



MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended December 31, 2025

Basis of Presentation and Cautionary Notes

This Management's Discussion and Analysis ("**MD&A**") is dated March 9, 2026 and should be read together with the audited consolidated financial statements of Alaris Equity Partners Income Trust ("**Alaris**" or the "**Trust**") for the years ended December 31, 2025 and 2024.

The Trust's consolidated financial statements and the notes thereto have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards and are presented in Canadian dollars, rounded to the nearest thousand unless otherwise noted.

Forward-Looking Information

This MD&A includes forward-looking statements that involve known and unknown risks and uncertainties which may cause actual results to differ materially from those anticipated. Forward-looking statements are not guarantees of future performance. Key risk factors and assumptions are discussed under "**Forward-Looking Statements**" and "**Risks and Uncertainties**."

Non-GAAP and Other Financial Measures

Alaris uses certain non-GAAP and other financial measures in evaluating its performance, including:

Net distributable cash flow, Net book value, Acquisition Entities operating costs and expenses, Interest on intercompany loans and dividends paid to the Trust, Earnings Coverage Ratio, Run Rate Payout Ratio, Annualized distribution yield on preferred capital invested, Payout Ratio, Run Rate Revenue, Run Rate Cash Flow, Internal Rate of Return (IRR), Total Partner related changes included in Net gain on Corporate Investments and Total return on capital invested and per-unit measures (collectively, the "**Non-GAAP and Other Financial Measures**").

These measures are not standardized under International Financial Reporting Standards ("**IFRS**") and may not be comparable to similar measures used by other issuers. Definitions and reconciliations are provided in the Non-GAAP and Other Financial Measures section of this MD&A.

Partner Nomenclature

For clarity, the following short-form names are used to refer to Alaris' Partner companies: LMS Management LP and LMS Reinforcing Steel USA LP (collectively, "**LMS**"), SCR Mining and Tunneling, LP ("**SCR**"), Ohana Growth Partners, LLC ("**Ohana**"), formerly known as PF Growth Partners, LLC ("**PFGP**"), DNT Construction, LLC ("**DNT**"), Accscient, LLC ("**Accscient**"), Heritage Restoration Holdings, LLC ("**Heritage**"), Fleet Advantage, LLC ("**Fleet**"), Sono Bello, LLC ("**Sono Bello**" or "**Body Contour Centers**") formerly known as Body Contour Centers, LLC, GWM Holdings, Inc. and its subsidiaries ("**GWM**"), Amur Financial Group Inc. ("**Amur**"), Carey Electric Contracting LLC ("**Carey Electric**"), Edgewater Technical Associates, LLC ("**Edgewater**"), 3E, LLC ("**3E**"), Vehicle Leasing Holdings, LLC, dba D&M Leasing ("**D&M**"), Sagamore Plumbing and Heating, LLC ("**Sagamore**"), Federal Management Partners, LLC ("**FMP**"), The Shipyard, LLC ("**Shipyard**"), Cresa, LLC ("**Cresa**"), The Berg Demo Holdings, LLC. ("**Berg**"), Professional Electric Contractors of Connecticut, Inc. ("**PEC**"), McCoy Roofing Holdings LLC ("**McCoy**"), Renovo Medical Group, LLC ("**Renew**"), and Optimus SBR ("**Optimus**"). Former partner company names are referred to as follows: Brown & Settle Investments, LLC and a subsidiary thereof (collectively, "**Brown & Settle**"), Kimco Holdings, LLC ("**Kimco**"), Stride Consulting LLC ("**Stride**"), and Unify Consulting, LLC ("**Unify**").

Additional information, including the Trust's complete consolidated financial statements and notes, is available on SEDAR+ (www.sedarplus.ca) and at www.alarisequitypartners.com

OVERVIEW OF ALARIS' BUSINESS AND INVESTMENT MODEL

Alaris Equity Partners Income Trust (“Alaris” or the “Trust”) provides long-term capital to established private businesses (“Private Company Partners” or “Partners”) across North America. The Trust’s objective is to generate stable and growing cash distributions to unitholders while preserving capital and participating in the long-term value creation of its Partners.

Alaris typically invests in companies seeking capital for management buyouts, shareholder transitions, growth initiatives, or recapitalizations. The Trust’s approach is partnership-oriented and generally non-control in nature. Unlike traditional private equity investors, Alaris does not seek to control its Partners or operate under a predetermined exit timeline. Unlike conventional lenders, Alaris’ capital is generally long-term and does not require scheduled amortization. This structure allows Partners to pursue strategic objectives while providing Alaris with predictable cash flow characteristics.

How We Invest

The Trust deploys capital through wholly owned subsidiaries (the “Acquisition Entities”), which invest directly into operating businesses. These entities hold Alaris’ preferred and common equity interests and receive distributions from Partners. Cash generated by the portfolio supports distributions to unitholders and reinvestment into new opportunities.

Alaris employs a hybrid investment model that combines income-generating preferred equity with minority common equity participation.

Preferred Equity:

The majority of Alaris’ investments are structured as preferred equity. These securities:

- Provide regular, contractually defined cash distributions, typically paid monthly or quarterly;
- Rank senior to common equity in the capital structure; and
- Include negotiated rights and protective provisions intended to support capital preservation.

Preferred distributions are generally reset annually based on agreed-upon performance metrics, commonly tied to top-line measures such as revenue, gross profit, or same-store sales. This reset mechanism enables participation in Partner growth while maintaining transparency and alignment with operating performance. In addition, predetermined exit mechanics including a premium on redemption tied to the distribution also reinforce the alignment with operating performance.

Common Equity:

In addition to preferred equity, Alaris may acquire common equity interests in its Partners. These investments:

- Enhance alignment with management and other equity holders;
- Provide participation in capital appreciation upon a liquidity event; and
- May generate dividend income where declared.

Select investments may also include performance-based participation features, such as carried interest or structured return enhancements, depending on the transaction.

How We Operate

Alaris operates with a focused team responsible for sourcing, underwriting, and managing its portfolio investments. The Trust’s service subsidiary provides administrative and advisory services to the Acquisition Entities and, in certain cases, third parties. Fee income generated by these services offsets a portion of corporate expenses.

Evolving Investment Strategies

Alaris continually refines its investment strategy to enhance unitholder value. We are exploring complementary investment structures, including the potential to raise and manage third-party capital that would expand our ability to invest in existing and new Partners, particularly in common equity opportunities.

This evolution supports three core objectives:

1. Increase growth and diversification across industries and geographies;
2. Enhance returns through participation in capital appreciation and carried interest; and
3. Deepen relationships with Partners by offering a broader range of capital solutions.

In short, Alaris' hybrid model combines the stability of income-generating preferred equity with the growth potential of common equity participation, positioning the Trust to deliver reliable cash flow and long-term value creation for unitholders.

NON-GAAP AND OTHER FINANCIAL MEASURES

In addition to the IFRS results presented in the Trust's audited consolidated financial statements, the Trust uses a number of non-GAAP financial measures, non-GAAP ratios, supplementary financial measures, and non-GAAP financial measures that are forward looking. These measures are not standardized under IFRS and may not be comparable to similar measures used by other companies. They are provided to give investors additional insight into how management views the company's performance. Definitions, explanations of relevance are provided below. Reconciliations to the most directly comparable IFRS measures, where applicable, are provided in the MD&A's appendix. Forward-looking non-GAAP measures reflect management's current expectations and are subject to the risks and assumptions described under Forward Looking Statements.

Acquisition Entities Operating Costs and Other Expenses & Interest on Intercompany Loans and Dividends Paid to the Trust

Non-GAAP financial measures aggregating specified items from the Acquisition Entities' changes in net assets (liabilities) (see Note 3 of the financial statements), similar in nature to Net gain (loss) on Corporate Investments.

- **Acquisition Entities Operating costs and other expenses** include: Fair value loss on promissory notes, Operating costs and other, Transaction costs, Finance costs, senior credit facility and Convertible debentures, Acquisition Entities income tax expense - current/deferred, Net unrealized (gain) / loss on derivative contracts and Realized gain / (loss) on foreign exchange contracts.
- **Interest on intercompany loans and dividends paid to the Trust** include: Interest on intercompany loans and dividends remitted by Acquisition Entities to the Trust.

These measures help investors isolate recurring costs and income streams from the underlying investment operations.

Alaris Net Distributable Cash Flow (and per unit)

A non-GAAP financial measure management uses which represents external revenue generated by both the Trust and the Acquisition Entities, less:

- general and administrative expenses,
- third-party interest expense, and
- cash taxes paid (or received).

This metric aligns most closely with Cash from (used in) operations, prior to changes in working capital, but includes the net cash flows of the Acquisition Entities. Investors use this measure to provide a comprehensive view of cash available for distributions, debt repayment, or reinvestment.

Change effective June 30 2025: Alaris refined this calculation by removing the adjustment for working-capital changes and replacing tax expense with cash taxes paid, to better reflect actual cash available for distribution and to better align the reconciliation to the most comparable GAAP measure. Prior periods have been restated accordingly (see reconciliation included in the Appendix to the MD&A: Non-GAAP Financial Measures and Ratios).

Annualized Distribution Yield on Preferred Capital Invested

A supplementary financial measure calculated by dividing Partner distribution revenue – preferred, annualized for the period by the weighted average preferred unit capital invested during the period. Management uses this measure to monitor preferred investment distributions over time relative the to current investment base, making it a useful tool for investors to track the cash yield of preferred investments.

Earnings Coverage Ratio (ECR)

A supplementary financial measure calculated as each Partner's EBITDA divided by the sum of its debt servicing (interest and principal), unfunded capital expenditures, and distributions to Alaris. Management monitors ECR to assess a Partner's ongoing ability to meet its contractual obligations to Alaris. ECR is a useful metric for investors as it provides an indication of a Partner's financial health and sustainability.

Internal Rate of Return (IRR)

A supplementary financial measure representing the discount rate that yields a net present value of zero for projected Partner cash flows. Investors use IRR to assess realized and unrealized Partner-level returns.

Net Book Value (and per unit)

A supplementary financial measure equal to total assets minus total liabilities (equity value of the Trust). The per-unit figure divides that amount by the weighted-average basic units outstanding. These metrics measure growth in equity value, net of distributions, and enable period-over-period comparison of value creation. Investors find this metric useful because it provides a clear indication of the underlying value of the Trust attributable to unitholders and the period over period value generated.

Payout Ratio

A non-GAAP financial ratio used by management, which represents total cash distributions paid to unitholders during the period, divided by Alaris' net distributable cash flow for the same period. This metric is useful to investors as it reflects the proportion of available cash used to pay distributions and indicates the capacity for reinvestment or debt repayment.

Run Rate Cash Flow

A forward-looking supplementary financial measure that 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 / (used in) operating activities less distributions paid, as outlined in Alaris' consolidated statements of cash flows. Investors find this measure useful because it provides insight into the expected cash available for reinvestment, debt repayment, or other corporate purposes after distributions.

Run Rate Payout Ratio

A forward-looking supplementary financial measure that refers to Alaris' distributions per unit expected to be paid over the next twelve months divided by Alaris distributable cashflow per unit calculated in the Outlook's Run Rate Cash Flow table. Run Rate Payout Ratio is a useful metric for management to track and to outline as it provides investors 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.

Run Rate Revenue

A forward-looking supplementary financial measure estimating expected revenue over the next twelve months based on current Partner contracts and known management or transaction fees, excluding potential Partner redemptions. It may include estimated common dividends or distributions based on historical practice. Run Rate Revenue provides investors with an indication of forward annualized revenue potential.

Total Partner Distribution Revenue

A supplementary financial measure summing Partner distribution revenue – preferred and Partner distribution revenue – common, which are components of Net gain on Corporate Investments as disclosed in note 3 of the accompanying financial statements. Management believes this measure provides useful information for investors on the total cash yield from Partner distributions during the period.

Total Partner Related Changes Included in Net gain on Corporate Investments and Total value return on capital invested

A non-GAAP financial measure aggregating the total Net gain (loss) on Corporate Investments attributable to Partner activity detailed in note 3 of the accompanying financial statements.

It includes:

- Net unrealized gain (loss) on Partner investments
- Net realized gain on Partner investments
- Partner distribution revenue (preferred and common)

This measure is useful to investors as it isolates change in Corporate Investments driven by partner performance and aligns closely with “Net gain on Corporate Investments” under IFRS.

Change effective June 30 2025: The measure was renamed from *Total Partner-Related Changes* to *Total Partner-Related Changes Included in Net Gain on Corporate Investments* for clarity.

Total value return on capital invested is a non-GAAP financial ratio calculated by total Partner related changes included in Net gain on Corporate Investments divided by the weighted average total capital invested during the period. This measure calculates the periods total return from Partners relative to the investment base, which includes the fair value changes in addition to cash yields. It is a useful metric for investors as it provides a comprehensive view of the overall performance and effectiveness of Partner investments, capturing both realized and unrealized returns as well as cash distributions.

2025 FINANCIAL RESULTS

Key Highlights

\$ thousands except per unit amounts	Three months ended December 31			Year ended December 31		
	2025	2024	% Change	2025	2024	% Change
Change in Net book value ⁽¹⁾ per unit	\$ (0.38)	\$ 1.35		\$ 0.64	\$ 3.03	
Net book value ⁽¹⁾ per unit	\$ 24.79	\$ 24.15	+2.7%	\$ 24.79	\$ 24.15	+2.7%
Total revenue and operating income	\$ 30,911	\$ 26,666	+15.9%	\$ 176,701	\$ 154,989	+14.0%
Cash from / (used in) operations, prior to changes in working capital	\$ (86,831)	\$ 15,739	-651.7%	\$ (113,342)	\$ 61,344	-284.8%
Total Partner distribution revenue ⁽¹⁾	\$ 45,107	\$ 46,328	-2.6%	\$ 187,221	\$ 192,071	-2.5%
Alaris net distributable cashflow ⁽¹⁾	\$ 24,016	\$ 31,856	-24.6%	\$ 109,430	\$ 130,486	-16.1%
Payout Ratio ⁽¹⁾	64.2%	48.7%	+30.6%	56.6%	47.5%	+21.3%
Annualized distribution yield on preferred capital invested ⁽¹⁾	12.4%	13.4%	-100pts	12.4%	13.9%	-150pts
Total value return on capital invested ⁽¹⁾	3.1%	3.5%	-40pts	16.2%	18.1%	-190pts
Capital Deployment	\$ 188,072	\$ 205,915	-8.7%	\$ 387,390	\$ 331,793	+16.8%

See Non-GAAP and other financial measures for discussion over managements usage of non-GAAP and other financial measures used, including managements definition and analysis.

Financial Results:

- **Net Book Value per unit** decreased \$0.38 in Q4 to \$24.79, as a result of unrealized foreign exchange losses and \$0.37 per unit in distributions declared during the quarter. For the year, net book value increased \$0.64 per unit, supported by operating earnings and NCIB repurchases completed below book value.
- **Total Revenue and Operating Income** increased 15.9% in Q4 and 14.0% for the year compared to 2024, primarily driven by a \$73.2 million (2024 - \$47.3 million) net unrealized and realized gain on Partner investments.
- **Cash from / (used in) operations, prior to changes in working capital** decreased compared to Q4 and the full year 2024, primarily reflecting the investment of proceeds from convertible debenture issuances into the Acquisition Entities. These proceeds were used to repay senior indebtedness, which reduced operating cash flow in the period but strengthened the capital structure.

Portfolio and Investment performance

- **Total Partner distribution revenue** decreased 2.6% in Q4 and 2.5% for the year, reflecting lower common distributions due to the timing and variability of payments and deferred distributions from GWM, partially offset by contributions from new and follow-on investments including Berg, PEC, McCoy, Shipyard, Cresa, Renew and Optimus.
- **Alaris Net Distributable Cash Flow** decreased 24.6% in Q4 and 16.1% for the year, primarily due to timing and variability in common distributions and transaction activity. The payout ratio of 64.2% remained below the Trust's target range of 65%–70%.
- **Portfolio Returns:** The annualized yield on preferred capital invested was 12.4% for both the three months ended Q4 and for the year. Total return on invested capital was 3.1% for Q4 and 16.2% for 2025, reflecting recurring cash flows from distributions and changes in the fair value of investments during the period.
- **Capital Deployment:** During Q4, Alaris invested \$115.5 million in Optimus, US\$30.0 million in Renew and US\$20.5 million in a follow-on investment in Cresa. Total capital invested during 2025 was a record \$387.4 million.

RESULTS OF OPERATIONS

Net Gain on Corporate Investments

\$ thousands except per unit amounts	Three months ended December 31			Year ended December 31		
	2025	2024	% Change	2025	2024	% Change
Net gain on Corporate Investments	\$ 9,709	\$ 7,145	+35.9%	\$ 96,620	\$ 99,281	-2.7%
Net gain on Corporate Investments per unit	\$ 0.21	\$ 0.16	+31.3%	\$ 2.13	\$ 2.18	-2.3%

During the three months ended December 31, 2025, net gain on corporate investments increased 35.9% compared to Q4 2024 and decreased 2.7% for the year ended December 31, 2025. Net gain on corporate investments reflects the results of the underlying Acquisition Entities, including distribution revenue, realized gains or losses, and unrealized fair value adjustments.

The following tables present the results of the Acquisition Entities and the components of Net gain on corporate investments for the three and twelve months ended December 31, 2025 and 2024.

	Three months ended December 31			Year ended December 31		
	2025	2024	% Change	2025	2024	% Change
Total Partner related changes included in Net gain on Corporate Investments						
Partner distribution revenue - preferred	\$ 43,381	\$ 43,618	-0.5%	\$ 164,173	\$ 157,554	4.2%
Partner distribution revenue - common	1,726	2,710	-36.3%	23,048	34,517	-33.2%
Net unrealized gain / (loss) on Partner investments	8,639	(25,262)	134.2%	72,097	7,201	901.2%
Net realized gain on Partner investments <i>Note 1</i>	-	31,102	-100.0%	1,100	40,107	-97.3%
Total	\$ 53,746	\$ 52,168	3.0%	\$ 260,418	\$ 239,379	8.8%
Acquisition Entities operating costs and other expenses	(23,588)	(26,042)	-9.4%	(86,531)	(86,679)	-0.2%
Management and advisory fees paid to Trust	(5,034)	(4,674)	7.7%	(19,385)	(17,417)	11.3%
Interest on intercompany loans and dividend income paid to Trust	(15,415)	(14,307)	7.7%	(57,882)	(36,002)	60.8%
Net gain on Corporate Investments	\$ 9,709	\$ 7,145	35.9%	\$ 96,620	\$ 99,281	-2.7%
Annualized distribution yield on preferred capital invested	12.4%	13.4%	-100pts	12.4%	13.9%	-150pts
Total value return on capital invested	3.1%	3.5%	-40pts	16.2%	18.1%	-190pts

Note – Calculations for these non-GAAP financial measure are included in the Appendix to this MD&A.

Note 1 – Included in net realized gain on Partner investments for the year ended December 31, 2025 is US\$0.8 million related to the redemption of former Partner Kimco.

Total Partner Distributions

Preferred Partner distribution revenue decreased 0.5% in Q4 and increased 4.2% for the year ended December 31, 2025. The annual increase reflects contributions from new and follow-on investments in Berg, PEC, McCoy, Shipyard, Cresa, Renew and Optimus. These increases were offset by partially deferred distributions from GWM in Q4 and FMP during the year, as well as a lower preferred yield on Ohana following the transaction completed at the end of 2024.

Common distribution revenue declined 36.3% in Q4 and 33.2% for the full year, reflecting the timing and variability of distributions from portfolio partners driven by operating performance and capital allocation decisions. In 2025, Fleet declared a US\$10.3 million common dividend, down from US\$14.7 million in 2024, which benefited from elevated performance relative to historical levels. In addition, Ohana paid a one-time common distribution of US\$5.1 million, that did not recur in 2025. Excluding these two distributions, common distributions from the remaining portfolio increased by approximately 10% year-over-year.

The annualized distribution yield on preferred capital invested was 12.4% for both the three months ended December 31, 2025 and for the year. These yields reflect contractual preferred distributions relative to capital invested.

Fair Value Adjustments

During the three months and year ended December 31, 2025, the Acquisition Entities recorded net unrealized fair value gains of \$8.6 million and \$72.1 million, respectively, on Partner investments. These changes reflect updated valuation assumptions, Partner operating results, and market-based inputs applied during the period.

For Q4 2025, increases in Fleet (US\$3.9 million) and SCR (US\$4.2 million), along with smaller positive adjustments across seven other Partners, were partially offset by decreases in FMP (US\$6.4 million), PEC (US\$3.0 million), and two other investments.

For the year ended December 31, 2025, the principal increases were recorded in Shipyard (US\$10.5 million), Edgewater (US\$20.2 million), and Fleet (US\$17.1 million). These were partially offset by decreases in GWM (US\$12.7 million) and FMP (US\$21.0 million). Movements across fourteen other Partners accounted for the remaining net change. Refer to the Partner section (page 18) for a complete listing.

In Q4 2024, the Ohana and Unify transactions resulted in the realization of a \$31.1 million gain and the reclassification of previously recorded unrealized gains to realized gains. For the year ended December 31, 2024, realized gains of \$40.1 million, also included the redemption of B&S earlier in the year.

The total value return on invested capital —which combines realized cash distributions and unrealized fair value changes relative to invested capital, was 3.1% for Q4 2025 and 16.2% for the year. The results reflect recurring preferred distributions and net changes in fair value recorded during the period.

Operating Costs and Expenses

Operating costs and other expenses of the Acquisition Entities decreased 17.9% in Q4 and 2.7% year-to-date compared to prior year periods. The decrease primarily reflects lower income taxes, partially offset by higher transaction costs associated with new investments in Berg, PEC, McCoy, Renew and Optimus, and increased finance costs related to the funding of these transactions in 2025.

Intercompany Revenue Neutralization

Management and advisory fees, intercompany interest, and dividend income paid by the Acquisition Entities to the Trust are recorded as revenue by the Trust and expense by the entities. Accordingly, these items offset and have no net impact on earnings of the Trust.

Total Revenue and Operating Income

<i>\$ thousands except per unit amounts</i>	Three months ended December 31			Year ended December 31		
	2025	2024	% Change	2025	2024	% Change
Net gain on Corporate Investments	\$ 9,709	\$ 7,145	+35.9%	\$ 96,620	\$ 99,281	-2.7%
Management and advisory fees	\$ 5,741	\$ 5,271	+8.9%	\$ 22,136	\$ 19,613	+12.9%
Interest and dividend income from Acquisition Entities	\$ 15,461	\$ 14,250	+8.5%	\$ 57,945	\$ 36,095	+60.5%
Total revenue and operating income	\$ 30,911	\$ 26,666	+15.9%	\$ 176,701	\$ 154,989	+14.0%
Total revenue and operating income per unit	\$ 0.68	\$ 0.59	+15.3%	\$ 3.89	\$ 3.41	+14.1%

Total revenue and operating income represent the aggregate returns generated by Alaris' Acquisition Entities during the period and are primarily driven by the performance of the underlying Partner investments.

The Trust receives income from its Acquisition Entities through three principal channels:

1. Net gain on corporate investments, including fair value adjustments;
2. Management and advisory fees earned from both Partners and third parties; and
3. Interest and dividend income distributed from the Acquisition Entities to the Trust.

Management and advisory fees earned from both the Acquisition Entities and third parties increased 8.9% in Q4 and 12.9% year-to-date. The increase was attributable to management fee income from Ohana following its SPV transaction completed in Q4 2024 and higher management fees charged to the Acquisition Entities in 2025, reflecting growth in the investment portfolio from new investments, including Berg, PEC, McCoy, Renew and Optimus.

Interest and dividend income increased 8.5% in Q4 2025 and 60.5% year-to-date compared to the prior year. The year-over-year increase reflects higher intercompany distributions from the Acquisition Entities as well as interest income on incremental loans advanced by the Trust to the Acquisition Entities to fund investments in Cresa, McCoy and Renew.

For the year ended December 31, 2025, consolidated results reflect changes in fair value of Partner investments, increased management and advisory fee income, and higher intercompany interest and dividend income relative to the prior year.

Trust's Operating and Finance costs

\$ thousands except per unit amounts	Three months ended December 31			Year ended December 31		
	2025	2024	% Change	2025	2024	% Change
General and administrative						
Salaries and benefits	\$ 2,443	\$ 3,446	-29.1%	\$ 9,504	\$ 11,353	-16.3%
Corporate and office	\$ 1,289	\$ 1,049	+22.9%	\$ 4,941	\$ 4,377	+12.9%
Legal and accounting fees	\$ 471	\$ 590	-20.2%	\$ 1,991	\$ 2,663	-25.2%
Total General and administrative	\$ 4,203	\$ 5,085	-17.3%	\$ 16,436	\$ 18,393	-10.6%
General and administrative per unit	\$ 0.09	\$ 0.11	-18.2%	\$ 0.36	\$ 0.40	-10.0%
Unit-based compensation	\$ 2,340	\$ 3,457	-32.3%	\$ 8,436	\$ 7,086	+19.1%
Unit-based compensation per unit	\$ 0.05	\$ 0.08	-37.5%	\$ 0.19	\$ 0.16	+18.8%
Finance costs	\$ 4,553	\$ 1,153	+294.9%	\$ 9,111	\$ 4,598	+98.2%
Finance costs per unit	\$ 0.10	\$ 0.03	+233.3%	\$ 0.20	\$ 0.10	+100.0%

General and Administrative Expenses

General and administrative expenses decreased by 17.3% in Q4 2025 and 10.6% year-to-date compared to the same periods in 2024. The decrease primarily reflects lower management bonus accruals, driven by lower realized gains during the year.

Corporate and office expenses increased during the periods due to incremental consulting services related to board and management compensation reviews, as well as increased board fees.

Legal and accounting fees decreased compared to the prior year, following the completion of the Trust's change in accounting status in 2024.

Unit-Based Compensation

Unit-based compensation expense decreased by 32.3% in Q4 2025 compared to Q4 2024, primarily reflecting the vesting of 2024 Restricted Trust Units ("RTUs") in Q4 2024, whereas 2025 RTU vesting occurred in March.

For the year ended December 31, 2025, unit-based compensation increased compared to 2024 due to (i) the vesting of a greater number of RTUs in 2025, (ii) accelerated vesting following the retirement of an employee and a board member during Q1 and Q2, and (iii) a higher Trust unit price and greater units outstanding at December 31, 2025, which increased the estimated liability associated with cash-settled awards. Unit-based compensation expense varies based on vesting activity and changes in the Trust's unit price.

Finance Costs

Finance costs increased for both the three months and year ended December 31, 2025, primarily reflecting the issuance of \$92.0 million of Convertible debentures in June and \$115.0 million in December 2025 and the amortization of related financing costs.

Earnings from operations and Earnings and comprehensive income

<i>\$ thousands except per unit amounts</i>	Three months ended December 31			Year ended December 31		
	2025	2024	% Change	2025	2024	% Change
Earnings from operations	\$ 24,237	\$ 17,975	+34.8%	\$ 151,319	\$ 128,965	+17.3%
Earnings from operations per unit	\$ 0.54	\$ 0.40	+35.0%	\$ 3.33	\$ 2.83	+17.7%
Earnings and comprehensive income	\$ (243)	\$ 77,940	-100.3%	\$ 90,812	\$ 234,415	-61.3%
Earnings and comprehensive income per unit	\$ (0.01)	\$ 1.71	-100.6%	\$ 2.00	\$ 5.15	-61.2%

Earnings from operations increased by 34.8% in Q4 2025 and 17.3% year-to-date compared to 2024, reflecting higher total revenue and operating income and lower general and administrative expenses.

Earnings and comprehensive income for Q4 2025 was a loss of \$0.2 million (Q4 2024: \$77.9 million). The decrease was primarily attributable to an unrealized foreign exchange loss of \$20.0 million in Q4 2025 compared to an unrealized foreign exchange gain of \$61.6 million in Q4 2024. Excluding unrealized foreign exchange in both periods, earnings and comprehensive income for Q4 2025 were \$19.7 million, an increase of 20.9% compared to \$16.3 million in Q4 2024.

For the year ended December 31, 2025, earnings and comprehensive income decreased by 61.3% to \$90.8 million (2024: \$234.4 million). The decrease primarily reflects an unrealized foreign exchange loss of \$51.2 million in 2025 compared to an unrealized foreign exchange gain of \$80.8 million in 2024, as well as the absence of a non-recurring \$30.3 million gain recognized in 2024 related to the Trust's accounting transition. Excluding unrealized foreign exchange in both periods and the 2024 accounting transition gain, 2025 earnings and comprehensive income were \$142.0 million, an increase of 15.2% compared to \$123.3 million in 2024.

Unrealized foreign exchange gains and losses primarily reflect the revaluation of the Trust's U.S.-denominated net assets at the reporting date.

Alaris net distributable cash flow

	Three months ended December 31			Year ended December 31		
	2025	2024	% Change	2025	2024	% Change
<i>\$ thousands except per unit amounts</i>						
Cash from / (used in) operations, prior to changes in working capital	\$ (86,831)	\$ 15,739	-651.7%	\$ (113,342)	\$ 61,344	-284.8%
Add back: Net repayment of loans receivable from Acquisition Entities	106,795	-		106,795	(291,934)	
Add back: Net investment in Acquisition Entities	(3,436)	(1,901)		68,920	265,962	
Changes in working capital, Income tax payable and receivable	(1,050)	600		(2,453)	1,932	
Cash interest paid	(3,472)	-		(7,534)	(4,062)	
<i>Distributable cashflow included in Net gain on Corporate investments:</i>						
Partner Distribution revenue - Preferred	43,381	43,618		164,173	157,554	
Partner Distribution revenue - Common	1,726	2,710		23,048	34,517	
Operating costs and other	(1,333)	(1,049)		(4,209)	(3,895)	
Transactions costs	(2,283)	(1,413)		(8,795)	(3,944)	
Finance costs, senior credit facility and convertible debentures	(8,015)	(6,865)		(30,047)	(29,058)	
Acquisition Entities cash taxes paid	(786)	(598)		(9,182)	(5,028)	
Management and advisory fees paid to Trust	(5,034)	(4,674)		(19,385)	(17,417)	
Interest on intercompany loans	(3,436)	(3,207)		(12,784)	(23,514)	
Acquisition Entities dividends paid to Trust	(11,979)	(11,100)		(45,098)	(12,488)	
Realized gain / (loss) on foreign exchange contracts	(231)	(4)		(677)	517	
Alaris net distributable cashflow	\$ 24,016	\$ 31,856	-24.6%	\$ 109,430	\$ 130,486	-16.1%
Alaris net distributable cashflow per unit	\$ 0.53	\$ 0.70	-24.3%	\$ 2.41	\$ 2.87	-16.0%

Note - During the year, the Trust refined the calculation of its non-GAAP financial measure – see section Non-GAAP and other financial measures.

Alaris' Net Distributable Cash Flow per unit decreased by 24.3% and 16.0% for the three months and year ended December 31, 2025, respectively, compared to 2024. The decreases primarily reflect timing and variability in common Partner distribution revenue, the timing of cash tax payments, and increased transaction-related activity during the period.

The Payout Ratio increased to 64.2% for Q4 2025 (Q4 2024: 48.7%) and 56.6% year-to-date (2024: 47.5%), reflecting the reduction in distributable cash flow. Both the quarterly and year-to-date payout ratios remained below the Trust's target range of 65% to 70%.

During 2025, the Trust also repurchased and cancelled 465,000 units under its NCIB at an average price of \$18.87 per unit, for total consideration of \$8.8 million. Including these repurchases, the Payout Ratio on a cash-disbursement basis was 62% for the year.

Net book value

	31-Dec	30-Sep	31-Dec
	2025	2025	2024
<i>\$ thousands except per unit amounts</i>			
Total Assets	\$ 1,421,000	\$ 1,323,906	\$ 1,199,683
Total Liabilities	\$ 296,829	\$ 182,719	\$ 97,721
Net book value	\$ 1,124,171	\$ 1,141,187	\$ 1,101,962
Shares outstanding	45,339	45,339	45,621
Net book value per unit	\$ 24.79	\$ 25.17	\$ 24.15

Net book value per unit decreased by \$0.38 during the quarter to \$24.79 per unit at December 31, 2025 compared to September 30, 2025, reflecting \$0.54 per unit in earnings from operations, offset by a \$0.44 per unit foreign exchange loss, a \$0.10 per unit of finance costs and \$0.37 per unit in distributions to unitholders.

For the year ended December 31, 2025, net book value per unit rose \$0.64. The increase was driven by \$3.33 per unit of earnings from operations, partially offset by a \$1.13 per unit unrealized foreign exchange loss associated with a 5% change in the exchange rate and \$1.39 per unit of distributions during the year.

During 2025, the Trust repurchased and cancelled 465,000 units under its NCIB. As these repurchases were completed below book value, they increased net book value per unit by approximately \$0.06.

SUMMARY OF QUARTERLY RESULTS

The below tables summarize Alaris’ key consolidated financial information for the last eight quarters (amounts in thousands, except per unit figures).

Quarterly Results Summary								
	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24
Revenues	\$ 30,911	\$ 74,946	\$ 34,457	\$ 36,388	\$ 26,666	\$ 69,514	\$ 28,495	\$ 30,314
Earnings	\$ (243)	\$ 86,025	\$ (17,935)	\$ 22,965	\$ 77,940	\$ 51,027	\$ 31,675	\$ 73,773
Basic earnings per unit	\$ (0.01)	\$ 1.90	\$ (0.39)	\$ 0.50	\$ 1.71	\$ 1.12	\$ 0.70	\$ 1.62
Diluted earnings per unit	\$ (0.01)	\$ 1.76	\$ (0.39)	\$ 0.50	\$ 1.69	\$ 1.11	\$ 0.69	\$ 1.52
Net book value per unit	\$ 24.79	\$ 25.17	\$ 23.57	\$ 24.34	\$ 24.15	\$ 22.80	\$ 22.01	\$ 21.66
Period end USD to CAD exchange rate	\$ 1.37	\$ 1.39	\$ 1.37	\$ 1.43	\$ 1.44	\$ 1.35	\$ 1.37	\$ 1.35

OUTLOOK

In Q4 2025, the Trust and its Acquisition Entities generated \$45.8 million in total revenue from Partners, comprising \$45.1 million of Partner distributions and \$0.7 million in third-party transaction and management fees. The quarterly result reflects contributions from new investments in Renew and Optimus, as well as common distributions received from certain Partners during the period.

Total Partner revenue for Q1 2026 is expected to be approximately \$46.9 million, reflecting normal seasonal patterns in distribution timing and recent investment activity. Actual results may vary based on the timing and level of common distributions.

During Q4 2025, Alaris invested US\$50.5 million, consisting of a US\$30.0 million initial investment in Renew and a US\$20.5 million follow-on investment in Cresa, and \$115.5 million in Optimus, bringing total capital invested during 2025 to a record \$387.4 million.

These investments are reflected in the Run Rate Revenue estimate for the next twelve months of approximately \$200.1 million, based on current contractual terms and management’s assumptions as at the date of this MD&A.

Run Rate Outlook

The Run Rate Cash Flow table below outlines the Trust’s and its Acquisition Entities’ combined expectations for the next twelve months. This forward-looking supplementary financial measure illustrates projected Alaris distributable cashflow less distributions paid, providing an indication of expected cash generation capacity over the period. The Trust’s method of calculating this measure may differ from methods used by other issuers.

Run rate general and administrative expenses are currently estimated at approximately \$20.5 million, inclusive of public company costs incurred by the Trust and its Acquisition Entities. Annual distributions of \$1.48 per unit are consistent with recent announcements. Based on current revenue and expense assumptions, the Run Rate Payout Ratio is expected to range between 60% and 65%.

The Run Rate Payout Ratio does not include the impact of potential future investments. The table below also presents the estimated after-tax impact of positive net investments, the impact of a 1% increase in the Secure Overnight Financing Rate (“SOFR”) based on current outstanding U.S. dollar debt, and the impact of a \$0.01 change in the USD/CAD exchange rate.

Run Rate Cash Flow (<i>\$ thousands except per unit</i>)	Amount (\$)	\$ / Unit
Run Rate Revenue, Partner Distribution revenue	\$ 200,100	\$ 4.41
General and administrative expenses	(20,500)	(0.45)
Third party Interest and taxes	(74,300)	(1.64)
Alaris Distributable Cashflow	\$ 105,300	\$ 2.32
Distributions paid	(67,100)	(1.48)
Run Rate Cash Flow	\$ 38,200	\$ 0.84
Other considerations (after taxes and interest):		
New investments Every \$50 million deployed @ 14%	+2,790	+0.06
Interest rates Every 1.0% increase in interest rates	-3,100	-0.07
USD to CAD Every \$0.01 change of USD to CAD	+/- 990	+/- 0.02

LIQUIDITY AND CAPITAL RESOURCES

Credit Facility

During the year, Alaris amended its senior credit facility, extending the maturity date to September 2029. Earlier in the year, the facility was converted from C\$500 million to US\$450 million, with the accordion feature adjusted from C\$50 million to US\$50 million, aligning borrowing capacity with the Trust's U.S.-dollar investment base.

The US\$450 million facility, held jointly by AEP and Alaris USA and guaranteed by the Trust, is secured by a general security agreement over the Trust's assets and syndicated among Canadian chartered banks. At December 31, 2025, US\$312.8 million was drawn on the facility.

Borrowings bear interest at rates based on Canadian Overnight Repo Rate Average ("CORRA"), Canadian Prime Rate, U.S. Base Rate, or SOFR, depending on currency selection. The annualized blended interest rate, inclusive of standby fees, averaged 7.28% for the year ended December 31, 2025.

Convertible Debentures

In Q2 2025, the Trust issued \$92.0 million of convertible unsecured senior debentures bearing interest at 6.50% per annum, payable semi-annually on the last business day of June and December, with a maturity date of June 30, 2030. The debentures are convertible at the holder's option at a price of \$24.85 per unit (approximately 40.2414 units per \$1,000 principal) and are non-redeemable prior to June 30, 2028.

In Q4 2025, the Trust issued an additional \$115.0 million of convertible unsecured senior debentures bearing interest at 6.25% per annum, payable semi-annually on last business day of June and December, with a maturity date of December 31, 2030. These debentures are convertible at the holder's option at a price of \$27.00 per unit (approximately 37.0370 units per \$1,000 principal) and are non-redeemable prior to December 31, 2028.

Following the applicable non-redemption periods, the debentures may be redeemed by the Trust, subject to specified price conditions.

Senior Unsecured Debentures

The Trust's 2022 senior unsecured debentures remain outstanding with a face value of \$65.0 million, a 6.25% annual coupon, and a maturity date of March 31, 2027. Beginning March 31, 2025, the debentures became redeemable at the Trust's option at 103.125% of face value, declining to par as of March 31, 2026. The Trust may elect to settle principal or premiums in trust units, in accordance with the terms of the debentures.

Distributions

In Q4 2025, the Trust increased its annualized distribution by 8.8% or \$0.12 per unit, raising the quarterly distribution to \$0.37 per unit and the annualized rate to \$1.48 per unit. A quarterly distribution of \$0.37 per unit was declared and paid on January 15, 2026, totaling \$16.8 million.

Cumulative distributions for the year ended December 31, 2025 totaled \$1.39 per unit, or \$63.1 million in aggregate.

Financial Instruments

Financial instruments include contractual agreements that give rise to a financial asset for one party and a corresponding financial liability or equity instrument for another. On initial recognition, financial instruments, including derivatives, are recorded at fair value. Subsequent measurement depends on classification as either amortized cost or fair value through profit or loss ("FVTPL").

The Trust applies the following classifications:

Financial Instrument	Measurement Method
Cash	Amortized cost
Accounts receivable	Amortized cost
Corporate investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Distributions payable	Amortized cost
Senior unsecured debenture	Amortized cost
Convertible debenture <small>Note 1</small>	Amortized cost and FVTPL

Note 1 - Convertible debentures are measured at amortized cost for the debt component, with the embedded derivative component measured at FVTPL.

The Trust and its Acquisition Entities use derivative financial instruments to manage exposure to foreign currency and interest rate risk.

Foreign Exchange Contracts

Forward foreign exchange contracts are used to hedge a portion of expected Canadian dollar-denominated distributions and expenses. These contracts are remeasured at each reporting date, with unrealized gains or losses recorded in profit or loss of the Acquisition Entities.

As at the date of this MD&A, Alaris held US\$32.0 million of forward contracts to sell at an average exchange rate of \$1.37 CAD over the next seventeen months.

Interest Rate Swaps

The Acquisition Entities have three interest rate swaps to manage exposure to variable-rate debt:

- US\$50 million fixed at 2.99% through July 2026
- US\$50 million fixed at 3.35% through October 2028; and
- US\$50 million fixed at 3.23% through July 2029.

These swaps convert a portion of floating-rate borrowings to fixed rates for the respective contract terms.

Contractual Obligations

The Trust has the following financial instruments, including expected contracted payments, which mature as follows:

31-Dec-25	Total	0-6 Months	6 mo – 1 yr	1 – 2 years	Year 3 and Thereafter
Accounts payable and accrued liabilities	\$ 8,091	\$ 4,286	\$ 107	\$ 2,156	\$ 1,542
Distributions payable	16,775	16,775	-	-	-
Senior unsecured debenture ⁽¹⁾	71,094	2,031	2,031	67,031	-
Convertible debenture ⁽¹⁾	269,848	6,584	6,584	13,168	243,513
Total	\$ 365,807	\$ 29,676	\$ 8,722	\$ 82,355	\$ 245,055

Note 1: Includes expected interest payments in addition to the principal repayment at maturity.

Through its ownership of the Acquisition Entities, the Trust is also exposed to the following financial instruments, including expected contractual payments:

31-Dec-25	Total	0-6 Months	6 mo – 1 yr	1 – 2 years	Year 3 and Thereafter
Accounts payable and accrued liabilities	\$ 4,133	\$ 4,133	\$ -	\$ -	\$ -
Derivative contracts	154	154	-	-	-
Senior credit facility ⁽¹⁾	589,735	14,047	14,047	28,094	533,548
Total	\$ 594,022	\$ 18,334	\$ 14,047	\$ 28,094	\$ 533,548

Note 1: Includes estimated interest payments in addition to the principal repayment at maturity. Estimated interest payment are calculated based on current outstanding balance drawn as of December 31, 2025

Liquidity and Risk Management

The Trust and its subsidiaries monitor liquidity and market exposures on an ongoing basis. Financial instruments and related obligations mature over a range of short- and long-term periods, with expected payments including both principal and interest.

The Trust expects to meet all obligations as they come due through a combination of cash on hand, operating cash flows, available capacity under credit facilities, refinancing or amendments to existing facilities, potential issuance of Trust units (subject to market conditions), proceeds from Partner redemptions and other financing alternatives. Liquidity forecasting is performed regularly to support operations, debt servicing, and compliance with all financial covenants.

The Trust's risk management framework addresses exposure to credit risk, liquidity risk, and market risks including interest rate and foreign exchange risk, as further described in the consolidated financial statements.

OUTSTANDING UNITS

The Trust is authorized to issue an unlimited number of Trust units. As at December 31, 2025, 45,338,811 units were issued and outstanding.

During the year ended December 31, 2025, 183,048 units were issued upon the vesting of Restricted Trust Units ("RTUs"), and 465,000 units were repurchased and cancelled under the Trust's Normal Course Issuer Bid ("NCIB"). As at December 31, 2025, 639,828 RTUs remained outstanding under the Trust's long-term incentive plan.

On January 2, 2025, the Trust received approval from the Toronto Stock Exchange ("TSX") to implement an NCIB permitting the purchase for cancellation of up to 4,415,678 units, representing approximately 10% of the Trust's public float as at December 31, 2024. The NCIB commenced on January 6, 2025 and remained in effect until January 5, 2026. As of December 31, 2025, 465,000 units had been repurchased and cancelled under the program. The program has not been renewed after its expiry in January.

TRANSACTIONS WITH RELATED PARTIES

Intercompany Transactions

The Trust earned management and advisory fees of \$5.7 million (2024 – \$5.3 million) for the three months ended December 31, 2025, consisting of \$5.0 million from Acquisition Entities and \$0.7 million from other sources. For the year ended December 31, 2025, the Trust earned \$22.1 million (2024 – \$19.6 million), consisting of \$19.4 million from Acquisition Entities and \$2.7 million from other sources. At year-end, accounts receivable from Acquisition Entities were \$2.1 million (December 31, 2024 – net receivable of \$6.5 million).

The Trust holds U.S.-dollar denominated intercompany loans to the Acquisition Entities with terms ranging from three to ten years. The loans are repayable at any time without penalty and bear interest at rates from 10% to 12% per annum. During the year the Trust made loans totaling US\$77.5 million to AUSA, these transactions were primarily funded by proceeds from the December Convertible debenture and used to fund the Cresa, McCoy and Renew transactions. Interest income is recognized by the Trust, with a corresponding interest expense recorded by the Acquisition Entities. These amounts offset and do not impact net earnings. The Trust recognized \$3.5 million of intercompany interest income in Q4 2025 (2024 – \$3.2 million) and \$12.8 million for the year ended December 31, 2025 (2024 – \$23.6 million).

Dividends received from the Acquisition Entities totaled \$12 million in Q4 2025 (2024 – \$11.1 million) and \$45.1 million for the year ended December 31, 2025 (2024 – \$12.5 million). These dividends are recognized within Revenue and Operating Income.

During the year ended December 31, 2025, the Trust advanced \$68.9 million to AEP, primarily funded by proceeds from the convertible debenture issuances. These funds were used to reduce AEP's senior credit facility balance. In the same period of 2024, the Trust invested a net of \$266.0 million into AEP and received \$291.9 million in loan repayments from AUSA, reducing outstanding intercompany balances.

Credit Facility

The senior credit facility, held jointly by AEP and Alaris USA and guaranteed by the Trust, is secured by a general security agreement over substantially all assets and is syndicated among Canadian chartered banks.

At December 31, 2025, US\$312.8 million (C\$428.3 million) was drawn on the facility, compared to US\$206.0 million (C\$296.4 million) at December 31, 2024.

As at year-end, the Acquisition Entities were in compliance with all financial covenants, including:

- Maximum funded debt to contracted EBITDA: 3.0x (actual: 2.22x)
- Minimum fixed charge coverage ratio: 1.0x (actual: 1.49x)
- Minimum tangible net worth: \$650.0 million (actual: \$1,124 million)

Other Considerations

The Trust has no contractual obligation to provide additional financial support to its unconsolidated subsidiaries. However, the Trust remains exposed to changes in the financial condition of the Acquisition Entities, as variations in their net asset values affect the fair value of the Trust's investments.

SUMMARY OF CONTRACTUAL OBLIGATIONS

The Trust has issued senior unsecured debentures, convertible unsecured senior debentures, and through its Acquisition Entities, has an outstanding senior credit facility all of which are described under "Liquidity and Capital Resources" and leases for office space. No other contractual obligations exist.

PARTNER INVESTMENT OVERVIEW

Alaris' investment approach focuses on providing long-term capital to established, cash-generative private businesses with recurring revenue characteristics and experienced management teams. The Trust typically invests using preferred equity structures designed to generate contractual distributions, complemented by selective common equity positions in certain Partners. The portfolio is diversified across industries and geographies and is managed through ongoing monitoring of Partner performance and investment terms.

Investment Structure

Investments are held through the Acquisition Entities and are primarily structured as preferred partnership or equity interests, or Partner loans. Preferred distributions generally reset annually based on an agreed top-line performance metric, which may include sales, gross profit, or same-store sales, depending on the Partner. Certain investments, including Sono Bello and Ohana, include fixed distribution rates and additional participation features in common equity upside, including conversion rights.

Alaris may also hold common equity interests alongside preferred equity or loan investments. These typically represent a smaller share of total invested capital, as at December 31, 2025, common equity holdings at acquisition cost totaled \$329.4 million (approximately 18% of total invested capital) and are reflected in Run Rate Revenue estimates based on Partner forecasts for the next twelve months.

Governance and Partner Relationship

Alaris is not involved in the day-to-day management of its Partners and does not generally exercise control. Alaris maintains protective covenants designed to safeguard ongoing distribution payments. Partners are also required to obtain Alaris' consent before undertaking material transactions outside the normal course of business — including acquisitions or divestitures, significant capital expenditures, executive management changes, new debt or changes to existing debt arrangements, or structural reorganizations. This structure preserves transparency and protects unitholder value while keeping Alaris' role financially supportive rather than operational.

Investment Thesis

Alaris targets businesses that generally demonstrate the following characteristics:

1. **Business maturity and operating history** – Partners are typically established businesses; the average Partner operating history is approximately 30 years.
2. **Cash flow generation** – a demonstrated ability to generate cash flow to support contractual distribution obligations.
3. **Conservative leverage** – capital structures intended to support resiliency and reinvestment capacity.
4. **Low capital expenditure requirements** – many Partners operate in asset-light or service-oriented models.
5. **Experienced management teams** – management and ownership groups with demonstrated operating track records.

Since inception, Alaris has completed 46 Partner investments and 23 exits, generating a total return of 65% and a median IRR of 19%.

Investment History

Since inception, Alaris has deployed over \$3.1 billion across 46 Partners and more than 100 separate financings. Over the past five fiscal years (2021–2025), the Trust invested an average of \$311 million per year. For 2025, total capital invested was \$387.4 million.

Partner Performance

The ECR is a key indicator of the sustainability of Partner distributions and an important measure of portfolio health. The ECR represents a Partner's earnings relative to its contracted distribution obligations; an ECR above 1.0x indicates that the Partner is generating sufficient earnings to fully support its required payments.

Because interim Partner information is unaudited and provided by Partner management, ECRs are disclosed within ranges based on the most current information available.

Alaris' current portfolio has a weighted average ECR of approximately 1.5x with Partners falling into the following ranges:

- 11 Partners report ECRs greater than 2.0x (*Amur, Berg, Carey Electric, Cresa, DNT, Edgewater, Fleet, LMS, Renew Medical, Sagamore and SCR*).
- 4 Partners fall within the 1.5x–2.0x range (*3E, Ohana, McCoy, and PEC*).
- 4 Partners are in the 1.2x–1.5x range (*Accscient, D&M, Optimus, and Shipyard*).
- 1 Partner maintain ECRs between 1.0x–1.2x (*Sono Bello*).
- 3 Partners are currently below 1.0x (*FMP, GWM, and Heritage*).

Capital Structure

As a preferred equity investor, Alaris structures investments based on Partner-specific cash flow characteristics, capital structure, and distribution coverage. Of the current portfolio, 15 of 23 Partners carry either no debt or senior debt leverage below 1.0x senior debt to EBITDA.

Distribution Resets

Annual distribution resets are a feature of many Partner investments. Resets are generally based on agreed top-line performance metrics and are intended to align contractual distributions with Partner performance over time.

The following table summarizes each Partner’s investment metrics and recent performance, including capital invested (net of redemptions), estimated Run Rate Revenue for the next twelve months, ECR range, year-over-year revenue and EBITDA changes, and unrealized fair value movements for the three- and twelve-month periods ended December 31, 2025. Commentary below highlights material changes during the period.

Partner	Original Investment Date	Current Total Invested (000's)	Run Rate Revenue (000's)	As a % of total	ECR Range	2026 Reset Estimate	Year-to-date changes in (1):		Unrealized Fair Value Change		Fair Value
							Revenue	EBITDA	Three Months	Year	
Sono Bello	Sep 2018	US \$152,277	US \$14,444	10%	1.0x - 1.2x	n/a	↓	↓	nil	US (\$6,000)	US \$164,277
Ohana	Nov 2014	US \$134,614	US \$9,382	7%	1.5x - 2.0x	n/a	↑	↑	nil	US +\$7,300	US \$154,114
Optimus	Nov 2025	CA \$115,522	CA \$11,050	6%	1.2x - 1.5x	n/a	n/a	n/a	nil	nil	CA \$115,522
Shipyards	Aug 2023	US \$108,500	US \$11,933	8%	1.2x - 1.5x	1%	↑	↓	US (\$1,800)	US +\$10,500	US \$123,200
GWM	Nov 2018	US \$106,000	US \$7,366	5%	< 1.0x	-8%	↓	↓	US (\$2,600)	US (\$12,700)	US \$64,477
D&M	Jun 2021	US \$80,207	US \$10,511	8%	1.2x - 1.5x	7%	↑	↑	US +\$2,000	US +\$7,600	US \$83,207
Accscient	Jun 2017	US \$72,000	US \$9,694	7%	1.2x - 1.5x	5%	↑	↑	US +\$2,500	US +\$8,500	US \$73,677
Amur	Jun 2019	CA \$70,000	CA \$7,718	4%	> 2.0x	6%	↑	↑	CA +\$1,700	CA +\$5,600	CA \$95,500
DNT	Jun 2015	US \$62,800	US \$12,334	9%	> 2.0x	6%	↑	↓	US +\$2,100	US +\$6,400	US \$70,643
PEC	Feb 2025	US \$61,120	US \$5,180	4%	1.5x - 2.0x	n/a	n/a	n/a	US (\$3,000)	US (\$3,000)	US \$58,120
LMS	Feb 2007	CA \$58,000	CA \$7,867	4%	> 2.0x	10%	↓	↓	nil	CA +\$1,200	CA \$47,793
Cresa	May 2024	US \$50,500	US \$7,565	5%	> 2.0x	7%	↑	↑	US +\$1,500	US +\$2,000	US \$53,100
SCR	May 2013	CA \$40,000	CA \$4,200	2%	> 2.0x	n/a	↑	↑	CA +\$4,200	CA +\$4,200	CA \$19,203
FMP	Apr 2023	US \$40,000	US \$0	0%	< 1.0x	n/a	↓	↓	US (\$6,400)	US (\$21,000)	US \$20,200
3E	Feb 2021	US \$39,500	US \$6,323	5%	1.5x - 2.0x	6%	↑	↑	US +\$500	US +\$2,500	US \$44,800
Edgewater	Dec 2020	US \$34,000	US \$4,662	3%	> 2.0x	6%	↑	↑	US +\$1,700	US +\$20,200	US \$63,000
Renew	Nov 2025	US \$30,000	US \$3,710	3%	> 2.0x	n/a	n/a	n/a	nil	nil	US \$30,000
McCoy	Aug 2025	US \$27,000	US \$2,660	2%	> 2.0x	n/a	n/a	n/a	nil	nil	US \$27,000
Sagamore	Nov 2022	US \$24,000	US \$3,040	2%	> 2.0x	2%	↑	↑	nil	US +\$3,800	US \$29,300
Fleet	Jun 2018	US \$23,000	US \$2,169	2%	> 2.0x	-2%	↑	↓	US +\$3,900	US +\$17,100	US \$97,835
Heritage ⁽²⁾	Jan 2018	US \$21,500	US \$0	0%	< 1.0x	n/a	↓	↑	nil	nil	US \$5,800
Berg	Feb 2025	US \$21,000	US \$2,569	2%	> 2.0x	7%	n/a	n/a	US +\$1,600	US +\$1,600	US \$22,600
Carey Electric	Jun 2020	US \$19,200	US \$2,229	2%	> 2.0x	5%	↑	↓	nil	US (\$1,000)	US \$19,280

Partner Commentary — Significant Developments

The following discussion highlights Partners that experienced significant fair value movements (\geq \$6.0 million for the year ended December 31, 2025), distribution deferrals, covenant-related matters, or significant investment activity during the period. Partners not discussed below did not experience material valuation changes or structural developments during the year.

Fair Value Increases

Edgewater's fair value increased by US\$20.2 million comprised of a US\$5.9 million increase in the preferred equity investment and a US\$14.3 million increase in the common equity investment. Reflecting higher gross profit and EBITDA driven by recent project wins and expansion in its core staffing operations. Improved contract backlog and reset expectations for 2026, together with lower discount rates, contributed to the valuation increase.

Fleet's fair value increased by US\$17.1 million for the year, driven entirely by an increase in the common equity investment. Reflecting improved operating performance, growth in originations added to its syndication backlog, and updated valuation inputs. During Q3 2025, a minority shareholder repurchase modestly increased Alaris' ownership interest in Fleet's common equity. Fleet also declared a US\$10.3 million common distribution during the year.

Shipyard's fair value increased by US\$10.5 million for the year. The increase was primarily driven by an increase of US\$7.8 million in the common equity investment following the Q2 follow-on investment and updated valuation inputs, preferred equity fair value increased by US\$2.7 million.

Accscient's fair value increased by US\$8.5 million, comprised of a US\$6.3 million increase in the preferred equity investment associated with a 5% reset for 2026 and a US\$2.2 million increase in the common equity investment reflecting updated performance expectations and valuation inputs.

D&M's fair value increased by approximately US\$7.6 million for the year, comprised of a US\$4.3 million increase in the preferred equity investment and a US\$3.3 million increase in the common equity investment. The preferred increase reflects improved gross profit and EBITDA performance during 2025, resulting in expectations for a positive reset for 2026. The common equity valuation benefited from higher earnings and updated discount rate assumptions applied during the period.

Ohana's fair value increased by US\$7.3 million for the year, reflecting revenue and EBITDA growth driven by membership expansion across newly opened clubs. During Q4 2025, the rollout of the industry-wide "Click-to-Cancel" feature resulted in higher-than-expected membership cancellations; however, performance remained within valuation expectations for the year.

DNT's fair value increased by US\$6.4 million, driven by an increase in the preferred equity investment reflecting revenue growth above the reset collar and a positive 6% reset for 2026.

Fair Value Decreases and Distribution Developments

FMP's fair value decreased by US\$21.0 million for the year, comprised of a US\$14.3 million reduction in the preferred equity investment and a US\$6.7 million reduction in the common equity investment. The decrease reflects the suspension of certain key contracts during 2025, primarily related to changes in U.S. federal procurement policies, which resulted in lower revenue and reduced near-term earnings expectations. FMP remains profitable and operates without senior debt. Preferred distributions for 2026 are expected to be determined quarterly as revenue visibility and liquidity conditions evolve.

GWM's fair value decreased by US\$12.7 million, including a US\$7.4 million reduction in the preferred equity investment and a US\$5.3 million reduction in the common equity investment, reflecting lower earnings and reduced advertising activity. Distributions are expected to be deferred beginning November 2025 through at least May 2026 while the company works to cure its senior covenant. With the deferral of November and December's distributions GWM's ECR is above 1.0x.

Sono Bello's fair value decreased by US\$6.0 million for the year, primarily reflecting valuation adjustments earlier in 2025 associated with updated earnings expectations and discount rate assumptions. Operating performance during Q4 2025 was generally in line with internal forecasts.

During Q4 2025, Sono Bello elected to pay in-kind on its convertible preferred units, preserving liquidity while continuing to invest in new clinic openings and expanded service offerings. Management continues to focus on disciplined expansion and operational efficiency.

Investment Activity

During 2025, Alaris completed several new and follow-on investments, including: Optimus (\$115.5 million), PEC (US\$61.1 million), McCoy (US\$27.0 million, with up to US\$32.0 million committed subject to milestones), Renew Medical (US\$30.0 million), Berg (US\$21.0 million), a US\$21.5 million preferred follow-on investment in Shipyard and a US\$20.5 million preferred follow-on investment in Cresa.

Other Structural Developments

LMS redeemed \$2.0 million of preferred equity during Q2 2025 pursuant to a previously agreed structure that includes an annual partial redemption from cashflows in exchange for a $\pm 10\%$ distribution collar beginning in 2026. Heritage received US\$2.8 million of promissory notes during the first half of 2025 to support working capital, repaid its prior senior credit facility, and is pursuing replacement financing.

Partners not discussed above did not experience significant fair value changes, distribution modifications, covenant-related matters, or significant structural developments during the period.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Trust is made known to management, including the CEO and CFO, and that information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported within the time periods prescribed by applicable securities legislation.

Management, under the supervision and with the participation of the CEO and CFO, evaluated the effectiveness of the Trust's disclosure controls and procedures as defined under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") as at December 31, 2025. Based on that evaluation, the CEO and CFO concluded that the Trust's disclosure controls and procedures were effective as at December 31, 2025, to provide reasonable assurance that material information required to be disclosed by the Trust is accumulated and communicated to management and disclosed within the required time periods.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS").

The Trust's ICFR framework is based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 *Internal Control – Integrated Framework*.

Management, under the supervision and with the participation of the CEO and CFO, assessed the design and operating effectiveness of the Trust's internal control over financial reporting as defined in NI 52-109 as at December 31, 2025. This assessment included documentation, evaluation and testing of internal controls over financial reporting. Based on that assessment, management concluded that the Trust's internal control over financial reporting was effective as at December 31, 2025.

Management, including the CEO and CFO, recognizes that all control systems have inherent limitations and can provide only reasonable, not absolute, assurance that misstatements, whether due to error or fraud, will be prevented or detected.

Changes in Internal Control over Financial Reporting

There were no changes in the Trust's internal control over financial reporting during the year ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

RISK FACTORS

Our securities are exposed to various risks, including the risks described below and under the heading "Special Note Regarding Forward-Looking Statements, Non-IFRS Measures and U.S. Investors". Alaris' risk factors described below comprise risks that we know about and that we consider material to our business. The investment 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 Trust 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 Material Partners.
- 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 Trust 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. Except for Sono Bello (where our Distributions are fixed in exchange for a portion of Sono Bello's upside growth), 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 measure. As a result, subject to certain conditions, 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 agreements with our Partners, these 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 (for example, standstill provisions may limit our exercise of some remedies until the senior debt is fully paid or for a specified period).

Because of Alaris' limited voting rights in our Partners, our ability to exercise direct control or influence over the operations of our Partners is limited (except for our consent rights and when there has been an uncured event of default and required Distributions have not been made as more particularly described under the heading "*Summary of Partner Agreements*"). Further, Alaris' consent rights and remedies are generally subordinated to the rights, 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. Alaris' consent rights and remedies, or the ability to use them, may vary from Partner to Partner and as such, Alaris may not have the same tools to address a default for

a material Partner (or a series of non-material partners) as it may have with other partners. Payment of Distributions therefore depends on several factors that may be outside our control.

Our Partner agreements also provide Partners the right to purchase, repay or redeem Alaris' investment. If a material Partner (or a group of Partners that collectively represent a material amount of our revenues) purchases, repays or redeems Alaris' equity and we cannot redeploy the proceeds in a favourable manner into new or existing Partners, it could have a material adverse impact on Alaris' business, including our revenues.

There is generally no public information (including financial information) about our Partners or their management. Partner management are not subject to the same governance or disclosure requirements that apply to Canadian public companies. Therefore, we rely on our Management and third-party service providers to investigate each Partner's business. However, neither our due diligence efforts nor our ongoing monitoring procedures can assure 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 an investment's success. Partners may: have significant variations in operating results; from time to time be parties to litigation; be engaged in rapidly changing businesses; expand business operations to new jurisdictions or business lines; require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; or experience adverse changes in their business cycle or in the industries in which they operate.

Numerous factors may affect the quantum of a Distribution or Partner's ability to maintain its 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 our Partners*".

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 Trust Distribution, will be the cash we generate from Distributions and the Senior Credit Facility. 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 (including with respect to refinancing existing indebtedness). 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.

In situations where Alaris is paying out a large portion or substantially all our operating cash, it 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 managed to obtain 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 will depend in part upon the prevailing capital market conditions and our business performance.

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 our 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 due to a difficult investment market, geopolitical and other conditions that affect our or our Partners' businesses

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, Company 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.

Company may undertake new investment structures or strategies to supplement its primary preferred equity investments and increase Company' growth profile. If a new structure or strategy does not provide Company with the intended benefits or any benefits at all our operations, cashflows or financial condition may be negatively impacted. In addition, new investment structures and strategies could negatively impact Company by creating an overutilization of internal resources.

Although Company currently has 23 Partners and diversification continues to improve, Company 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, sustained higher than historical interest rate environment, labour shortages, wage inflation, 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. As a Canadian public company investing primarily in U.S. businesses, Company faces complex cross-border regulatory scrutiny and political uncertainty. The regulatory environment for foreign investment in the U.S. is increasingly complicated and is expected to remain so in 2026. U.S. authorities, such as the Committee on Foreign Investment in the United States (CFIUS), actively review and can impose conditions on acquisitions by foreign investors on national security grounds, even for Company' non-controlling investment structure. Changes in U.S. trade policy also pose a risk. For example, changes in U.S. trade policy, including tariffs on imports from Canada and retaliatory measures, could directly or indirectly affect our Partners' supply chains or cost structures. Divergent regulations between Canada and the U.S. mean that Company must navigate two sets of securities laws, governance expectations, and disclosure standards, increasing compliance burdens. These factors can adversely affect our Partners' profit margins and ability to pay Distributions. Similarly, our ability to invest in new Partners may be negatively impacted by inflation, higher interest rates, change in cross-border policies (such as heightened trade barriers, increased tariffs, foreign investment restrictions, or diplomatic tensions), and rising costs of capital. Even steady Distribution payments from our Partners may not offset the potential adverse impact of sustained inflation and high interest rates.

Market and political events and other conditions, including reactions to global health crises, 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

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. For example, the ongoing war between Russia and Ukraine, continuing volatility in the Middle East, evolving trade tension between the U.S. and its global trading partners following shifts in policy and the global responses to such conflict, volatility and policy shifts or other similar events, or conversely peaceful developments, arising in the Middle East, Asia or Eastern Europe and other areas of the world that affect 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. Certain Partners may have international operations that may be impacted by such international events (and may be disproportionately impacted depending on their location).

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 invest in 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. Because of this competition, we may be unable to benefit from 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 new investments 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.

Our growing common equity positions carry additional valuation, liquidity and return risks

While Alaris' investment strategy remains focused on preferred equity instruments that generate predictable current-pay Distributions, an increasing portion of our portfolio includes common equity positions in our Partners. Unlike preferred equity investments, common equity investments do not carry contractual Distribution rights and are subordinate to both senior lenders and any preferred equity in the capital structure. As a result, common equity positions expose Alaris to greater downside risk if a Partner's business deteriorates, and our ability to recover capital from these investments depends on the Partner's overall value at the time of exit. Returns on common equity are realized primarily through an eventual sale, redemption or other liquidity event, the timing and value of which are uncertain and depend on market conditions, Partner performance and the availability of willing buyers. There is no assurance that Alaris will realize returns on its common equity investments that are comparable to returns on its preferred equity portfolio. If common equity investments underperform or if exit opportunities do not materialize on favourable terms, this could have a material adverse effect on Alaris' financial condition and results of operations.

Under IFRS, Alaris must measure the fair value of its common equity investments at each reporting date and recognize changes in fair value through profit or loss. Because common equity valuations are inherently more variable than preferred equity instruments with contractual distribution features, an increasing allocation to common equity may lead to larger and less predictable fluctuations in Alaris' reported net income and comprehensive income from period to period. Fair value adjustments reflect changes in valuation assumptions and market inputs and may differ from the cash distributions received from Partners during the period.

Operational and Financial Risk Factors Relating to Our Business

We are subject to tax-related risks

CRA Re-Assessment

Alaris received notices of reassessment ("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 use of \$9.9 million in investment tax credits ("ITCs") by the Trust, resulting in reassessed taxes and interest of approximately \$64 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.

At the time the relevant transactions were completed, the Trust received legal advice that it should have a right 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 succeed 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 AIF, Alaris has deposited \$25.4 million with the CRA and Alberta Treasury. Alaris has also recently obtained tax liability insurance in respect of this matter; the intent of the insurance product is to transfer risk to an insurer, thereby reducing the financial uncertainty caused by the Reassessments.

Alaris expects 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 succeed 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 way 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 may not be deductible. In 2019, certain Alaris U.S. entities took a deduction for interest expense, against which a reserve of \$10.4M was booked in 2020.

Furthermore, certain changes in the structure and business practices of our Partners could affect our structure. Although we are of the view that our 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. If 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 is 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 investments 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

At the time of a transaction with Alaris, each Partner provides certain representations and warranties and covenants regarding the Partner, its business and certain other matters. After 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 or other restrictions applicable to the Partner or the industry in which they operate, which can limit our ability to recover any losses from Partners. When Alaris' co-invests with another institutional investor, as is the case with the Sono Bello 2023 Transaction and the Ohana 2024 Transaction, there may be additional restrictions or limitations placed on Alaris' rights and remedies or the exercise of such remedies. Furthermore, a Partner, or alternatively a co-investor, may try to contest the exercise 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

Alaris relies on borrowing under our Senior Credit Facility to fund investments in Partners. As a result, our ability to earn attractive returns on our Partner investments depends on our ability to borrow at favourable rates. Many of our Partners also rely on various credit facilities to fund their businesses. The cost of debt financing has increased due to higher interest rates and may continue to do so. If the debt financing market contracts significantly or adverse changes occur in the terms of debt financing (for example, higher equity requirements or more restrictive covenants), it could negatively impact our and our Partners' businesses.

Certain terms of our Senior Credit Facility (including its renewal on substantially similar terms) and any outstanding debt of our Partners could adversely affect our ability to raise additional capital, fund operations or pay Trust 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 a repayment. In addition, a default under our Senior Credit 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).

Material damage or interruptions to our or our Partners' information systems from external factors, staffing shortages, cybersecurity breaches or cyber fraud, or difficulties in updating existing software or implementing new software, including the increasing use of AI tools, could adversely affect our or our Partners' businesses or results of operations

We and our Partners use information technology systems to varying degrees in the conduct of operations. Information technology systems can be complex to develop, maintain, upgrade and protect against emerging threats. As a result, failure to hire or retain adequate personnel to manage our information systems may impair our ability to accurately gauge the financial and managerial resources needed to invest in information systems. This may also result in a failure to realize the anticipated benefits of resources invested in information systems, particularly as business needs change. Information technology systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches and natural disasters. In addition, non-technical issues (including vandalism, catastrophic events and human error) can damage or interrupt information technology systems in ways that require significant investment to fix or replace the affected system. As a result, we or our Partners may suffer interruptions in our operations in the interim. Third parties with whom we and our Partners share data also face risks relating to cybersecurity. Neither we nor our Partners directly control these third parties' information security or privacy operations. Similarly, we do not control any of our Partners' information security or privacy operations. Any material interruptions or failures in our or our Partners' systems or the products or systems of our or our Partners' third-party vendors or other service providers

that we and our Partners share data with may have a material adverse effect on our business or results of operations.

Over the last several years, there has been an increase in the scope of cybersecurity attacks in Canada and the U.S. We expect cybersecurity attacks to continue, and that Alaris and its Partners could be targeted. We also expect the scope of, and sophistication of, cybersecurity attacks to increase. While we adopt countermeasures to address cybersecurity risks, our efforts will likely not wholly eliminate these risks or thwart all attacks. Any failure to address vulnerabilities in a timely and comprehensive manner, including shortcomings in our efforts to timely replace and upgrade network equipment, servers or other technology assets, could result in a successful breach of our information technology systems. Our efforts to ensure the integrity of our information technology systems may not succeed. We may not anticipate, detect or implement adequate preventive measures against all cyber threats because techniques used to obtain unauthorized access or sabotage systems change frequently and often are not recognized until launched against a target.

Our Partners' operations are also dependent on information technology systems and cybersecurity measures. Attempted cyber intrusions into our Partners' information systems through their own and their third-party service providers' networks or products, if successful, could compromise our Partners' information systems. In addition, when investing in new Partners, we may be unable to detect information system risks in their businesses or adequately ensure their policies and procedures for addressing cybersecurity risks or identifying weaknesses in their information systems are adequate. A computer hacker or other third party that circumvents our or our Partners' security measures could destroy or steal valuable information or disrupt our or our Partners' operations. Any successful breaches or attempted intrusions could increase information systems costs and potential reputational damage, which could materially adversely affect our or our Partners' businesses and results of operations.

Additionally, we and our Partners must securely handle and transmit confidential and personal information. Personal information includes data about our Partners' customers, including personally identifiable information, credit card information and sensitive information about our Partners' service providers and workforce, including social security numbers and bank account information. If our or our Partners' systems are damaged, interrupted or subject to unauthorized access, confidential personal information could be stolen or misused. Any security breach could expose Alaris or our Partners to data loss, fines, litigation, and liability, seriously disrupt our or our Partners' operations, harm our or our Partners' reputations and adversely affect our or our Partners' business. Failure to handle or transmit confidential or personal information securely could result in claims or lawsuits, including personally identifiable information about our Partners' customers, vendors or workforce. Aside from fines, lawsuits, and other claims, we and our Partners may need to expend significant resources to change our business practices to protect personally identifiable information, which could adversely affect our or our Partners' businesses. In addition, we and our Partners could be subject to additional rules and regulations surrounding the protection of personal information based on the jurisdictions in which they operate. A change in such rules and regulations or a failure to comply therewith could have a material adverse impact on Alaris' and our Partners' operations.

Certain Partners are also subject to payment card association rules and network operating rules, including data security rules and certification requirements. Both Alaris and certain of our Partners are subject to rules governing electronic funds transfers. Such rules could change over time. Security standards of the payment card industry contain compliance guidelines and standards for our Partners' security surrounding the physical and electronic storage, processing and transmission of individual cardholder data. Any breach or compromise of a Partner's internal systems may result in liability for card re-issuance costs, fines and higher transaction fees and the Partner losing its ability to accept credit or debit card payments, which could adversely affect the Partner's business.

Various levels of government have enacted other laws and regulations to protect consumers against identity theft, including laws governing the treatment of personally identifiable information. For example, Canada's Personal Information Protection and Electronic Documents Act, California's Consumer Privacy Act, and the various Consumer Protection Acts found in Canadian provinces impose stringent requirements on collecting and processing personal information and provide for significant penalties for noncompliance. These laws have

increased the costs of doing business. Failure to implement appropriate safeguards or to detect and provide prompt notice of unauthorized access as required by some of these laws could result in claims for damages and other remedies. Any penalty imposed under these laws could adversely impact the business, results of operations and financial condition of Alaris or our Partners. In addition, investigations, lawsuits or adverse publicity relating to our or our Partners' methods of handling personal data could increase costs and cause negative market reaction.

Alaris and our Partners face significant risks related to the adoption and implementation of artificial intelligence ("AI") technologies. AI presents both opportunities and risks that requires substantial investments and could materially impact Alaris' operations and our Partners. AI has the potential to disrupt traditional business models, introduce unforeseen competitive pressures, and lead to significant changes in the industries in which our Partners operate. AI use in hiring, pricing or customer analytics may inadvertently use biased algorithms which could expose Partners (and indirectly Alaris) to regulatory fines, litigation and reputational damage. Generative AI may result in unintentional disclosure of trade secrets into the public domain. Sophisticated actors are increasingly using AI to conduct targeted fraud and phishing attacks, which may bypass existing cybersecurity measures, leading to operational disruption and financial loss.

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, Canadian federal, provincial and local laws and other international jurisdictions for Partners with international operations) 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 future operations.

There are no guarantees as to the timing and amount of our distributions

Payment of Trust 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 the amount of Trust Distributions we pay, if any. The market value of the Trust Units may deteriorate if we cannot pay Trust Distributions in accordance with our distribution policy, or at all, and such deterioration may be material.

Our ability to pay distributions is affected by the terms of our Senior Credit Facility

Our ability to pay Trust Distributions is subject to applicable laws and contractual restrictions in the instruments governing our indebtedness. How much 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 investments 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 Trust 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 Trust 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 Trust Distributions.

We are subject to fluctuations in the US/Canadian dollar pairing (USD/CAD)

Most Partners pay Distributions in USD, however, Alaris pays Trust 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 the timing of redemption is unknown and Alaris generally uses the exit proceeds to repay our Senior Credit Facility, which is held in USD. This exposes Alaris to a cash loss, or gain, on a USD investment, even if the investment succeeded 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.

Exits and Redemptions

Alaris' Partners have the right to redeem our preferred equity investment (after a specified period of time) and, where we have a common equity investment, if a redemption results in our preferred equity being redeemed below a specified threshold, Alaris may exercise its right to put its common equity investments to the company for purchase. In addition, Partners can pursue a sale of the business that would result in a purchase of Alaris' investment. While Alaris' investment strategy includes earning returns on an exit and redemptions, and management believes the purchase price Alaris would receive upon such purchases would adequately compensate Alaris for the foregone Distributions, Alaris would still need to reinvest the cash received (through new Partner investments, potential trust unit repurchases, debt repayment or otherwise) in order to maintain our Trust Distribution levels. There is no assurance that we would be able to successfully identify and complete any such re-investments.

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 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 or a failure to sufficiently plan for the transition of one or more key persons 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 and regulatory 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. There has been an increase in the number of claims and amount of damages and penalties sought in litigation and regulatory proceedings against the financial industry in recent years (particularly in the United States). This increase in litigation risk applies to the activities of our Partners as well as Alaris, both of which could be named in lawsuits or subject to regulatory investigations directed at a given Partner. These actions could result in third-party litigation or regulatory proceedings related to investor dissatisfaction with our performance, alleged conflicts of interest, our Partners' products and services and other matters.

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, there are no outstanding material claims or litigation pending against Alaris, except for the Reassessment described above in the section entitled "We are subject to tax-related risks". The widespread use of social media, the internet and other media platforms, combined with growing public scrutiny of the effects of business activities, could result in negative publicity or inaccurate information about Alaris or its Partners spreading rapidly and to a wide audience. This could make it harder to address and remedy issues, and further amplify the reputational risks, related to negative publicity.

General risks related to the outstanding debentures

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 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, 2026, 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 interest up to but excluding the date of redemption.

Redemption of Debentures upon a Change of Control

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.

Potential risks associated with co-investments with other investors

From time-to-time, Alaris may engage in co-investments with other investors, including private equity firms, institutional investors, sovereign wealth funds and high net-worth individuals. While co-investments can provide opportunities to participate in attractive investments that might otherwise be unavailable for us to pursue independently, they also introduce several risks that could adversely affect our investment performance and financial condition. One key risk associated with co-investments is the possibility of misalignment of interests among co-investors. Different investors may have distinct investment objectives, return expectations, risk tolerances, holding periods or exit strategies. This divergence in priorities and strategies can lead to conflicts of interest, operational inefficiencies, or delays in decision-making processes, potentially hindering our ability to effectively manage our relationships with Partners or exercise our rights and remedies. Additionally, Alaris may be the minority partner in a co-investment and its co-investor might have approval or veto rights not granted to Alaris. In such case, Alaris will be subject to the exercise of such rights by its co-investor, which may deviate from how Alaris would have independently exercised such rights. Furthermore, there may be additional restrictions or

limitations placed on the exercise of rights and remedies for a Partner. In addition, our co-investors may have varying levels of financial strength and liquidity, which could impact their ability to meet capital commitments or contribute additional capital if required. If a Partner requires additional capital and a co-investor is not able to or is unwilling to provide its share of additional capital, we may be required to contribute additional capital to our Partner on our own, which could strain our resources and limit our ability to pursue other investment opportunities. In addition, investing alongside co-investors exposes us to potential reputational risks. Any negative publicity, regulatory actions, or legal issues faced by our co-investors could harm our reputation and our ability to attract future co-investment partners or limited partners. Finally, performance of co-investments is also subject to the risks inherent in any Partner investment, including market, regulatory, legal, and economic risks. These factors could lead to underperformance of the co-investment and adversely impact our overall investment performance and financial results.

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.sedarplus.ca. No statute governs 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 the activities of 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 a foreign "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 investment 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 ("FATCA") 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 produces similar 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 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 its 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.) in which it owns at least 25% of the equity (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 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 Trust 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.

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

We are subject to increasing scrutiny from regulators, politicians, unitholders, investors and other stakeholders with respect to environmental, social and governance ("ESG") matters. 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.

In our public disclosures, we may share certain ESG-related initiatives and goals. However, implementing these initiatives and goals could be challenging and expensive, and we may not achieve them within the timelines we announce or at all. For instance, we may find some ESG initiatives or goals are impractical or infeasible due to cost, timing or other factors. Our ESG-related disclosures, policies, practices, initiatives and goals may also face criticism for being incomplete, inaccurate or inadequate, especially as the frameworks and standards for measuring

ESG progress are still developing in addition, our ESG practices rely on third-party data, services and methodologies, as well as reporting from our Partners, which may prove to be incomplete or inaccurate.

If our or third parties' ESG-related data, processes or reporting are incomplete or inaccurate, or if we fail to 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 Sono Bello

<i>Lawsuits</i>	Any business performing medical procedures has a higher probability of facing lawsuits in the US than most. This is the case even for 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. Sono Bello has appropriate levels of insurance coverage to manage historical lawsuit risks.
<i>Consumer discretionary</i>	Sono Bello 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 Sono Bello's business. The price point of a typical procedure at Sono Bello 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.
<i>Growth of new territories and procedures</i>	Sono Bello continues to grow through geographic 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. In addition, Sono Bello may expand into new surgical procedures within the cosmetic surgery space, which may not have the same results as its current core offerings. Ambitious growth initiatives open the door to execution risk and may result in an over utilization of management time and financial resources. The team in place at Sono Bello has successfully taken the business through various stages of growth thus far and has executed very well. However, execution risk remains.

<i>Competition</i>	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 Sono Bello, they are the dominant player and on a national scale any new competitors will take time to grow to Sono Bello's size and scale. However, new entrants can put pressure on pricing and Sono Bello may not be able to compete with competitors in regions where Sono Bello plans to expand due to existing brand loyalty. Competitors may attempt to copy Sono Bello's business model, or portions thereof, which could erode market share and impair profitability. This competition may limit their ability to attract new customers, which could materially affect their results of operations and financial condition. If our competitors are able to develop and market solutions that are safer, more effective, easier to use or more readily adopted by patients and healthcare providers, our commercial opportunities may be reduced or eliminated.
<i>Reliance on IT</i>	Sono Bello relies 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.
<i>Social acceptance of minimally invasive procedures</i>	Changes in the acceptance of cosmetic procedures (negative image) could lead to a reduction of people that would have a cosmetic surgery procedure.
<i>Brand Reputation</i>	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.
<i>The Impact of Weight Loss Medications on Liposuction Demand</i>	The rising popularity of weight loss medications like GLP-1 receptor agonists (e.g., Ozempic, Wegovy, and Mounjaro) is reshaping the landscape of aesthetic medicine, particularly impacting the demand for liposuction. As more patients achieve significant weight loss through these medications, the need for traditional fat-reduction procedures may decline.
<i>Risks Relating Specifically to Ohana</i>	
<i>Changes made by the Franchisor may impact Franchisee operations</i>	Ohana is a franchisee of Planet Fitness. As such, Ohana'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 Ohana's operating performance and profitability. In addition, Ohana must comply with the terms of its franchise agreements with the franchisor and its applicable area development agreements. A failure to comply with such obligations or a failure to obtain renewals on any expiring franchise agreements could adversely affect Ohana's operations.

<i>Brand loyalty</i>	Ohana relies on the other franchisees to uphold the Planet Fitness brand. Franchisees are contractually obligated to operate their clubs 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 Ohana.
<i>Performance of new clubs</i>	Ohana 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.
<i>High level of competition</i>	The high level of competition in the health and fitness industry could materially and adversely affect their business. The high level of competition in the health and fitness industry could materially and adversely affect their business, including, without limitation, competition from new fitness trends, gyms of various sizes and geographic footprints and weight loss medications. Ohana 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. Increase in competition also may limit ability to attract staff in addition to new customers.
<i>Reliance on IT</i>	Ohana 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, Ohana'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 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 or a failure of any succession planning efforts 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".

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, thereby potentially 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

Throughout 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 ECR estimates. 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.

Public health crises, epidemics and pandemics may negatively impact our Partners' business continuity

Another public health crisis like COVID-19 could disrupt a Partner's ability to carry on business in the ordinary course including by reducing their earnings, leading to an inability to pay Distributions to Alaris and a reduction in our revenues. 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 crisis may result in a slowdown or temporary shutdown of the operations of one or more of our Partners.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements (collectively, "forward-looking statements") within the meaning of applicable securities laws, including any applicable safe harbour provisions. Statements other than statements of historical fact may constitute forward-looking statements.

Forward-looking statements include, without limitation, statements regarding management's expectations, intentions, beliefs, plans, objectives, projections and estimates concerning:

- the Trust's growth, results of operations and financial performance;
- the performance and financial position of the Partners;
- future distributions, resets and redemptions;
- capital deployment plans and financing activities; and
- the Trust's business strategy and objectives.

Forward-looking statements may be identified by terminology such as "believe", "expect", "anticipate", "intend", "will", "may", "estimate", "project", "continue" and similar expressions, including the negative thereof.

Specific Forward-Looking Statements Included in this MD&A

This MD&A includes forward-looking statements relating to, among other matters:

- anticipated financial and operating performance of the Partners, including expected distribution resets and ECR levels;
- Run Rate Revenue, Run Rate Cash Flow and Run Rate Payout Ratio;
- net cash from operating activities;
- the timing and amount of common distributions;
- the impact of new and follow-on investments;
- potential Partner redemptions and the reinvestment of proceeds;
- the impact of interest rate movements, including SOFR;
- the impact of fluctuations in the USD/CAD exchange rate;
- expected gains on common equity investments and future exits;
- the use of proceeds from the senior credit facility and debenture issuances;

- the impact of U.S. government procurement changes affecting FMP; and
- the Trust's ability to attract new private businesses and deploy capital on acceptable terms.

Financial Outlook and Future-Oriented Financial Information (FOFI)

To the extent that forward-looking statements herein constitute financial outlook or future-oriented financial information ("FOFI") — including estimates regarding revenues, expenses, distributions, Run Rate metrics, net cash from operating activities, or the impact of capital investments and distribution resets — such information:

- has been approved by management as of the date of this MD&A;
- is provided to assist readers in understanding management's current expectations regarding financial performance; and
- may not be appropriate for other purposes.

FOFI is subject to the same assumptions, risks and uncertainties as other forward-looking statements described herein.

Assumptions Underlying Forward-Looking Statements

Forward-looking statements are based on a number of material assumptions, including but not limited to:

Economic and Market Assumptions:

- that the Canadian and U.S. economies will perform substantially in line with prevailing expectations over the next 12–24 months;
- that interest rates will not vary materially from current market expectations;
- that the USD/CAD exchange rate will remain within a reasonable range of recent levels;
- that global geopolitical conflicts, including Russia/Ukraine and Middle East conflicts, will not materially disrupt economic conditions; and
- that global health events will not materially impact economic activity.

Partner-Specific Assumptions:

- that the majority of Partners will continue to generate sufficient earnings to support contracted distributions;
- that no material adverse developments will impair a Partner's ability to fulfill its payment obligations;
- that deferred distributions will be resolved in line with expectations; and
- that new and follow-on investments will perform in accordance with underwriting assumptions.

Capital and Financing Assumptions:

- that Alaris will have continued access to debt and equity financing on acceptable terms;
- that credit facilities will remain available and covenant compliance will be maintained; and
- that capital deployment opportunities will continue to arise within the private markets.

Although management believes these assumptions are reasonable as of the date hereof, they may prove to be inaccurate.

Risks and Uncertainties

Forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied. These include, without limitation:

Partner and Portfolio Risks:

- dependence on the financial performance of the Partners;

- changes in a Partner's ability to pay distributions;
- defaults, deferred payments or redemptions;
- failure to collect redemption proceeds as expected;
- limited diversification within the portfolio.

Economic and Market Risks:

- general economic conditions in Canada, the United States and globally;
- inflation, supply chain disruptions and trade disputes;
- interest rate volatility;
- foreign exchange fluctuations;
- geopolitical instability.

Financing and Structural Risks:

- availability of financing;
- compliance with leverage and covenant requirements;
- inability to reinvest redemption proceeds on acceptable terms;
- dilution and volatility in the trading price of the Trust's units.

Regulatory and Legal Risks:

- changes in legislation, taxation or regulation;
- litigation risk, including CRA reassessment matters;
- failure to obtain required regulatory approvals;
- cybersecurity risks and technology disruptions.

Additional risk factors are described in the Trust's Annual Information Form and prior MD&A filings.

Caution Regarding Reliance

Forward-looking statements are not guarantees of future performance. Readers are cautioned not to place undue reliance on such statements.

The forward-looking statements contained herein are made as of the date of this MD&A. Except as required by applicable securities laws, the Trust undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ADDITIONAL INFORMATION

Additional information relating to Alaris, including Alaris' Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or under the "Investors" section of Alaris' website at www.alarisequitypartners.com.

APPENDIX TO MD&A: NON-GAAP FINANCIAL MEASURES AND RATIOS

(in thousand of Candain dollars)

(i) Payout Ratio calculation

The below table is to be used to provide details on how to calculate Alaris Payout Ratio. The calculation divides the Trust's distributions paid by Alaris Net Distributable Cashflow. Alaris Net Distributable cashflow is most closely comparable to GAAP measure Cash from / (used in) operations, prior to changes in working capital and reconciled within this MD&A. The Trust also considers the Payout Ratio considering cash distributions used in the NCIB. Alaris Net Distributable cashflow is reduced by NCIB distributions prior to dividing by the Trust's distributions paid to derive the Payout Ratio adjusted for NCIB.

	Three months ended		Year ended	
	December 31		December 31	
	2025	2024	2025	2024
(1) Alaris Net Distributable Cashflow	\$ 24,016	\$ 31,856	\$ 109,430	\$ 130,486
(2) Trust's Distributions	\$ (15,415)	\$ (15,511)	\$ (61,892)	\$ (61,919)
Actual Payout Ratio (2) / (1)	64.2%	48.7%	56.6%	47.5%
NCIB cash distributions (3)	\$ 2	\$ -	\$ (8,945)	\$ -
(4) Alaris net distributable Cashflow adjusted for	\$ 24,018	\$ 31,856	\$ 100,485	\$ 130,486
Actual Payout Ratio adj for NCIB (4) / (2)	64.2%	48.7%	61.6%	47.5%

(ii) Acquisition Entities operating costs and other expenses and Interest on intercompany loans and dividend income paid to Trust

Acquisition Entities operating costs and other expenses and Interest on intercompany loans and dividends income paid to the Trust are the aggregate of the below items incurred by the Acquisition Entities, that management does not consider directly attributable to the Trust's investment in Partners included in financial statement Note 3 of the accompanying unaudited condensed and consolidated interim financial statements.

	Three months ended		Year ended	
	December 31		December 31	
	2025	2024	2025	2024
Acquisition Entities operating costs and other expenses				
Fair value loss on promissory notes	\$ -	\$ (287)	\$ (1,146)	\$ (2,585)
Operating costs and other	(1,333)	(1,049)	(4,209)	(3,895)
Transactions costs	(2,283)	(1,413)	(8,795)	(3,944)
Finance costs, senior credit facility and convertible debentures	(8,015)	(6,865)	(30,047)	(29,058)
Acquisition Entities income tax recovery / (expense) - current	3,700	(7,302)	(10,952)	(17,320)
Acquisition Entities income tax recovery / (expense) - deferred	(15,616)	(6,882)	(31,804)	(28,154)
Net unrealized gain on derivative contracts	188	(2,240)	1,099	(2,240)
Realized gain / (loss) on foreign exchange contracts	(231)	(4)	(677)	517
	\$ (23,590)	\$ (26,042)	\$ (86,531)	\$ (86,679)
Interest on intercompany loans and divided income paid to Trust				
Interest on intercompany loans	\$ (3,436)	\$ (3,207)	\$ (12,784)	\$ (23,514)
Acquisition Entities dividends paid to Trust	(11,979)	(11,100)	(45,098)	(12,488)
	\$ (15,415)	\$ (14,307)	\$ (57,882)	\$ (36,002)