of the income directly and to hold its proportionate share of the assets of any corporation or partnership (whether U.S. or non-U.S.) that we own at least 25% (by value).

For any taxable year in which a non-U.S. corporation is a PFIC in the absence of an election by a U.S. shareholder to either treat such non-U.S. corporation as a "qualified electing fund" (such election, a "**QEF Election**") or "mark-to-market" his or her shares of such non-U.S. corporation (such election, an "**MTM Election**"), a U.S. shareholder will, upon making certain "excess distributions" by such non-U.S. corporation or upon the U.S. shareholder's disposition of his or her shares of such non-U.S. corporation at a gain, be subject to U.S. federal income tax at the highest tax rate on ordinary income in effect for each year to which the income is allocated plus an interest charge on the deemed tax deferral, as if the distribution or gain had been recognized rateably over each day in the U.S. shareholder's holding period for his or her shares in such non-U.S. corporation while such corporation was a PFIC.

Based on its (and its subsidiaries') income and assets in prior tax years, Alaris has taken the position that neither it nor any of its subsidiaries were PFICs for any of its prior taxable years. Furthermore, based on its current and projected operations and financial expectations for the current taxable year, Alaris believes that neither it nor any of its subsidiaries will be a PFIC for the current taxable year. However, the determination of whether Alaris or any of its subsidiaries was or will be or become a PFIC was and is fundamentally fact-specific and dependent on: (a) the income and assets of Alaris and its subsidiaries over the course of any such taxable year; and (b) the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, Alaris cannot provide any assurance that: (i) neither it nor any of our subsidiaries was or will be or become a PFIC; or (ii) that the IRS would not take the position that either Alaris or any of our subsidiaries should have been or should be treated as a PFIC for any one or more taxable years despite Alaris' contrary reporting position.

If Alaris were to be or become a PFIC for the current or any future taxable year, Alaris does not intend to make available to U.S. unitholders the financial information necessary to make a QEF Election; however, provided the Trust Units constitute "marketable stock" (as specifically defined under the MTM Election regulations), a U.S. unitholder should be able to make an MTM Election with respect to a Unitholder's Trust Units. Alaris believes that the Trust Units would currently be considered "marketable stock" for this purpose. Making an

MTM Election would result in the electing U.S. unitholder of Trust Units having to recognize as ordinary income or loss each year an amount equal to the difference as of the close of such year between the fair market value of the Trust Units and the unitholder's adjusted U.S. federal income tax basis in such Trust Units. Losses would be allowed only to the extent of the net mark-to-market gain previously included in income by the U.S. unitholder under the MTM Election for prior taxable years. If an MTM Election is made, then distributions would be treated as if Alaris were not a PFIC, except that the lower tax rate currently imposed on dividends to individuals would not apply.

Alaris urges U.S. unitholders to consult their own tax advisors regarding the possible application of the PFIC rules.

THE GLOBAL COVID-19 OUTBREAK HAS CAUSED DISRUPTIONS TO THE U.S. AND CANADIAN ECONOMIES AND HAS, AND MAY CONTINUE TO, NEGATIVELY IMPACT CERTAIN PARTNERS

Although the North American and global economies have begun to recover from COVID-19 as many health and safety restrictions have been lifted and vaccine distribution has increased, Alaris and its Partners may continue to experience negative impacts from the COVID-19 outbreak. The long-term extent of such impacts is currently unquantifiable but may be significant. Such impacts include, without limitation, labour shortages, global supply chain disruptions, government restrictions on travel and could include other increased government regulations, reduced consumer traffic and sales and temporary business closures, all of which may negatively impact the business, financial condition and results of operations of Alaris and its Partners and our Partners' ability to comply with their covenants under their respective obligations to Alaris and satisfy their other obligations to other parties, which in turn may adversely impact, among other things, Alaris' ability to access debt or equity capital on acceptable terms or at all, to comply with the financial covenants under its credit facilities, satisfy its financial obligations to its lenders and other creditors (including under the Senior Debt Facility) and Alaris' ability to pay distributions and make interest and principal payments to holders of our Debentures. The growth in economic activity related to the COVID-19 recovery, together with labour shortages and supply chain constraints, has contributed to rising inflationary pressures, which may negatively impact Alaris and our Partners.

The duration of the business disruption from COVID-19 and the related financial impact cannot be reasonably estimated and will depend on future developments which are unpredictable, including the rate of distribution and administration of COVID-19 vaccinations, the severity of any future COVID-19 variants and responses to contain such variants. U.S. and Canadian consumer practices and demands may have changed permanently compared to before COVID-19, including continued social distancing, which could adversely affect certain of our Partners. Our Partners' inability to adapt to these and other COVID-19 changes could adversely impact their ability to pay Distributions.

Expectations of Alaris and our Partners relating to environmental, social and governance factors may impose additional costs and expose us to new risks.

Certain investors and key stakeholders have increased their focus on corporate responsibility, specifically related to environmental, social and governance ("**ESG**") factors. We expect that an increased focus on ESG considerations will affect some aspects of our operations, including our due diligence processes when determining whether to invest in a new Partner. There are many groups involved in a range of ESG issues, including investors, special interest groups, public and consumer interest groups and third-party service providers. As a result, there is an increased emphasis on corporate responsibility ratings and a number of third parties provide reports on companies to measure and assess corporate responsibility performance. The ESG factors used to assess Alaris' corporate responsibility may change, which could result in greater expectations of Alaris and cause us to undertake costly initiatives to satisfy new ESG criteria. If we cannot satisfy existing or new ESG criteria, investors may conclude that our corporate responsibility policies are inadequate. We risk damage to our reputation if our corporate responsibility procedures, standards or policies do not meet the standards set by various ESG focused groups. Alaris has made, and may need to make future, substantial investments in matters related to ESG which require significant investment and resources. Any failure in our decision-making or investments related to ESG could affect investor perceptions of Alaris. Furthermore, we cannot control the ESG approach taken by our current or potential Partners. If we communicate specific ESG goals or initiatives, we could fail, or be perceived to fail, in our achievement of such goals or initiatives, or we could be criticized for the scope of such goals or initiatives. If we, directly or indirectly through our Partners, fail to satisfy the ESG expectations of investors and other key stakeholders or our ESG goal or initiatives are not executed as planned, our reputation could be materially and adversely affected.

RISKS RELATING TO OUR MATERIAL PARTNERS

Our material Partners face several business, operational and other risks which, if realized, could have a material impact on our operating results and conditions. These risks are outlined in more detail below.

Risks Relating Specifically to BCC

Lawsuits	Any business performing medical procedures has a higher probability of facing lawsuits in the US than most, even minimally invasive procedures such as those Sono Bello completes. Medical malpractice lawsuits are common in this space and can have a material impact on the business. BCC has appropriate levels of insurance coverage to manage historical lawsuit risks.
Consumer discretionary	BCC performs elective procedures, primarily minimally invasive liposuction. This elective procedure is driven by pricing and consumer spending. If consumers have less disposable income they tend to cut out consumer discretionary spending and focus on core spending. This could have a negative impact on BCC's business. The price point of a typical procedure at BCC is not as significant as other more invasive cosmetic procedures but it is high enough that during recessionary times they will see a pull back in revenue.
Growth of new territories	BCC continues to grow through expansion which comes with the risk that not all new locations produce the returns realized at current ones. Not all markets are created equal and therefore could have substantially different results. Ambitious growth initiatives open the door to execution risk. The team in place at BCC has successfully taken the business through various stages of growth thus far and has executed very well. However, execution risk remains.
Competition	Barriers to entry are time and money in order to get the scale Sono Bello has. However, there are groups that could follow Sono Bello's lead given the growth prospects and profitability of the industry. Competition in the cosmetic procedures business is regional but substantial and growing. On a national level and in the procedures of focus for BCC, they are the dominate player and on a national scale any new competitors will take time to grow to BCC's size and scale. However, new entrants can put pressure on pricing and BCC may not be able to compete with competitors in regions where BCC plans to expand due to existing brand loyalty. Competitors may attempt to copy BCC's business model, or portions thereof, which could erode market share and impair profitability. This competition may limit their ability to attract and new customers, which could materially affect their results of operations and financial condition.
Reliance on IT	BCC relies heavily on their IT systems and the security within, both for lead generation and closing leads, but also on the security front to ensure the confidentiality of the information provided by customers. If the confidentiality and integrity of their customer's personal data, including banking information, aren't upheld then their reputation and business could be materially impacted.
Social acceptance of minimally invasive procedures	Changes in the acceptance of cosmetic procedures (negative image) could lead to a reduction of people that would be willing to have a cosmetic surgery procedure.
Brand Reputation	Sono Bello is a brand in a vanity driven industry. If something was to hurt the image of Sono Bello (customer complaints, lawsuits, botched procedures and even death) it could severely damage Sono Bello's brand and thus the profitability of the business.

Risks Relating Specifically to PFGP

Additional franchise operations may be limited	PFGP is a franchisee of Planet Fitness. As such, PFGP's operations depend, in part, on decisions made by the Planet Fitness franchisor, including decisions relating to pricing, advertising, policy and procedures and approvals required for acquisitions and territory expansion. Business decisions made by the franchisor could impact PFGP's operating performance and profitability. In addition, PFGP must comply with the terms of its franchise agreements with the franchisor and its applicable land development agreements. A failure to comply with such obligations or a failure to obtain renewals on any expiring franchise agreements could adversely affect PFGP's operations.
Brand loyalty	PFGP relies on the other franchisees to uphold the Planet Fitness brand. Franchisees

	are contractually obligated to operate their stores under the standards outlined in the agreements with the franchisor. However, the other franchisees are independent third parties whose actions are outside of the control of PFGP.
Performance amongst new clubs	PFGP continues to expand, which comes with the risk that not all new clubs produce the same returns as current clubs. Further, there is a risk of ensuring new clubs are not within close enough proximity to existing stores that would negatively impact the existing stores' results.
High level of competition	The high level of competition in the health and fitness industry could materially and adversely affect their business. PFGP may not be able to compete effectively in the markets in which they operate. Competitors may attempt to copy their business model, which could erode market share and impair profitability. This competition may limit their ability to attract and retain existing members and their ability to attract new members, which in each case could materially and adversely affect their results of operations and financial condition.
Reliance on IT	PFGP relies heavily on their IT systems and the security within, both for ease of service with their point-of-sale processing systems and the security front to ensure the confidentiality of the information provided by customers. If the privacy and integrity of their customer's data, including member banking information, are not upheld, PFGP's reputation and business could be materially impacted.

RISKS RELATING TO ALL OF OUR PARTNERS, GENERALLY

Along with the risks relating specifically to our material Partners, several other risks impact all of our current and future Partners collectively, which, if realized, could have a material impact on our operations and financial condition, as described below.

HOW A PARTNER IS LEVERAGED MAY HAVE ADVERSE CONSEQUENCES TO THEM

Leverage may have important adverse consequences on our Partners. Partners may be subject to restrictive financial and operating covenants. Leverage may impair our Partners' ability to finance their future operations and capital needs and continue paying Distributions. As a result, their flexibility to respond to changing business and economic conditions and business opportunities may be limited. A leveraged company's income and net assets will increase or decrease faster than if the borrowed money was not used.

OUR PARTNERS RELY ON KEY PERSONNEL

Often, a private business's success depends on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on a Partner's operations or ability to access additional capital, qualified personnel, expand or compete. See also, "*Risk Factors – Operational and Financial Risk Factors Relating to our Business*" and "*Our Partners and we rely heavily on key personnel*".

PUBLIC HEALTH CRISES, EPIDEMICS AND PANDEMICS MAY NEGATIVELY IMPACT OUR PARTNERS' BUSINESS CONTINUITY

New and infectious diseases such as COVID-19 may disrupt a Partner's ability to carry on business in the ordinary course. In addition, the disruption to supply chains, overall market sentiment, credit rating, political and governmental reaction and risks to employee health and safety due to such health crises may result in a slowdown or temporary shutdown of the operations of our Partners or any of them. The full risks associated with the ongoing COVID-19 pandemic have not yet been realized, and, accordingly, there may be other unknown impacts to our Partners' businesses as a result.

A LACK OF FUNDING FOR OUR PARTNERS COULD HAVE ADVERSE CONSEQUENCES TO THEM

Each of our Partners may continue to require additional working capital to conduct their existing business activities and expand their businesses. Our Partners may need to raise additional funds through collaborations with corporate partners, including Alaris, or through private or public financings to support their long-term growth efforts. If adequate funds are unavailable, our Partners may need to curtail their business objectives in one or more areas. There can be no assurance that unforeseen developments or circumstances will not alter a Partner's capital requirements. No assurance can be given that additional financing will be available on acceptable terms, if at all.

FAILURE TO REALIZE ANTICIPATED BENEFITS OF ACQUISITIONS, NEW BUSINESS LINES OR LOCATIONS

The business model for many of our Partners includes acquiring businesses and assets or growth through expanding to new locations. In addition, a Partner's business could launch a new business line or service offering. Achieving the benefits of acquisitions, new business lines, new locations and other transactions depends on, among other things, successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, allocating appropriate resources, including management time, and a Partner's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses, assets and operations with those of their own. The integration of acquired businesses, new business lines or locations may require substantial management effort, time and resources diverting management's focus from other strategic opportunities and operational matters. A failure to realize the anticipated benefits of such acquisitions, new business lines or locations could have a material adverse impact on a Partner's operations and therefore on our operations.

OUR PARTNERS MAY SUFFER DAMAGE TO THEIR BRAND REPUTATIONS

Damage to our Partners' brands or reputation, or the reputation of the brands of suppliers of products that the Partners offer, could result from events out of our Partners' control. This damage could negatively impact consumer opinion of our Partners or their related products and services, which could harm the Partners' performance.

OUR PARTNERS FACE INTENSE COMPETITION

Our Partners may face intense competition, including competition from companies with greater financial and other resources, more extensive development, manufacturing, marketing, other capabilities and more qualified managerial and technical personnel. There can be no assurance that our Partners will be able to compete against their respective competitors successfully or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows and therefore their ability to pay Distributions.

CHANGES IN THE INDUSTRY IN WHICH THE PARTNERS OPERATE

Our Partners operate in several different industries, some of which are heavily regulated. A change in the regulatory regime of such industries or a material change in the economic factors specific to any industry in which our Partners operate could have a material impact on the operations of such Partners and therefore could have an adverse impact on their ability to pay Distributions.

RISKS REGARDING LEGAL PROCEEDINGS INVOLVING OUR PARTNERS

During the course of their operations, our Partners may be subject to or involved in lawsuits, claims, regulatory proceedings or other litigation matters for amounts not covered by their liability insurance. Some of these proceedings could result in high costs and restraints on a Partner's operations, which could negatively impact their ability to pay Distributions and therefore could have a material impact on our financial performance.

THERE COULD BE MATERIAL ADJUSTMENTS TO FINANCIAL INFORMATION ONCE AN ANNUAL AUDIT IS CONDUCTED

Alaris receives unaudited internal financial information from each of its Partners throughout the year and bases certain estimates on this information, including the ECRs Alaris discloses throughout the year. Upon conducting an audit of the annual information, there could be material adjustments to the financial statements used by us in determining such estimates, and therefore Alaris may have to change certain guidance that it had previously given to its Unitholders. The adjustments could also impact financial covenants that our Partners have with their lenders and thus could impact Distributions.

CUSTOMER CONCENTRATION

At times, some Partners may have a single customer concentration or only a handful of customers that make up a large portion of their revenues. If there is a loss of one or some of these customers, there could be a material impact on a Partner's business and its cash flows, which could have a material impact on the Partner's ability to pay Distributions.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements (collectively, "forward-looking statements") under applicable securities laws, including any applicable "safe harbor" provisions. 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 of the Trust and the Partners, the future financial position or results of the Trust, business strategy and plans and objectives of or involving the Trust or the Partners. 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. In particular, this MD&A contains forward-looking statements regarding: the anticipated financial and operating performance of the Partners, including resets on Distributions; the ECR for the Partners; the Trust's Run Rate Payout Ratio, Run Rate Cash Flow and Run Rate Revenue; the repayment of PFGP's and Brown and Settle's deferred Distributions, including the timing thereof; the impact of new investments and follow-on investments; expected resets of Distributions in 2022; the Trust's consolidated expenses; expectations regarding receipt (and amount of) any common equity distributions or dividends from Partners in which Alaris holds common equity, including the impact on the Trust's net cash from operating activities, Run Rate Revenue, Run Rate Cash Flow and Run Rate Payout Ratio; the use of proceeds from the senior credit facility; the CRA proceedings (including the expected timing and financial impact thereof); potential Partner redemptions, including the timing, if at all, thereof and the amounts to be received by the Trust (including, specifically, the potential Kimco redemption); Q1 2022 and annual 2022 revenue; the Trust's expenses for Q1 2022 and annually; annualized net cash from operating activities; changes in Distributions from Partners; the proposed resolutions to any outstanding issues with certain Partners; the timing for collection of deferred or unpaid Distributions; impact of new deployment; impact of changes to the U.S./Canadian dollar exchange rate; and Alaris' ability to deploy capital to and attract new private businesses to invest in. To the extent that any forward-looking statements herein constitute a financial outlook or future oriented financial information (collectively, "**FOFI**"), including estimates regarding revenues, expenses, distributions to be paid, the impact of capital deployment and changes in Distributions from Partners (including expected resets, restarting full or partial Distributions and common equity distributions), Run Rate Payout Ratio, Run Rate Revenue, Run Rate Cash Flow and net cash from operating activities, 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. Readers are cautioned that the assumptions used in the preparation of forward-looking statements, including FOFI, although considered reasonable at the time of preparation, based on information in Alaris' possession as of the date hereof, may prove to be imprecise. In addition, there are a number of factors that could cause Alaris' actual results, performance or achievement to differ materially from those expressed in, or implied by, forward looking statements and FOFI, or if any of them do so occur, what benefits the Trust will derive therefrom. As such, undue reliance should not be placed on any forward-looking statements, including FOFI.

By their nature, forward-looking statements require Alaris to make assumptions and are subject to inherent risks and uncertainties. Assumptions about the performance of the Canadian and U.S. economies over the next 24 months and how that will affect Alaris' business and that of its Partners (including, without limitation, the ongoing impact of the COVID-19) are material factors considered by Alaris management when setting the outlook for Alaris. Key assumptions include, but are not limited to, assumptions that: the Canadian and U.S. economies will continue to stabilize from economic downturn created by COVID-19 and will not be detrimentally impacted over the next twelve months; interest rates will not rise in a material way over the next 12 months, that those Partners previously affected by COVID-19 will not see a detrimental impact from COVID-19 over the next 12 months; following a recovery from the COVID-19 impact, the businesses of the majority of the Partners will continue to grow; more private companies will require access to alternative sources of capital; the businesses of new Partners and those of existing partners will perform in line with Alaris' expectations and diligence; and that Alaris will have the ability to raise required equity and/or debt financing on acceptable terms. Management of Alaris has also assumed that that the Canadian and U.S. dollar trading pair will remain in a range of approximately plus or minus 15% of the current rate over the next 6 months. In determining expectations for economic growth, management of Alaris primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies as well as prevailing economic conditions at the time of such determinations.

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 ongoing impact of the COVID-19 pandemic on the Trust and the

Partners (including, without limitation how many Partners will experience a slowdown or closure of their business and the length of time of such slowdown or closure); management's ability to assess and mitigate the impacts of COVID-19; the dependence of the Trust on the Partners; risks relating to the Partners and their businesses; reliance on key personnel; general economic conditions, including the ongoing impact of COVID-19 on the Canadian, U.S. and global economies; 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; an inability to redeploy any redemption proceeds in a timely fashion or at all; a failure to collect proceeds on a redemption in line with expectations or at all; unpredictability and potential volatility of the trading price of the Trust's units; fluctuations in the amount of cash distributions; income tax related risks; ability to recover from the Partners for defaults under the various agreements with Alaris; potential conflicts of interest; dilution; 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 Alaris at expected Distribution levels or restart Distributions (in full or in part); a failure to collect material deferred Distributions; a material change in the operations of a Partner or the industries in which they operate; a failure to realize the benefits of any concessions or relief measures provided by Alaris to any Partner or to successfully execute an exit strategy for a partner where desired; a failure to obtain by the Trust 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 Trust'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, identifies additional factors that could affect the operating results and performance of the Trust. 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 Trust'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 Trust and no material changes to the business of the Trust or current economic conditions that would result in an increase in general and administrative expenses.

The Trust has included the forward-looking statements and FOFI in order to provide readers with a more complete perspective on Alaris' future operations and such information may not be appropriate for other purposes. The forward-looking statements, including FOFI, contained herein are expressly qualified in their entirety by this cautionary statement. Alaris disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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 Alaris, including Alaris' Annual Information Form, is on available on SEDAR at www.sedar.com or under the "Investors" section of Alaris' website at www.alarisequitypartners.com.