



# INVESTOR PRESENTATION

MAY 2023



# FORWARD LOOKING STATEMENTS

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This corporate presentation 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 presentation 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 presentation contains forward-looking statements regarding: the anticipated financial and operating performance of the Partners; the ECR for the Partners; the Trust’s Run Rate Payout Ratio and Run Rate Revenue; the impact of the new investments in within the last 12 months as well as the follow-on investments, including, without limitation, the expected yield therefrom and the impact on the Trust’s net cash from operating activities, Run Rate Revenue, Run Rate Cash Flow and Run Rate Payout Ratio; the Trust’s consolidated expenses; expectations regarding receipt (and amount of) any common equity distributions 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 amount of the Trust’s distributions to unitholders (both quarterly and on an annualized basis); 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, and amounts thereof; annualized net cash from operating activities; Run Rate Revenue and Run Rate Cash Flow; changes in Distributions from Partners; the proposed resolutions to outstanding issues with certain Partners; the timing for collection of deferred or unpaid Distributions; impact of new deployment; Alaris’ ability to deploy capital to and attract new private businesses to invest in and restarting Distributions from Partners not paying full contractual amounts; the impact of Alaris’ ESG Policy & Report. 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 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.



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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, any ongoing impact of the COVID-19 and global economic and political factors) 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, the Russia/Ukraine conflict and global supply chain issues and will not be detrimentally impacted over the next twelve months; interest rates will not rise in a material way from market expectations 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; that those Partners detrimentally affected by COVID-19 and global economic factors (including the Russia/Ukraine conflict and global supply chain issues) will recover and return to their pre-pandemic operating environments; 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 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.

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# FORWARD LOOKING STATEMENTS

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The information contained in this presentation, and Alaris' annual management discussion and analysis for the year ended December 31, 2022, 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 presentation 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 presentation are made as of the date of this presentation 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.

# US INVESTOR DISCLOSURE

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The securities of Alaris Equity Partners Income Trust (“Alaris” or the “Trust”) have not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “US Investment Company Act”) and Alaris is relying on the exemption from registration under the US Investment Company Act provided by Section 3(c)(7) of that Act. As such, securities of Alaris, and any beneficial interest therein, may not be purchased, offered, sold, pledged, or otherwise transferred except in accordance with specific restrictions necessary to comply with that exemption. Specifically, securities of Alaris must not be offered, purchased, sold or otherwise transferred or pledged, directly or indirectly, in the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended). In addition, beneficial owners of the securities of Alaris must be restricted to persons that: (a) are located outside the United States and that are not U.S. persons, or (b) are Qualified Purchasers as defined in Section 2(a)(51)(A) of the US Investment Company Act that provide certain certifications confirming that status; and (c) in either case, are not plans that are “employee benefit plans” (within the meaning of Section 3(3)) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”) that are subject to Part 4 of Subtitle B of Title 1 of ERISA, or plans, individual retirement accounts or other arrangements that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, or any other state, local, non-U.S. or other laws or regulations that would have the same effect as the regulations promulgated under ERISA.



## PROFILE

Notes:  
(All unit price data as of closing price on May 9, 2023)

### Corporate Summary

Revenue (3 months ended March 31, 2023)	\$37 Million
Quarterly Distribution	\$0.34 per unit (\$1.36 annually)
Annualized Total Returns since listing date (Nov 2008)	454% (12.4% annualized)
Number of Employees	17

### Market Summary

Ticker Symbol – Trust Units	TSX: AD.UN
Average Daily Volume (3-Month)	118,000
Units Outstanding:	45,479,179 basic
Unit Price:	\$17.61 52 week high: \$19.26 (May 2022) 52 week low: \$14.61 (Sept 2022)
Market Capitalization:	~\$801 million
Unitholder Breakdown: (based on estimates and fully diluted)	Retail- 75% Institutional- 20% Trustees and Officers- 5%
Ticker Symbol – Convertible Debentures	AD.DB
Ticker Symbol – Senior Unsecured Debentures	AD.DB.A

## DEFINING THE BUSINESS

Alaris' long term goal is to create the optimal income stream available for investors

*Alaris provides capital to private businesses using an innovative structure that fills a niche in the private capital markets*



# ACCESS TO PRIVATE EQUITY MARKET

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- The potential for competitive returns by accessing private companies has been traditionally reserved for institutional investors and high-net-worth individuals.
- In 1996, there were more than 8,000 public companies. Today there are approximately 50% less, where only 2% of middle-market companies are publicly traded.
- Without access to private companies, investors may be missing out on the potential to achieve meaningful returns outside of the traded public markets, which can experience unpredictability and daily volatility.
- Alaris offers access into a unique asset class and a way to invest in a portfolio of high-quality, industry leading private companies that have only been accessible to the wealthiest financial institutions.





## INVESTMENT HIGHLIGHTS

***The best companies in the world are never for sale. Alaris' unique investment structure generates attractive returns from a universe of businesses that would be otherwise unavailable to traditional equity investors***

1

Unique investment strategy combines equity like returns with debt like protections

2

Existing portfolio is generating an attractive baseline cash yield of 13%, with potential for incremental growth

3

Robust and consistent investment pipeline

4

Highly scalable business model with low overhead costs, resulting in EBITDA margins in excess of 80%

5

Highly experienced management team with a demonstrated track record of generating realized returns of over 16% on exited investments

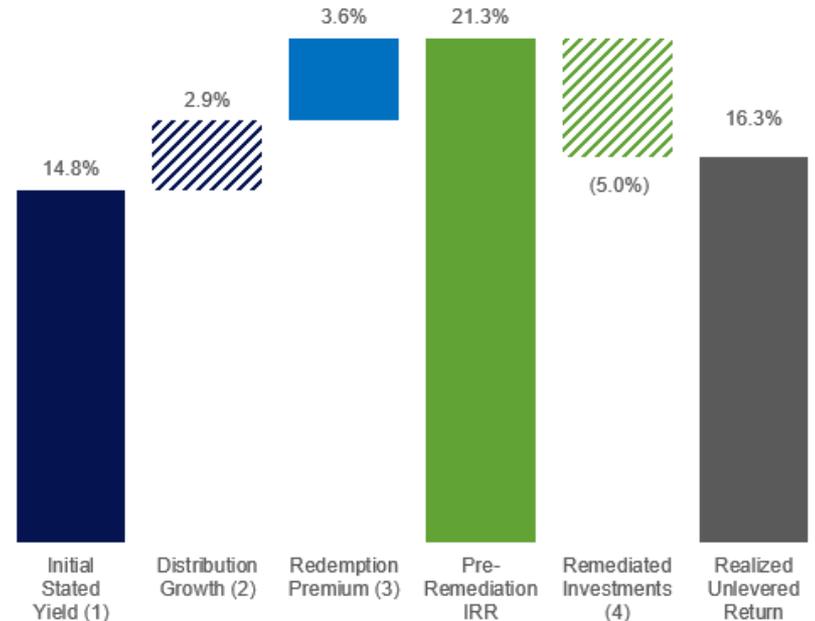
# ALARIS REPRESENTS A UNIQUE ASSET CLASS

## Equity-Like Returns

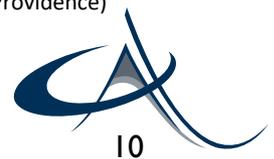
- Attractive initial cash yields with participation in growth through an annual adjustment
- Adjustment tied to top-line growth in the underlying business
- Exposure to market-leading businesses that are not otherwise accessible to traditional equity investors
- In the event its investment is repurchased, Alaris is entitled to receive a premium in addition to the return of its original invested capital

## Debt-Like Protections

- Comprehensive set of rights and remedies
- Consent rights over material changes in the underlying business of the Partner Companies
- Non-payment of distributions constitutes an event of default
- Uncured remedies include the ability to assume a more active role in management, and if necessary, take voting control
- Ultimately, Alaris can require the repurchase of its investment or engage in a controlled sales process
- Remedies for uncured defaults include the ability to assume a more active role in management, and if necessary, take voting control



- (1) Reflects weighted average initial yield of realized investments
- (2) Reflects IRR with impact of distribution adjustments and debt contributions (excludes ccComm, Group SM, KMH, Sandbox, SHS and Providence)
- (3) Reflects incremental IRR achieved from redemption premiums (excludes ccComm, Group SM, KMH, Sandbox, SHS and Providence)
- (4) Reflects impact on IRR from remediated investments (includes ccComm, Group SM, KMH, Sandbox, SHS and Providence)



# BENEFITS TO UNITHOLDERS

## Five Pillars to the Optimal Income Stream

### Low Volatility of Cash Flow

Alaris' preferred distributions are:

- Based on top-line performance and paid in priority to other equity
- Covered by a cash-flow buffer and protective covenants
- Paid monthly/quarterly providing steady cash returns vs returns on an exit
- Volatility reducing collars on >90% of current distributions

### Visibility of Cash Flows

- Alaris adjusts its distributions from Partners on an annual basis
- Financial health of Partners is monitored closely each month
- The Trust has relatively low SG&A expenses relative to profitability which has proven the scalability of the model

### Diversification of Revenue Streams

- Currently have 19 Partners
- Long-term goal is to have no single revenue stream >10% of total revenue (currently two partners >10% of revenue)

### Liquidity for Unitholders

- Average daily trading volumes provide adequate liquidity for unitholders

### Growth in Cash Flow per Unit

- Historic organic growth in Partner revenues of 1% to 8% per year
- Add to cash flow per unit through accretive capital deployment



# BENEFITS TO BUSINESS OWNERS

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<b>Non-Voting Preferred Equity</b>	Allows the entrepreneur to continue to run their successful businesses with minimal interference by Alaris.
<b>Long-Term Capital Partner</b>	Alaris does not require an exit, which allows the entrepreneur to focus on long-term goals rather than short-term goals of its equity sponsor.
<b>Tax Efficient</b>	The distributions paid to Alaris are essentially pre-tax as they lower the taxable income of remaining partners.
<b>Lower Participation in Growth</b>	Alaris reduces its participation in the growth of the business through the use of collars on its distribution and by basing the performance metric on the organic change in the business versus total growth.

# BENEFITS TO BUSINESS OWNERS

## Alaris versus other sources of capital: Why choose Alaris?

	Debt	Alaris	Traditional Private Equity
<b>Operating Control</b>	None	<b>None</b>	Needs Control
<b>Time Horizon</b>	3-5 Years	<b>Indefinite</b>	3-6 Years
<b>Growth Participation</b>	Minimal	<b>Partially Capped</b>	Full Carry
<b>Future Funding</b>	Maxes Out	<b>Unlimited</b>	Maxes Out
<b>Dilution</b>	Warrants	<b>Preferred Shares</b>	Common Equity
<b>Deal Fees</b>	Yes	<b>No</b>	Yes

# ALARIS' IDEAL PARTNER CRITERIA

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## Old Economy Business

- Required services or products in mature industries
- Businesses with a risk of obsolescence or a declining asset base are not a good fit

## Track Record of Free Cash Flow

- Alaris looks at historical free cash flow to predict sustainability of its distribution
- More free cash flow is required if a business displays more volatility of cash flows

## Low Debt Levels & Capital Expenditure Requirements

- Debt levels can vary amongst our Partners depending on industry, but typically a business must have low levels of debt in its capital structure
- If a business requires excessive capital expenditures to maintain current cash flow it is likely not a candidate for Alaris

## Management Continuity

- Alaris does not manage the business of its Partners, therefore it relies on the ownership group/management team to continue to run the business
- Alaris invests in companies that are “not for sale”, where management wants to stay in and grow instead of exiting



## PARTNER REVENUE SUMMARY

Partner	Annual Distribution	
	(CAD\$millions) <sup>(1)</sup>	% of total
Body Contour Centers	\$ 18.5	11.8%
PF Growth Partners <sup>(2)</sup>	17.4	11.1%
DNT	15.6	10.0%
Accscient	13.0	8.3%
D&M	12.2	7.8%
Brown & Settle	11.3	7.2%
GWM Holdings	11.2	7.1%
3E	8.0	5.1%
Amur Financial	6.9	4.4%
Edgewater	5.7	3.6%
FMP	5.7	3.6%
SCR <sup>(3)</sup>	4.5	2.9%
LMS <sup>(4)</sup>	4.0	2.6%
Sagamore	4.0	2.6%
Fleet	4.0	2.6%
Heritage	3.9	2.5%
Carey Electric	2.4	1.5%
Unify	2.2	1.4%
Stride	0.8	0.5%
<b>Total Annualized Partner Revenue</b>	<b>\$ 151.3</b>	<b>96.6%</b>
Common Equity Dividends <sup>(5)</sup>	5.4	3.4%
<b>Total Revenue</b>	<b>\$ 156.7</b>	<b>100.0%</b>

(1) These are expected amounts for the next 12 month period and for those denominated in USD based on a rate of USDCAD \$1.34.

(2) Alaris and PFGP agreed to a payment plan on US\$9.1 million of deferred distributions owed that began to be repaid in January 2022. As of April 2023, PFGP had US\$3.5 million remaining to pay and included here is US\$0.2 million of deferred distributions per month.

(3) SCR is paying partial distributions to Alaris of \$0.35 million per month (\$4.2 million annually). SCR and Alaris have agreed where in addition to the base annual amount of \$4.2 million, SCR will pay an amount semi-annually based on the free cash flow of their business. Estimated additional cash flow sweep for the next twelve months is US\$0.3 million.

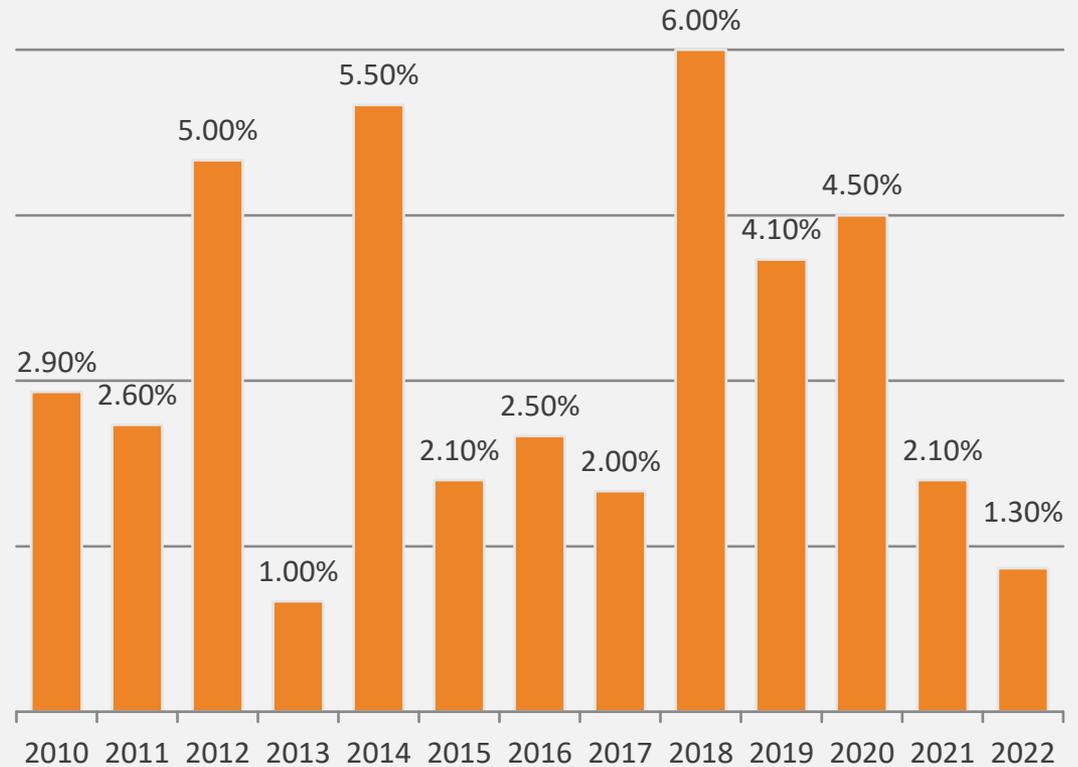
(4) LMS are deferring their distributions to Alaris for Q1 and Q2 2023 and therefore included here is partial distributions for the next 12 month period.

(5) Common Equity Dividends is an estimated amount and could include amounts from Accscient, Amur, Carey, D&M, Edgewater, Fleet, FMP, Heritage and Sagamore.



PARTNER  
REVENUE  
SUMMARY

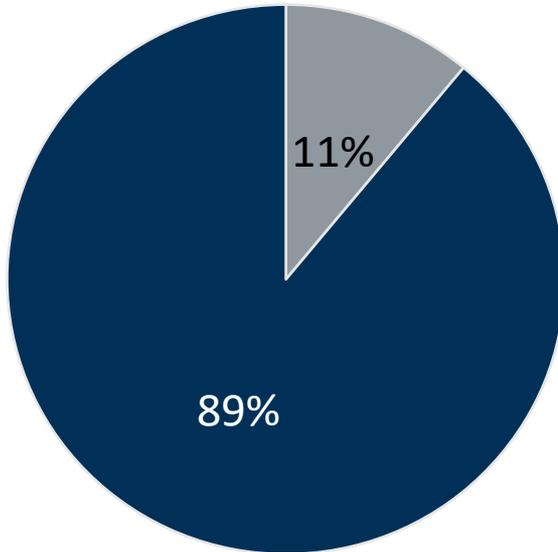
## Overall Historical Preferred Equity Resets



# DIVERSIFICATION

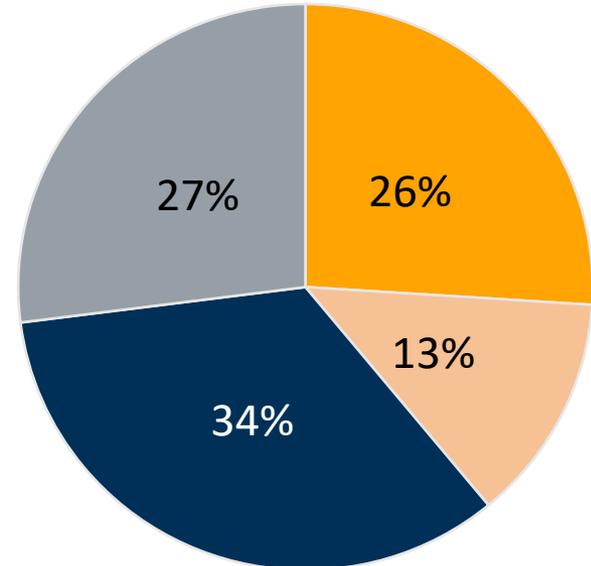
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Investment by Country



■ Canada ■ US

Investment by Industry Segment



■ Consumer Products/ Services  
■ Consumer Financial Services  
■ Business Services  
■ Industrial

- Alaris has approximately **89%** of its fair value of investments in US based companies.
- Today, **34%** of invested dollars are exposed to business services, **27%** to industrials, **26%** consumer products and services and **13%** to consumer financial services.

# RETURNS FROM EXITS TO DATES

- Alaris has generated \$573.9 million in total returns (+65%) on partners that have either repurchased all of Alaris' units, ceased operations or where Alaris carries no fair value for preferred units from such partner.
- The monthly or quarterly distributions Alaris receives from its Partners ensures Alaris is getting a return on investment from Day 1, rather than on an exit event. This greatly reduces the investment risk.

<i>\$millions CAD</i>	Initial Investment Date	Number of Years Invested	Capital Invested	Distributions Received	Exit Capital Received	Total Return	% total Return	IRR %
MAHC <sup>(1)</sup>	Dec-15	1.0	\$ (18.4)	\$ 7.2	\$ 20.0	\$ 8.8	48%	53%
FNC <sup>(2)</sup>	Jan-21	1.8	(40.0)	16.8	51.8	28.6	71%	41%
Sequel	Jul-13	4.2	(77.4)	59.8	120.9	103.3	133%	29%
Agility	Dec-12	5.4	(20.2)	18.5	28.3	26.5	131%	25%
LifeMark	Dec-04	11.3	(67.5)	75.6	123.4	131.5	195%	24%
MediChair	Sep-05	6.8	(6.5)	6.4	10.0	9.9	152%	24%
SBI	Aug-17	2.4	(106.8)	42.7	122.7	58.6	55%	24%
EOR	May-05	13.2	(7.2)	17.4	12.6	22.8	317%	22%
Killick	Jul-11	4.0	(41.3)	19.7	45.0	23.5	57%	20%
Quetico	Nov-11	3.0	(28.2)	13.1	30.4	15.4	55%	19%
Federal Resources	Jun-15	6.3	(84.0)	81.6	100.3	97.9	116%	19%
Labstat	Jun-12	6.0	(47.2)	43.8	61.3	57.9	123%	19%
Solowave	Dec-10	5.8	(42.5)	31.9	44.5	33.9	80%	17%
Kimco	Jun-14	7.8	(43.1)	47.1	55.0	59.1	137%	13%
ccComm	Dec-16	4.5	(25.0)	6.7	15.0	(3.3)	-13%	-6%
KMH	May-10	7.0	(54.8)	21.3	14.3	(19.3)	-35%	-11%
Sandbox <sup>(3)</sup>	Mar-16	3.9	(78.9)	25.7	33.7	(19.5)	-25%	-16%
Providence <sup>(4)</sup>	Mar-16	4.7	(38.9)	21.0	-	(17.9)	-46%	-27%
SHS <sup>(5)</sup>	Mar-13	0.9	(15.0)	1.0	1.1	(12.9)	-86%	-44%
Group SM	Nov-13	4.6	(40.5)	9.8	-	(30.7)	-76%	-67%
<b>Totals</b>			<b>\$ (883.3)</b>	<b>\$ 566.9</b>	<b>\$ 890.4</b>	<b>\$ 573.9</b>	<b>65%</b>	

(1) MAHC repurchased Alaris' units after 1 year, resulting in an additional 24 months of distributions being paid to Alaris on exit. This resulted in an IRR much higher than what is expected.

(2) Alaris' return on the FNC investment includes both preferred and common equity returns.

(3) Sandbox exit capital received excludes an additional US\$4.0 million currently held in escrow. Returns on senior debt are included.

(4) Providence is expected to be wound up and Alaris does not anticipate any proceeds from such process.

(5) SHS went into receivership in December 2013, therefore no exit capital was received.



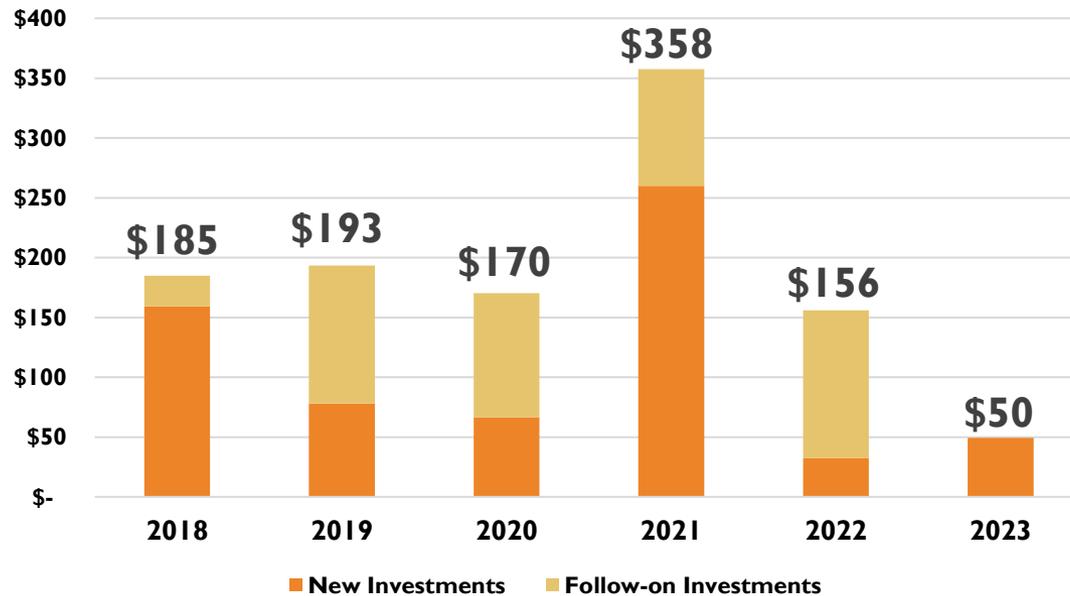
# EARNINGS COVERAGE HEAT MAP

- The table to the right displays the range of earnings coverage ratios (“ECR”) for each of our Partners over the last five quarters. Generally speaking, a ratio above 1.0x provides enough earnings to cover preferred distributions to Alaris, interest and principal payments to lenders as well as unfunded capital expenditures.
- Of the 19 partners listed, one is <1.0x, seven are in the 1.2x to 1.5x range, four are in the 1.5x to 2.0x range and seven have an ECR >2.0x.
- In Q4-22 as compared to Q1-23, one Partner is new, sixteen had no change in the ECR range and two had a decrease to their ECR range.

Partner	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23
DNT	>2.0x	>2.0x	>2.0x	>2.0x	>2.0x
Planet Fitness	1.2x-1.5x	1.2x-1.5x	1.2x-1.5x	1.2x-1.5x	1.2x-1.5x
LMS	1.5x-2.0x	1.5x-2.0x	1.5x-2.0x	<1.0x	<1.0x
Accscient	>2.0x	>2.0x	1.5x-2.0x	1.5x-2.0x	1.2x-1.5x
Unify	>2.0x	>2.0x	>2.0x	>2.0x	>2.0x
Heritage	>2.0x	>2.0x	>2.0x	>2.0x	>2.0x
SCR	1.2x-1.5x	1.0x to 1.2x	1.5x-2.0x	1.2x-1.5x	1.2x-1.5x
Fleet	>2.0x	>2.0x	>2.0x	>2.0x	>2.0x
Body Contour Centers	>2.0x	>2.0x	>2.0x	1.2x-1.5x	1.2x-1.5x
GWM Holdings	1.5x-2.0x	1.5x-2.0x	1.2x-1.5x	1.2x-1.5x	1.2x-1.5x
Amur Financial	>2.0x	>2.0x	>2.0x	>2.0x	>2.0x
Stride	1.5x-2.0x	>2.0x	>2.0x	1.5x-2.0x	1.5x-2.0x
Carey Electric	>2.0x	>2.0x	>2.0x	>2.0x	>2.0x
Edgewater	1.0x to 1.2x	1.2x-1.5x	1.2x-1.5x	1.5x-2.0x	1.5x-2.0x
Brown & Settle	1.2x-1.5x	1.5x-2.0x	1.5x-2.0x	1.5x-2.0x	1.5x-2.0x
3E	1.5x-2.0x	1.2x-1.5x	1.2x-1.5x	1.5x-2.0x	1.2x-1.5x
D&M	>2.0x	>2.0x	1.5x-2.0x	1.5x-2.0x	1.5x-2.0x
Sagamore	N/A	N/A	N/A	>2.0x	>2.0x
FMP	N/A	N/A	N/A	N/A	1.2x-1.5x

# INVESTMENT HISTORY

## Capital Deployed (\$ millions)



- Since Inception:
  - Invested over \$2.1 billion in 39 Partners and more than 90 tranches
  - Collected over \$1 billion of distributions
  - Over \$850 million of capital received through exit events (repurchases)
- 5 year average of ~\$186 million of gross capital deployed
- In fiscal 2023, Alaris has deployed approximately \$50 million year-to-date.



## BALANCE SHEET

Summary of Dept Capacity and Covenants Millions CAD\$ Figure 1	Proforma May 9, 2023
Senior debt outstanding	\$203.0
Senior debt to EBITDA	1.44x
Senior debt to EBITDA Covenant <sup>(1)</sup>	3.0x <sup>(1)</sup>
Credit Available for Investment Purposes	\$247.0
Debentures Outstanding	\$165.0 <sup>(3)</sup>
Current Fixed Charge Ratio	2.13:1.00 <sup>(2)</sup>
Fixed Charge Covenant	1.00:1.00
Tangible Net Worth (TNW)	\$892.2 <sup>(2)</sup>
TNW Covenant	\$550.0

(1) This covenant includes a maximum funded debt to contracted EBITDA of 2.5:1 and can be increased to 3.0:1 for up to 90 days.

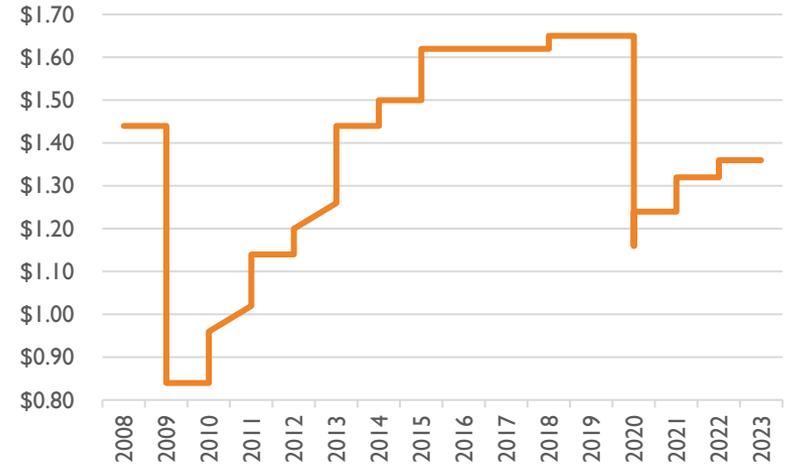
(2) Calculated as of March 31, 2023.

(3) Alaris has \$100 million face value of Convertible Debentures bearing interest of 5.50% per annum, payable semi-annually with a maturity of June 30, 2024. Alaris also has \$65 million face value of senior debentures bearing interest of 6.25% per annum, payable semi-annually with a maturity of March 31, 2027.

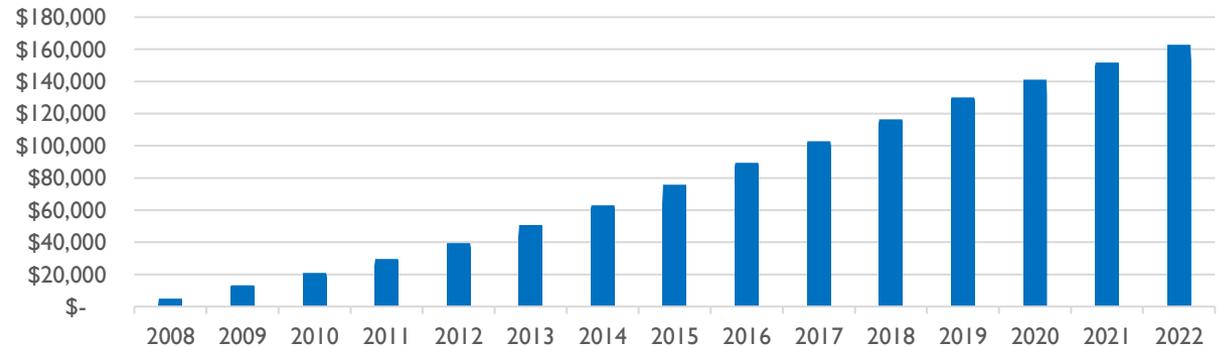
# DISTRIBUTION HISTORY & SUSTAINABILITY

- Since 2008 Alaris has provided consistent dividend income through its monthly dividend, and now, through trust distributions.
- In March 2020, Alaris reduced the dividend due to the expected impact that COVID-19 would have on Partner Distributions, as well as moved from monthly to quarterly dividends. Since that time, Alaris has operated with a goal of remaining below a 70% Run Rate Payout Ratio and as the Run Rate Payout Ratio decreases over time, we intend to continue to increase the distributions to unitholders accordingly.
- Since inception, Alaris has paid over 160 consecutive monthly or quarterly dividends/distributions totaling more than \$19.88 per share/unit and over \$610 million gross.
- If you were to have invested \$100,000 at the IPO price of \$12 per share in 2008 you would have received a cumulative total of \$165,750 in dividends/distributions (table to the right) and your initial investment would be worth \$145,000 on May 9, 2023 (based on closing price of \$17.61) for a total return of \$312,500.

## Annualized Distribution History



## Cumulative Dividends/Distributions from \$100,000 investment at IPO of \$12 per share



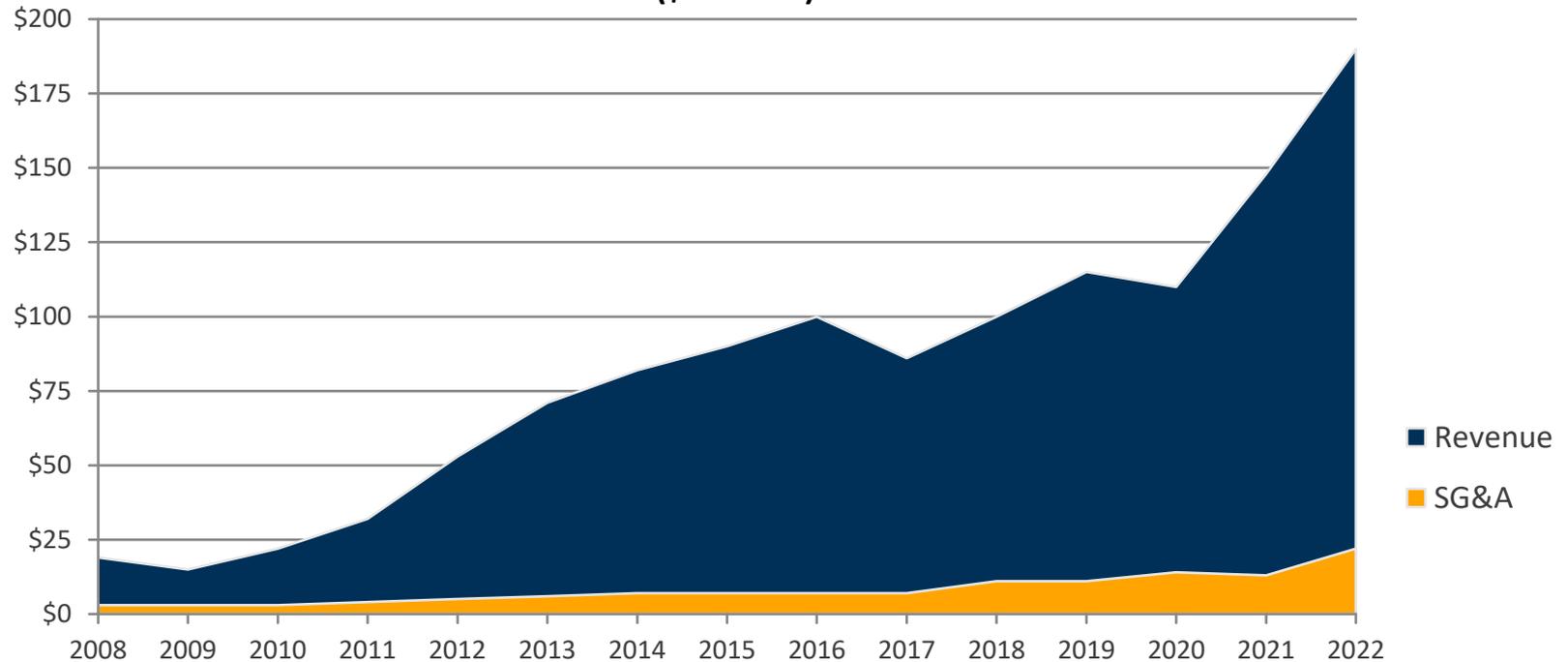
# DISTRIBUTIONS – TAX INFORMATION

In 2022, Alaris distributed \$1.33 per trust unit to unitholders. Unitholders will pay tax on such distributions based on the *character* of the distributions. As shown in the table below, 68.46% of the distributions are taxed as *Regular Income* in the hands of the unitholders, 4.24% of distributions are taxed as *Dividends*, and 27.30% of distributions are *Return of Capital* (not taxable). The overall blended tax rate for a unitholder is 34.3%. This can be compared to the overall applicable tax rate on a dividend from a corporation in Canada which is 34.3%, as displayed in the right hand column.

	% of Trust Distribution	% of Corporation
Regular Income	68.46%	-
Dividend	4.24%	100%
Return of Capital	27.30%	-
<b>Total Blended Tax Rate</b>	<b>34.3%</b>	<b>34.3%</b>

# SCALABLE MODEL

Revenue as compared to SG&A Expenses  
(\$millions)



- Alaris' unique structure, which gives it protections that allow for a non-controlling investment, allows it to be a monitor of its Partners, not an operator.
- For the addition of every 5 new (net) Partners, Alaris would likely have to add 1 employee to the monitoring team.

# RECENT FINANCIAL RESULTS

## Three months ended March 31, 2023 vs same period 2022:

- **7.3% decrease in revenue from Partners to \$36.7 million**
- **15.3% decrease in cash from operations prior to changes in working capital <sup>1</sup> to \$30.6 million** (excluding one-time legal costs related to litigation)
- **3.3% in distributions declared to \$15.4 million**

## Per Unit highlights:

- **8.0% decrease in revenue from Partners to \$0.81**
- **15.0% decrease in cash from operations prior to changes in working capital <sup>1</sup> to \$0.66** (excluding one-time legal costs related to litigation)
- **3.0% increase in distributions declared to \$0.34**

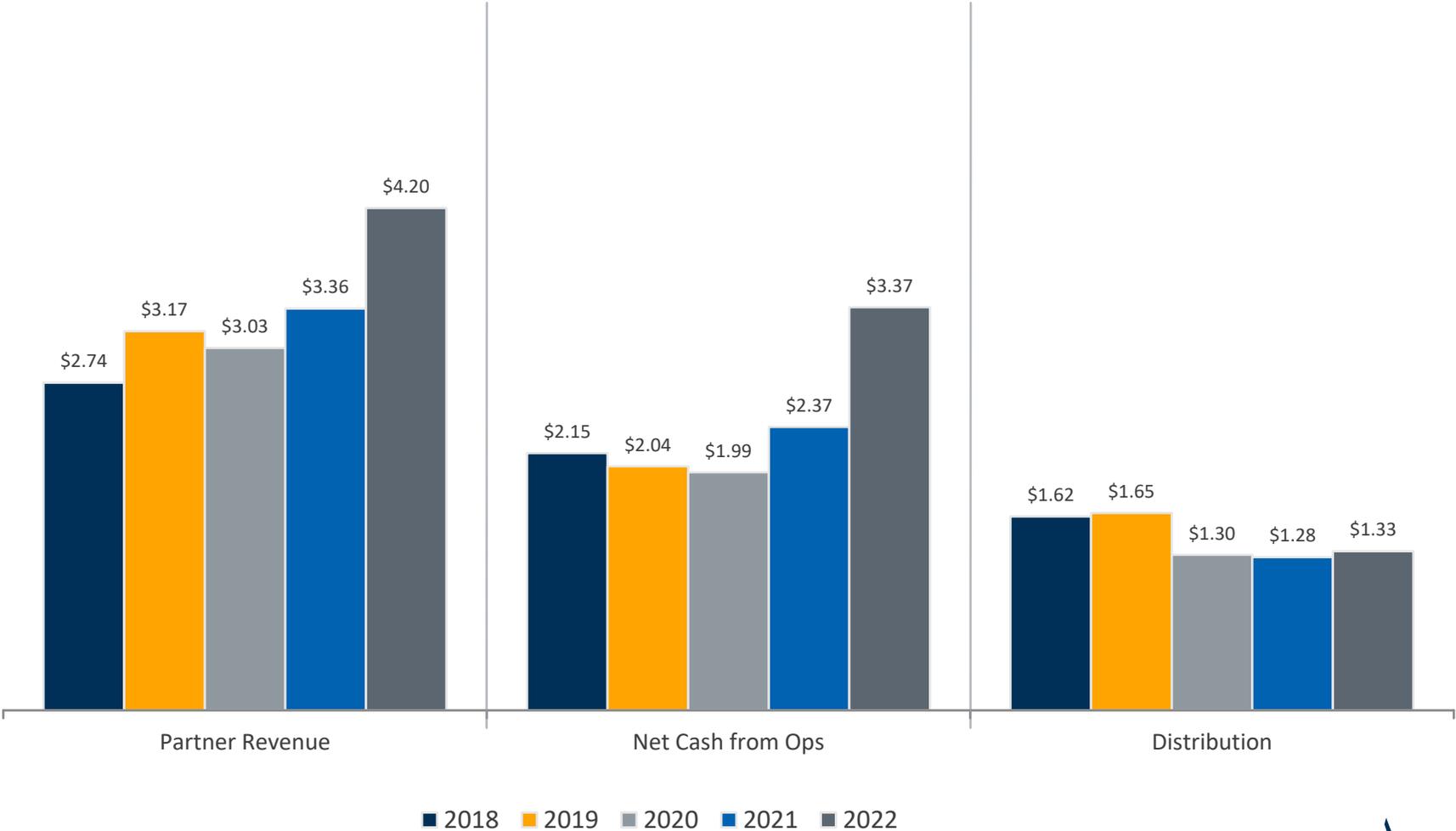
(1) Due to the changes in non-GAAP measures we are no longer presenting normalized EBITDA. Replacing this metric is cash from operations prior to changes in working capital. This metric does include the effects of unit-based compensation expense and current income tax as compared to normalized EBITDA. In prior periods the material normalizing items primarily related to unrealized gains or losses in foreign exchange as well as realized and unrealized gains or losses to investments at fair value. All of which are removed from cash generated from operations prior to working capital adjustments, which is why we've determined it is the most comparable figure within our financial statements.



## HISTORIC FINANCIAL SUMMARY

Millions (CAD \$)	2018A	2019A	2020A	2021A	2022A
Revenue	\$100.08	\$114.97	\$109.47	\$147.66	\$190.05
% Change	12%	15%	-5%	35%	29%
SG&A	\$12.13	\$10.72	\$14.52	\$13.27	\$22.03
% Change	50%	-12%	35%	-9%	66%
Net Cash from Ops	\$78.31	\$74.78	\$71.86	\$104.16	152.42
% Change	16%	-5%	-4%	45%	46%
Distributions Declared	\$59.20	\$60.37	\$48.55	\$57.7	\$60.2
% Change	0%	2%	-20%	19%	4.3%
Payout Ratio	76%	81%	68%	53%	39%
Shares outstanding (millions)	36.50	36.71	39.00	45.15	45.28

# PER UNIT METRICS



# ESG AT ALARIS

## Environmental

Alaris has adopted a phased approach to implementing the

### **Task Force on Climate-Related Financial Disclosures (TCFD)**

recommended guidelines and the Trust is working continuously to improve its strategies around sustainability.

## Social

In 2022:

**Over \$250,000**

was donated to the community through Alaris' charity programs

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**41%** of the total workforce are women

**27%** of all management positions were held by women

**8/19 (~42%)**

of Alaris' Private Company Partners are women/minority-owned businesses

## Governance

**33% Female  
Representation**

currently on Board of Trustees

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**ESG Policy,  
Report &  
Committee**

established as part of our commitment to the accountability and transparency on our approach to ESG

To view the Alaris 2021 ESG Report, please click [here](#) or visit our website at [www.alarisequitypartners.com](http://www.alarisequitypartners.com).

# CORPORATE INFORMATION

Board of Trustees	Committees
Peter Grosskopf, Chairman	
Mitch Shier, Trustee	- Corporate Governance (Chair)
Bob Bertram, Trustee	- Compensation (Chair) - Corporate Governance
Sophia Langlois, Trustee	- Audit (Chair) - Compensation
Kim Lynch Proctor, Trustee	- Audit - Compensation
Steve King, Trustee	

<b>Auditors</b>	KPMG, LLP
<b>Banking Syndicate</b>	Bank of Montreal (co-lead) HSBC Bank Canada (co-lead) ATB Financial National Bank of Canada Royal Bank of Canada Canadian Western Bank The Toronto-Dominion Bank Desjardins Group
<b>Analyst Coverage</b>	Acumen Capital Finance Partners, Trevor Reynolds CIBC World Markets, Nik Priebe Cormark Securities Inc., Jeff Fenwick Desjardins Securities, Gary Ho National Bank Financial, Zachary Evershed RBC Capital Markets, Geoffrey Kwan



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# APPENDICES

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# APPENDIX A: SUMMARY OF PARTNERS (IN US\$ UNLESS NOTED)

Millions (\$)	3E	Accscient LLC	AMUR Financial Group	Body Contour Centers (DBA Sono Bello) <sup>2</sup>	Brown & Settle	Carey Electric
<b>Industry</b>	Industrials: Utility Services	Business Services: IT Consulting and Staffing	Financial Services: Mortgage Origination (home equity)	Consumer Discretionary: Cosmetic Surgery	Industrials: Site Preparation	Industrials: Electrical Contractor Services
<b>Total Alaris Capital Injected</b>	\$39.5	\$62.0 (preferred) \$10.0 (common)	CDN\$50.0 (preferred) CDN\$20.0 (common)	\$145.0	\$53.7 (preferred) \$12.3 (common)	\$13.1 (preferred) \$0.9 (common)
<b>Use of Proceeds</b>	Recapitalization	Recapitalization and growth capital	Partial Liquidity	Partial Liquidity	MBO of Equity Sponsor	Partial Liquidity
<b>Annualized Distributions to Alaris</b>	\$5.99	\$9.70	CDN\$6.87	\$13.83	\$8.45	\$1.77
<b>Annual Reset Metric</b>	Percentage change in gross profit	Percentage change in gross profit	Percentage change in gross revenue	N/A	Percentage change in gross revenue	Percentage change in gross sales
<b>Distribution Collar</b>	+/- 6% per year	+/- 5% per year	+/- 6% per year	N/A	+/- 6% per year	+/- 5% per year
<b>Partner Since</b>	February 2021	June 2017	June 2019	Sept 2018	February 2021	June 2020

Note 1: See the "Private Company Partner Update" section of the Management Discussion and Analysis for the period ended March 31, 2023 for more information related to capital contributed, annualized distributions and earnings coverage ratios.

Note 2: On February 14, 2023, Alaris completed a strategic transaction in which a portion of Alaris' investment in BCC's existing preferred units were exchanged for newly issued convertible preferred units and the remaining portion of BCC's existing preferred units were redeemed. Amount is outlined in the above table are reflective of this transaction and Alaris' investment in the newly issued convertible preferred units.

# APPENDIX A: SUMMARY OF PARTNERS (IN US\$ UNLESS NOTED)

Millions (\$)	DNT Construction	Edgewater Technical Associates	Federal Management Partners	Fleet Advantage	GWM	Heritage Restoration	LMS
<b>Industry</b>	Industrials: Civil Construction Services	Business Services: Professional and Technical Services to the Nuclear Energy Industry	Business Services: Organizational Management Solutions	Business Services: Fleet Management	Business Services: Digital Marketing Solutions	Industrials: Masonry Restoration, Waterproofing and Coating Repair	Industrials: Rebar Fabrication and Installation
<b>Total Alaris Capital Injected</b>	\$62.8	\$30.6 (preferred) \$3.4 (common)	\$30.5 (preferred) \$6.0 (common)	\$20.0 (preferred) \$8.0 (common)	\$76.0 (preferred) \$30.0 (common)	\$17.5 (preferred) \$1.0 (common)	CDN\$60.6 (4 tranches)
<b>Use of Proceeds</b>	MBO of Majority Holder(s)	MBO and partial liquidity	Partial Liquidity	Growth Capital and partial liquidity	MBO of Equity Sponsor	MBO	Estate Planning and growth
<b>Annualized Distributions to Alaris</b>	\$11.68	\$4.26	\$4.27	\$2.97	\$8.40	\$2.95	CDN\$5.31
<b>Annual Reset Metric</b>	Percentage change in gross revenue	Percentage change in gross profit	Percentage change in gross revenue	Percentage change in net revenue	Percentage change in gross revenue	Percentage change in gross profit	Percentage change in gross profit
<b>Distribution Collar</b>	+/- 6% per year	+/- 6% per year	+/- 7% per year	+/- 6% per year	+/- 8% per year	+/- 6% per year	No collar
<b>Partner Since</b>	June 2015	December 2020	April 2023	June 2018	November 2018	January 2018	April 2007

Note 1: See the "Private Company Partner Update" section of the Management Discussion and Analysis for the period ended December 31, 2022 for more information related to capital contributed, annualized distributions and earnings coverage ratios.

# APPENDIX A: SUMMARY OF PARTNERS (IN US\$ UNLESS NOTED)

Millions (\$)	PF Growth Partners	Sagamore	SCR	Stride Consulting	Unify	Vehicle Leasing Holdings, LLC (DBA D&M Leasing)
<b>Industry</b>	Consumer Discretionary: Health and Fitness Clubs	Industrials: Commercial Plumbing, HVAC, and facilities maintenance services	Industrials: Mining Services	Industry: IT Consulting	Business Services: IT Consulting	Financial Services: Auto Leasing
<b>Total Alaris Capital Injected</b>	\$76.9 (Preferred) \$17.7 (Common)	\$20.0 (Preferred) \$4.0 (Common)	CDN\$40.0	\$4.5	\$11.0	\$67.0 (preferred) \$7.5 (common)
<b>Use of Proceeds</b>	Estate planning and growth capital	Growth capital and partial liquidity	Estate planning and growth capital	Growth capital and partial liquidity	MBO of majority owner by minority	Partial Liquidity
<b>Annualized Distributions to Alaris</b>	\$12.95	\$3.00	CDN\$4.50	\$0.59	\$1.66	\$9.11
<b>Annual Reset Metric</b>	Percentage change in same club sales	Percentage change in gross revenue	Percentage change in gross revenue	Percentage change in gross revenue	Percentage change in gross revenue	Percentage change in gross profit
<b>Distribution Collar</b>	+/- 5% per year	+/- 6% per year	+/- 6% per year	+/- 6% per year	+/- 5% per year	+/- 7% per year
<b>Partner Since</b>	November 2014	November 2022	May 2013	November 2019	October 2016	June 2021

Note 1: See the "Private Company Partner Update" section of the Management Discussion and Analysis for the period ended December 31, 2022 for more information related to capital contributed, annualized distributions and earnings coverage ratios.

# NON-GAAP MEASURES & OTHER FINANCIAL MEASURES

The terms EBITDA, Payout Ratio, Run Rate Payout Ratio, Earnings Coverage Ratio, and IRR (collectively the “Non-GAAP and Other Financial Measures”) are financial measures used in this presentation that are not standard measures under International Financial Reporting Standards (“IFRS”). The Trust’s of calculating EBITDA, Payout Ratio, Run Rate Payout Ratio, Earnings Coverage Ratio, and IRR may differ than from methods used by other issuers. Therefore, the EBITDA, Payout Ratio, Run Rate Payout Ratio, Earnings Coverage Ratio, and IRR amounts may not be comparable to similar measures used by other issuers.

**EBITDA** is a Non-GAAP financial measure and refer to earnings determined in accordance with IFRS, before depreciation and amortization, interest expense (finance costs) and income tax expense. EBITDA is 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 is a useful supplemental measure 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 Trust provides a reconciliation of earnings to EBITDA in its quarterly and annual management discussion and analysis.

**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.

**Run Rate Payout Ratio:** is a Non-GAAP financial ratio that refers to Alaris’ total distribution per unit expected to be paid over the next twelve months divided by the free cash flow 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 free cash flow that can be used to either repay senior debt during the next twelve months and/or be used for additional investment purposes.

**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.

**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 terms EBITDA, Payout Ratio, Run Rate Payout Ratio, Earnings Coverage Ratio, and IRR should only be used in conjunction with the Trust’s annual audited and quarterly reviewed financial statements, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

Date of Presentation: Information contained herein is given as of May 9, 2023 unless otherwise stated.



# THANK YOU

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