Unaudited Condensed Consolidated Interim

Financial Statements of

Alaris Equity Partners Income Trust

For the three and six months ended June 30, 2026 and 2025

Alaris Equity Partners Income Trust

Condensed consolidated interim statements of financial position (unaudited)

$ thousands	Note	30-Jun 2026	31-Dec 2025
Assets			
Cash		$ 3,432	$ 6,385
Accounts receivable and prepayments		1,926	4,806
Income taxes receivable		631	522
Corporate Investments	3	1,471,626	1,405,767
Property, equipment and other		1,411	1,552
Deferred income taxes		2,845	1,968
Total Assets		**$ 1,481,871**	**$ 1,421,000**
Liabilities			
Accounts payable and accrued liabilities		$ 5,910	$ 8,091
Distributions payable	4	17,344	16,775
Unit-based compensation liability	5	6,425	8,225
Senior unsecured debenture	6	64,526	64,223
Convertible debenture	7	207,920	198,675
Lease liability		748	840
Total Liabilities		**$ 302,873**	**$ 296,829**
Equity			
Unitholders' capital	4	$ 764,468	$ 757,798
Retained earnings		414,530	366,373
Total Equity		**$ 1,178,998**	**$ 1,124,171**
Total Liabilities and Equity		**$ 1,481,871**	**$ 1,421,000**
Related parties	10		
Subsequent events	11		

Alaris Equity Partners Income Trust

Condensed consolidated interim statements of earnings (loss) and comprehensive income (loss) (unaudited)

		Three months ended June 30		Six months ended June 30	
$ thousands except per unit amounts	Note	**2026**	**2025**	**2026**	**2025**
Revenue and operating income					
Net gain on Corporate Investments	3	$ 18,564	$ 14,841	$ 31,907	$ 32,180
Management and advisory fees	8	6,244	5,495	12,584	10,806
Interest and dividend income from Acquisition Entities	10	18,108	14,121	35,794	27,859
Total revenue and operating income		**$ 42,916**	**$ 34,457**	**$ 80,285**	**$ 70,845**
General and administrative		6,402	4,086	11,354	8,271
Unit-based compensation	5	2,884	1,333	10,312	5,175
Depreciation and amortization		134	126	265	253
Total operating expenses		$ 9,420	$ 5,545	$ 21,931	$ 13,699
Earnings from operations		**$ 33,496**	**$ 28,912**	**$ 58,354**	**$ 57,146**
Finance costs		12,854	1,646	18,134	2,798
Unrealized foreign exchange loss / (gain)	3	(21,066)	44,792	(41,186)	49,709
Earnings before taxes		**$ 41,708**	**$ (17,526)**	**$ 81,406**	**$ 4,639**
Current income tax expense / (recovery)		(661)	-	-	31
Deferred income tax expense / (recovery)		490	409	(878)	(422)
Total income tax expense / (recovery)		$ (171)	$ 409	$ (878)	$ (391)
Earnings (loss) and comprehensive income (loss)		**$ 41,879**	**$ (17,935)**	**$ 82,284**	**$ 5,030**
Earnings per unit					
Basic		$ 0.92	$ (0.39)	$ 1.81	$ 0.11
Diluted	4	$ 0.83	$ (0.39)	$ 1.64	$ 0.11
Weighted average units outstanding					
Basic	4	45,578	45,498	45,468	45,513
Diluted	4	54,191	45,498	54,081	46,178

Alaris Equity Partners Income Trust

Condensed consolidated interim statement of changes in equity (unaudited)

For the six months ended June 30, 2026

$ thousands, except for number of units	Note	Units Outstanding	Unitholders' Capital	Retained Earnings	Total Equity
Balance at December 31, 2025		45,339	$ 757,798	$ 366,373	$ 1,124,171
Earnings and comprehensive income		-	-	82,284	82,284
Transactions with unitholders, recognized directly in equity					
Distributions to unitholders	4	-	$ -	$ (34,127)	$ (34,127)
Units issued under Restricted Trust Unit plan ("RTU")	4	232	5,065	-	5,065
Units issued under Total Return Participation plan ("TRP")		70	1,605	-	1,605
Total transactions with unitholders		302	$ 6,670	$ (34,127)	$ (27,457)
Balance at June 30, 2026		**45,641**	**$ 764,468**	**$ 414,530**	**$ 1,178,998**

For the six months ended June 30, 2025

$ thousands, except for number of units	Note	Units Outstanding	Unitholders' Capital	Retained Earnings	Total Equity
Balance at December 31, 2024		45,621	$ 763,245	$ 338,717	$ 1,101,962
Earnings and comprehensive income		-	-	5,030	5,030
Transactions with unitholders, recognized directly in equity					
Distributions to unitholders	4	-	$ -	$ (30,966)	$ (30,966)
Units issued under Restricted Trust Unit plan ("RTU")		183	3,498	-	3,498
Units purchased under normal course issue bid ("NCIB")	4	(353)	(6,701)	-	(6,701)
Total transactions with Unitholders		(170)	$ (3,203)	$ (30,966)	$ (34,169)
Balance at June 30, 2025		**45,451**	**$ 760,042**	**$ 312,781**	**$ 1,072,823**

Alaris Equity Partners Income Trust
Condensed consolidated interim statements of cashflows (unaudited)

$ thousands	Note	Six months ended June 30 2026	Six months ended June 30 2025
Cash flows from operating activities			
Earnings and comprehensive income		$ 82,284	$ 5,030
Adjustments for:			
Finance costs		18,134	2,798
Deferred income tax recovery		(878)	(422)
Depreciation and amortization		265	253
Net gain on Corporate Investments	3	(31,907)	(32,180)
Unrealized foreign exchange loss (gain)		(41,186)	49,709
Unit-based compensation	5	10,312	5,175
Net invested / (return of) capital in Acquisition Entities	10	6,884	(73,691)
Cash from / (used in) operations, prior to changes in working capital		**$ 43,908**	**(43,328)**
Changes in working capital:			
Accounts receivable and prepayments		$ 2,766	$ 5,330
Income tax payable and receivable		(109)	(2,282)
Accounts payable, accrued liabilities, and other		(6,782)	(7,507)
Cash generated from / (used in) operating activities		**$ 39,783**	**(47,787)**
Cash interest paid		(8,861)	(2,031)
Net cash from / (used in) operating activities		**$ 30,922**	**$ (49,818)**
Cash flows from financing activities			
Units purchases under NCIB	4	$ -	$ (6,701)
Proceeds from convertible debenture, net of fees	7	-	87,876
Distributions paid	4	(33,559)	(31,007)
Office lease payments		(104)	(88)
Net cash from / (used in) financing activities		**$ (33,663)**	**$ 50,080**
Net increase / (decrease) in cash		**$ (2,741)**	**$ 262**
Impact of foreign exchange on cash balances		(212)	(49)
Cash, Beginning of period		6,385	4,198
Cash, End of period		**$ 3,432**	**$ 4,411**
Cash taxes paid		$ 109	$ 2,691

1. Reporting entity:

Alaris Equity Partners Income Trust is an entity domiciled in Calgary, Alberta, Canada. The unaudited condensed consolidated interim financial statements as at and for the three and six months ended June 30, 2026, are composed of Alaris Equity Partners Income Trust and its consolidated subsidiary, Alaris Equity Services Corp. ("Service Co") (together referred to as the "Trust"). Alaris Equity Partners Income Trust and Service Co are both domiciled in Canada.

Throughout the notes to the consolidated financial statements, investments and investing activity of Alaris' capital primarily relate to its preferred equity, common equity and special purpose vehicle ("SPV") strategies. These Partner investments are held directly or indirectly through wholly-owned subsidiaries of the Trust, which are referred to as Acquisition Entities. While there are a number of Acquisition Entities, substantially all of these companies consist of direct or indirect subsidiaries of Alaris Equity Partners Inc. ("AEP", formerly known as Alaris Royalty Corp.), Alaris Equity Partners USA Inc. ("Alaris USA") or Salaris USA Royalty Inc. ("Salaris"). These three companies, which are the significant Acquisition Entities, are the Acquisition Entities for substantially all of Alaris' investments. AEP is a Canadian corporation, Alaris USA and Salaris are both Delaware corporations.

Throughout these statements, the term "Alaris" encompasses Alaris Equity Partners Income Trust and all of its wholly-owned subsidiaries.

2. Basis of preparation and material accounting policies:

(a) Statement of compliance:

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 and do not include all of the disclosures required for full annual financial statements and should be read in conjunction with the 2025 consolidated annual financial statements.

These consolidated financial statements were approved by the Board of Trustees on August 6, 2026.

(b) Basis of preparation and consolidation

The Trust meets the definition of an investment entity, as defined by IFRS 10, Consolidated Financial Statements ("IFRS 10"). The Trust has also performed an assessment to determine which of its subsidiaries are investment entities, as defined under IFRS 10. When performing this assessment, the Trust considered the subsidiaries' current business purpose along with the business purpose of the subsidiaries' direct or indirect investments.

Consolidated subsidiary

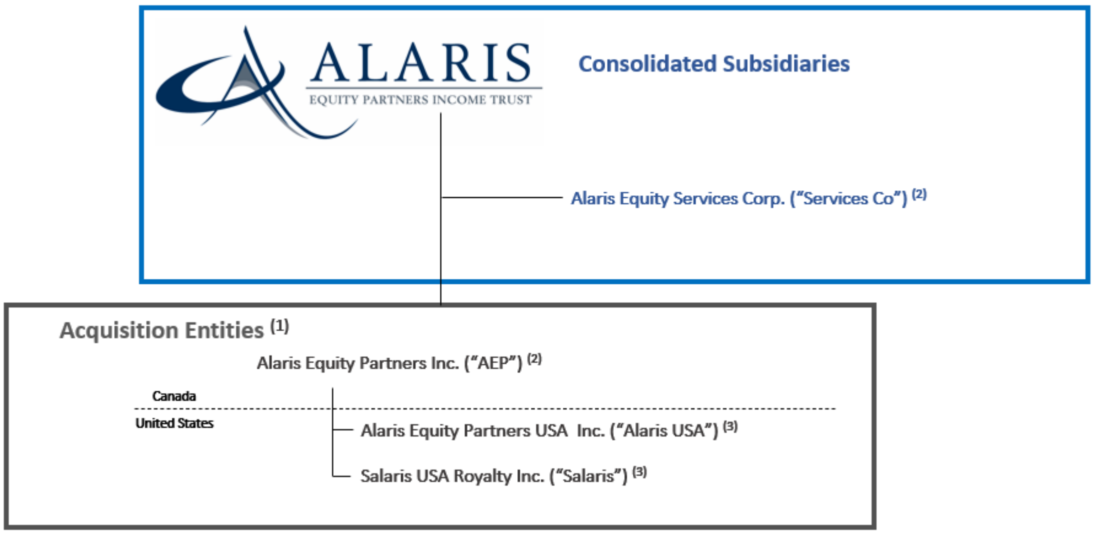
In accordance with IFRS 10, consolidated subsidiaries of an investment entity are those entities that provide investment-related services and that the Trust controls by having the power to govern the financial and operating policies of the entity, and do not themselves meet the definition of investment entities. Such entities would include those who charge management and advisory fees as a result of the Trust's day-to-day operations.

The Trust's wholly-owned and controlled subsidiary, Service Co, provides investment-related services and does not, itself, meet the definition of an investment entity and is therefore consolidated. All intercompany amounts and transactions between the Trust and this consolidated entity have been eliminated upon consolidation.

Interest in unconsolidated subsidiaries

In accordance with the requirements for investment entities under IFRS 10, interests in subsidiaries, other than those that provide investment-related services and do not themselves qualify as investment entities, are accounted for at fair value through profit (loss) ("FVTPL"). These entities are used by the Trust as Acquisition Entities and hold, either directly or indirectly, the Trusts' Partner investments. As denoted below, the Acquisition Entities are recorded as Corporate Investments. The Trust's wholly-owned and controlled subsidiary, AEP, qualifies as an investment entity and is therefore measured at fair value through profit (loss) ("FVTPL").

The following diagram illustrates the Trust's corporate structure, including the significant entities controlled by the Trust either directly or indirectly including the Acquisition Entities of the Trust:



(1) The Trust's investments in the Acquisition Entities are recorded as Corporate Investments at fair value through profit (loss)
(2) Principal place of business, Canada; 100% portion of ownership and voting rights
(3) Principal place of business United States; 100% portion of ownership and voting rights

The Trust's interests in the unconsolidated subsidiaries include loans receivable from the Acquisition Entities which are also measured at FVTPL and recognized as Corporate Investments.

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Corporate Investments and loans receivable from Acquisition Entities are measured at fair value in the statement of financial position with changes in fair value recorded in earnings (see Note 3).
- The units granted as part of the Trust's Restricted Unit Plan (RTU) are considered to be grants of financial liabilities and are measured at fair value with changes in fair value recorded in unit-based compensation expense included in earnings and unit-based compensation (see Note 5).
- As the Convertible debenture is a hybrid instrument, the conversion component is measured at fair value (see Note 7).

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars which is the Trust and Service Co's functional currency.

(d) Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Information about assumptions, judgments and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next twelve months are as follows:

Key estimates used in measuring fair value of Corporate Investments

The fair value of Corporate Investments is measured using an adjusted net asset method. The measurement of the fair value of the Corporate Investments is determined by measuring the fair values of the net assets of the Acquisition Entities, which include the underlying Partner investments held directly and indirectly within them. The fair value is assessed at each reporting date with changes in fair value recognized in net earnings.

An important component of the fair value within the Acquisition Entities is the valuation of the underlying Partner investments held directly or indirectly which require significant management judgement due to the absence of quoted market values, inherent lack of liquidity and long-term nature of such investments. Partner investments are measured using a discounted cash flow model or capitalized cash flow. Significant assumptions used in the valuation of the preferred unit investments include the discount rate, timing of exit and changes in future distributions. Significant assumptions used in the valuation of the common equity investments include the discount rate, terminal value growth rate, cash flow multiple and estimated future cash flows. Significant assumptions used in the valuation of the convertible preferred unit investments include the discount rate, estimated future cash flows, and cash flow multiple. See Note 3 for related disclosure on assumptions used in fair value assessments.

Management's estimates and judgements are influenced by current macroeconomic and geopolitical conditions. These factors may impact the assumptions used in areas such as the valuation of the underlying Partner investments, and the estimation of future cash flows, particularly where operations or counterparties are exposed to geopolitical uncertainty.

Material accounting policies:

The disclosures contained in these unaudited condensed consolidated interim financial statements do not include all the requirements of IFRS Accounting Standards for annual financial statements. The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2025. The unaudited condensed consolidated interim financial statements are based on accounting policies, as described in Note 2 to the 2025 audited annual consolidated financial statements.

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. The amendments updated the classification and measurement requirements in IFRS 9 and the related disclosures in IFRS 7, amending the requirements related to settling financial liabilities and clarifying how to assess contractual cash flow characteristics, including environmental, social, and governance ("ESG") impacts related to financial assets. The amendments are effective for the periods beginning on or after January 1, 2026, and the adoption of these amendments did not have an effect on the unaudited condensed consolidated interim financial statements.

3. Corporate Investments

The Trust's Corporate Investments are recorded at FVTPL in accordance with IFRS 9 and IFRS 10, as described in Note 2. AEP directly or indirectly invests the Trust's capital. The Trust's Corporate Investments include the fair value of the net assets of its Acquisition Entities that are controlled by the Trust both directly and indirectly. Accordingly, the Trust's direct Corporate Investments comprise these Acquisition Entities, which invest in our Partners.

The following table details the fair value of the Trust's material directly and indirectly held Acquisition Entities, which are controlled by the Trust, but which are not part of the consolidated subsidiaries:

Corporate Investments *$ thousands*	**30-Jun** **2026**	**31-Dec** **2025**
Acquisition Entities		
Partner investments	$ 2,042,436	$ 1,927,396
Net assets (liabilities)	$ (786,394)	$ (729,501)
Total Acquisition Entities	**$ 1,256,042**	**$ 1,197,895**
Intercompany loans		
Intercompany loans receivable from Acquisition Entities	$ 215,584	$ 207,872
Total Corporate Investments	**$ 1,471,626**	**$ 1,405,767**

The following table details the fair value of the net assets (liabilities) of Acquisition Entities excluding the Partner investments held by these Acquisition Entities:

Acquisition Entities net assets (liabilities) *$ thousands*	**30-Jun** **2026**	**31-Dec** **2025**
Assets		
Cash	$ 7,803	$ 5,131
Accounts receivable and prepayments	2,400	-
Income taxes receivable	11,551	17,407
Other long-term assets	29,036	29,365
Derivative contracts	2,326	860
Liabilities		
Accounts payable and accrued liabilities	(4,198)	(4,133)
Deferred income taxes	(163,465)	(145,333)
Derivative contracts	(961)	(154)
Senior credit facility	(455,302)	(424,772)
Intercompany loans payable	(215,584)	(207,872)
Total	**$ (786,394)**	**$ (729,501)**

The Trust has advanced intercompany loans to the Acquisition Entities totaling $215.6 million (December 31, 2025 - $207.9 million). The corresponding intercompany loans payable to the Trust, which total $215.6 million (December 31, 2025 - $207.9 million) form part of the Trust's Corporate Investments, which are recorded at FVTPL. There is no impact on net assets or net earnings from these intercompany loans.

The following table lists the fair value of the Trust's underlying Partner investments at June 30, 2026 and December 31, 2025. These investments are held both directly and indirectly by AEP, the Trust's directly-held unconsolidated subsidiary.

As noted in critical accounting estimates above, the measurement of the fair value of the Corporate Investments is significantly impacted by the fair values of the Partner investments held directly and indirectly through AEP. Partner investments listed below are denominated in their respective local currencies, except for the following: LMS Management LP and LMS Reinforcing Steel USA LP (collectively, "LMS"), which include a portion of their total investment denominated in USD and translated into Canadian dollars using period-end exchange rates; and Professional Electric Contractors of Connecticut, Inc. ("PEC"), which includes a portion of its total investment denominated in Canadian dollars and translated into USD using the period-end exchange rate. The total United States investments denominated in USD are also translated below into Canadian dollars using period-end exchange rates.

The change in fair value of the Trust's Corporate Investments, which include intercompany loans, for the six months ended June 30, 2026 is as follows:

Corporate Investments *$ thousands*	**Carrying Value January 1, 2026**	**Invested Capital**	**Redemptions / Repayments**	**Foreign Exchange Adjustment**	**Fair Value Adjustment**	**Carrying Value June 30, 2026**
Partner investments						
Sono Bello, LLC ("Sono Bello")	US $ 164,277	US $ -	US $ -	US $ -	US $ -	US $ 164,277
Ohana Assets Under Management	154,114	1,257	(3,135)	-	430	152,666
The Shipyard, LLC ("Shipyard")	123,200	-	-	-	(6,300)	116,900
Fleet Advantage, LLC ("Fleet")	97,835	-	-	-	18,800	116,635
D&M Leasing ("D&M")	83,207	-	-	-	2,500	85,707
Accscient, LLC ("Accscient")	73,677	-	-	-	(600)	73,077
DNT Construction, LLC ("DNT")	70,643	-	-	-	-	70,643
GWM Holdings, Inc ("GWM")	64,477	-	-	-	(900)	63,577
Edgewater Technical Associates, LLC ("Edgewater")	63,000	-	-	-	-	63,000
Professional Electric Contractors of Connecticut, Inc. ("PEC")	58,120	-	-	-	-	58,120
Cresa, LLC ("Cresa")	53,100	-	-	-	900	54,000
3E, LLC ("3E")	44,800	-	(26,449)	-	777	19,128
Renovo Medical Group, LLC ("Renew")	30,000	-	-	-	700	30,700
Sagamore Plumbing and Heating, LLC ("Sagamore")	29,300	-	-	-	(3,400)	25,900
McCoy Roofing Holdings, LLC ("McCoy")	27,000	-	-	-	(2,800)	24,200
The Berg Demo Holdings, LLC ("Berg")	22,600	-	-	-	(700)	21,900
Federal Management Partners, LLC ("FMP")	20,200	-	-	-	-	20,200
Carey Electric Contracting LLC ("Carey Electric")	19,280	-	-	-	-	19,280
Heritage Restoration, LLC ("Heritage")	5,800	-	-	-	-	5,800
Total (based in US) - USD	$ 1,204,630	$ 1,257	$ (29,584)	$ -	$ 9,407	$ 1,185,710
Optimus SBR ("Optimus")	CAD $115,522	CAD $-	CAD $-	CAD $-	CAD $-	CAD $115,522
Amur Financial Group ("Amur")	95,500	-	-	-	900	96,400
Lower Mainland Steel Limited Partnership ("LMS")	47,793	-	(2,000)	214	-	46,007
SCR Mining and Tunneling, LP ("SCR")	19,203	-	-	-	-	19,203
Kubik Inc. ("Kubik")	-	75,300	-	-	6,300	81,600
Total (based in Canada) - CAD	$ 278,018	$ 75,300	$ (2,000)	$ 214	$ 7,200	$ 358,732
Total of Partner investments - CAD	**$ 1,927,396**	**$ 77,067**	**$ (43,253)**	**$ 60,814**	**$ 20,412**	**$ 2,042,436**
Total Acquisition Entities net assets (liabilities)	(729,501)	(83,951)	43,253	(27,690)	11,495	(786,394)
Total Acquisition Entities	**$ 1,197,895**	**$ (6,884)**	**$ -**	**$ 33,124**	**$ 31,907**	**$ 1,256,042**
Loans receivable from Acquisition Entitles	$ 207,872	$ -	$ -	$ 7,712	$ -	$ 215,584
Total Corporate Investments	**$ 1,405,767**	**$ (6,884)**	**$ -**	**$ 40,836**	**$ 31,907**	**$ 1,471,626**

Below is a summary of changes in each investment during the year ended December 31, 2025:

Corporate Investments *$ thousands*	**Carrying Value January 1, 2025**	**Invested Capital**	**Redemptions / Repayments**	**Foreign Exchange Adjustment**	**Fair Value Adjustment**	**Carrying Value December 31, 2025**
Partner investments						
Sono Bello, LLC ("Sono Bello")	US $ 164,797	US $ 5,480	US $ -	US $ -	US ($ 6,000)	US $ 164,277
Ohana Assets Under Management	144,357	2,457	-	-	7,300	154,114
The Shipyard, LLC ("Shipyard")	91,200	21,500	-	-	10,500	123,200
Fleet Advantage, LLC ("Fleet")	80,735	-	-	-	17,100	97,835
D&M Leasing ("D&M")	75,607	-	-	-	7,600	83,207
GWM Holdings, Inc ("GWM")	77,177	-	-	-	(12,700)	64,477
Accscient, LLC ("Accscient")	65,177	-	-	-	8,500	73,677
DNT Construction, LLC ("DNT")	64,243	-	-	-	6,400	70,643
Professional Electric Contractors of Connecticut, Inc. ("PEC")	-	61,120	-	-	(3,000)	58,120
3E, LLC ("3E")	42,300	-	-	-	2,500	44,800
Edgewater Technical Associates, LLC ("Edgewater")	42,800	-	-	-	20,200	63,000
Cresa, LLC ("Cresa")	30,600	20,500	-	-	2,000	53,100
Sagamore Plumbing and Heating, LLC ("Sagamore")	25,500	-	-	-	3,800	29,300
Federal Management Partners, LLC ("FMP")	41,200	-	-	-	(21,000)	20,200
McCoy Roofing Holdings, LLC ("McCoy")	-	27,000	-	-	-	27,000
The Berg Demo Holdings, LLC ("Berg")	-	21,000	-	-	1,600	22,600
Carey Electric Contracting LLC ("Carey Electric")	15,080	5,200	-	-	(1,000)	19,280
Heritage Restoration, LLC ("Heritage")	5,800	-	-	-	-	5,800
Renovo Medical Group, LLC ("Renew")	-	30,000	-	-	-	30,000
Total (based in US) - USD	$ 966,573	$ 194,257	$ -	$ -	$ 43,800	$ 1,204,630
Amur Financial Group ("Amur")	CAD $89,900	CAD $-	CAD $-	CAD $-	CAD $5,600	CAD $95,500
Lower Mainland Steel Limited Partnership ("LMS")	48,885	-	(2,000)	(292)	1,200	47,793
SCR Mining and Tunneling, LP ("SCR")	15,003	-	-	-	4,200	19,203
Optimus SBR ("Optimus")	-	115,522	-	-	-	115,522
Total (based in Canada) - CAD	$ 153,788	$ 115,522	$ (2,000)	$ (292)	$ 11,000	$ 278,018
Total of Partner investments - CAD	**$ 1,544,298**	**$ 387,390**	**$ (2,000)**	**$ (74,389)**	**$ 72,097**	**$ 1,927,396**
Total Acquisition Entities net assets (liabilities)	(466,663)	(318,470)	2,000	29,109	24,523	(729,501)
Total Acquisition Entities	**$ 1,077,635**	**$ 68,920**	**$ -**	**$ (45,280)**	**$ 96,620**	**$ 1,197,895**
Loans receivable from Acquisition Entitles	$ 106,918	$ 106,794	$ -	$ (5,840)	$ -	$ 207,872
Total Corporate Investments	**$ 1,184,553**	**$ 175,714**	**$ -**	**$ (51,120)**	**$ 96,620**	**$ 1,405,767**

Gain on Corporate Investments

Net gain on Corporate Investments for the three and six months ended June 30, 2026 and 2025 is composed of the following and is representative of the changes in net assets (liabilities) within the Acquisition Entities as well as the changes in fair value of the Partner investments:

Net gain / (loss) on Corporate Investments	**Three months ended June 30**		**Six months ended June 30**	
$ thousands	**2026**	**2025**	**2026**	**2025**
Partner distribution revenue - preferred	$ 49,065	$ 39,549	$ 93,717	$ 80,128
Partner distribution revenue - common	863	2,222	4,089	4,615
Net realized gain on Partners investments [Note 1]	1,604	1,099	6,911	1,099
Net unrealized gain on Partner investments	10,844	5,475	13,501	15,541
Fair value loss on promissory notes	-	-	-	(1,146)
Operating costs and other	(1,240)	(649)	(2,408)	(1,515)
Transactions costs	(1,782)	(2,148)	(2,808)	(4,017)
Finance costs and senior credit facility	(7,693)	(7,697)	(14,588)	(14,308)
Acquisition Entities income tax recovery / (expense) - current [Note 2]	(2,373)	(4,686)	(6,469)	(9,850)
Acquisition Entities income tax recovery / (expense) - deferred	(6,999)	(551)	(12,771)	(2,469)
Management and advisory fees paid to Trust	(5,682)	(4,789)	(11,382)	(9,395)
Interest on intercompany loans	(5,918)	(3,051)	(11,717)	(6,244)
Net unrealized gain on derivative contracts	851	1,636	650	1,837
Realized loss on foreign exchange contracts	(591)	(522)	(448)	(522)
Net gain earned from Acquisition Entities operations	**$ 30,949**	**$ 25,888**	**$ 56,277**	**$ 53,754**
Acquisition Entities dividends paid to Trust	(12,385)	(11,047)	(24,370)	(21,574)
Net gain on Corporate Investments	**$ 18,564**	**$ 14,841**	**$ 31,907**	**$ 32,180**

Note 1 – For the three months ended June 30, 2026 included in Net realized gain on Partner investments is US$1.1 million (CAD$ 1.6 million) related to a portion of the legacy Ohana investment redeemed. For the six months ended June 30, 2026, in addition to realized gain in Q2 2026, is the partial redemption of partner 3E for US$3.8 million, for a total Net realized gain on Partner investments of US$4.9 million (CAD$6.9 million).

Note 2 – The amount of cash taxes paid by the Acquisition Entities in the three months ended June 30, 2026, was $0.3 million (three months ended June 30, 2025: payment of $7.2 million). For the six months ended June 30, 2026, cash taxes net to a payment of $0.1 million (six months ended June 30, 2025: payment of $5.2 million).

Below is a summary of the fair value of the Acquisition Entities Partner investments by common and preferred unit investments presented in local currency and Canadian dollars, translated at the period end spot rate at June 30, 2026 and December 31, 2025:

Partner Investments Carrying Value	**June 30, 2026**		**December 31, 2025**	
$ thousands	**Acquisition Cost**	**Carrying Value**	**Acquisition Cost**	**Carrying Value**
Total Preferred / Debt (based in US) - USD	$ 882,186	$ 896,981	$ 903,563	$ 924,695
Total Common (based in US) - USD	$ 201,649	$ 288,729	$ 203,654	$ 279,934
Total (based in US) - USD	$ 1,083,835	$ 1,185,710	$ 1,107,217	$ 1,204,629
Total Preferred / Debt (based in Canada) - CAD	$ 293,500	$ 275,410	$ 233,000	$ 214,696
Total Common (based in Canada) - CAD	$ 63,322	$ 83,322	$ 50,522	$ 63,322
Total (based in Canada) - CAD	$ 356,822	$ 358,732	$ 283,522	$ 278,018
Total Preferred / Debt - CAD	**$ 1,546,204**	**$ 1,549,119**	**$ 1,470,158**	**$ 1,480,788**
Total Common - CAD	**$ 349,664**	**$ 493,317**	**$ 329,365**	**$ 446,608**
Total - CAD	**$ 1,895,868**	**$ 2,042,436**	**$ 1,799,523**	**$ 1,927,396**

Assumptions used in fair value of the net assets of the Acquisition Entities, exclusive of Partner investments:

Other than the fair value of other long-term assets, the fair value of the assets and liabilities are equal to their carrying values, due to the nature and timing of expected settlement. The carrying values of the assets and liabilities are determined in accordance with IFRS Accounting Standards.

Other long-term assets are primarily made up of promissory notes issued to Partners and deposits with the CRA which have been paid in order to defend the reassessment. The fair value of other long-term assets includes assumptions related to the ongoing CRA reassessment within the Acquisition Entities and the collectability of promissory notes issued, reflecting the fair value at period end.

With respect to the deposits with the CRA, should the Acquisition Entities be unsuccessful in defending, these deposits will not be recoverable. The Acquisition Entities have obtained insurance to mitigate the risk related to this reassessment. In determining the fair value of the deposits paid and the promissory notes receivable, the Trust considered the timing of collection, and proceeds thereon, as well as the probability weighted outcome. Key assumptions included in this assessment include the probability assigned to each scenario. Alaris assigns a probability weighting to two economic scenarios which are representative of Alaris' best estimate of the likelihood of the probable scenarios underlying the investment valuation.

Assumptions used in fair value of underlying Partner investments:

Alaris estimates the fair value of its preferred unit investments using discounted cash flows of future distributions and redemptions. Alaris estimates the fair value of its convertible preferred unit investments using discounted cash flows of the future distributions and the enterprise value. Alaris estimates the fair value of the common equity investments using discounted cash flows or capitalized cash flows of the underlying business. Key assumptions used in the valuation of the preferred unit investments include the discount rate, terminal value growth rate, timing of exit and estimates relating to changes in future distributions. Key assumptions used in the valuation of the convertible preferred unit investments include the discount rate, estimated future cash flows, and cash flow multiple. Key assumptions used in the valuation of the common equity investments include the discount rate, terminal value growth rate, cash flow multiple and estimated future cash flows. Information about recent transactions carried out in the market as well as other considerations with respect to relevant market transactions may be used for the purposes of the valuation of common equity investments.

For each individual Partner, Alaris considered a number of different discount rate and cash flow multiple factors including company-specific items such as; what industry they operate in, the size of the entity, the health of the balance sheet and the ability of the historical earnings to cover the future distributions, the lack of liquidity inherent in a non-public investment and the fact that comparable public companies are not identical to the companies being valued. Such considerations are necessary because, in the absence of a committed buyer and completion of due diligence procedures, there may be company specific items that are not fully known that may affect the fair value. A variety of additional factors are reviewed, including, but not limited to, financing and sales transactions with third parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third-party financing environment. In determining changes to the fair value of the underlying Partner, emphasis is placed on current company performance and market conditions. Cash flows have been discounted at rates ranging from 11.2% - 25.6%.

These assumptions will be refined each reporting period as new information is obtained and may continue to require future adjustment to the fair value of the investments. All assumptions made at June 30, 2026 are based on the information available to the Trust as of the date of these financial statements. Refer to Note 9 for additional information, including sensitivity analyses of these inputs.

4. Unitholders' capital:

The Trust is authorized to issue an unlimited number of trust units. At June 30, 2026, the number of units issued and outstanding was 45,641,495 (December 31, 2025 – 45,338,811).

Outlined below are the weighted average units outstanding for the three and six months ended June 30, 2026 and 2025:

Weighted Average Units Outstanding	Three months ended June 30		Six months ended June 30	
thousands	2026	2025	2026	2025
Weighted average units outstanding, basic	45,578	45,498	45,468	45,513
Effect of outstanding convertible debentures	7,961	-	7,961	-
Effect of outstanding RTUs	652	-	652	665
Weighted average units outstanding, fully diluted	54,191	45,498	54,081	46,178

Outlined below are the adjusted earnings and comprehensive income for the three and six months ended June 30, 2026 and 2025.

Earnings and comprehensive income	Three months ended June 30		Six months ended June 30	
$ thousands	2026	2025	2026	2025
Earnings and comprehensive income	$ 41,879	($17,935)	$ 82,284	$ 5,030
Add backs:				
Convertible debenture interest	2,502	-	5,004	-
Accretion on convertible debentures	690	-	1,380	106
Adjusted earnings and comprehensive income	$ 45,071	($17,935)	$ 88,668	$ 5,136
Weighted average units outstanding - diluted	54,191	45,498	54,081	46,178
Diluted earnings per unit	**$ 0.83**	**($0.39)**	**$ 1.64**	**$ 0.11**

Distributions

For the three months ended June 30, 2026 the Trust declared a quarterly distribution of $0.38 per unit, paid on July 15, 2026, totaling $17.3 million (2025 - $0.34 per unit and $15.5 million). The total distributions declared during the six months ended June 30, 2026 were $0.75 per unit and $34.1 million in aggregate (2025 - $0.68 per unit and $31.0 million in aggregate).

5. Unit-based payments:

The unit-based compensation expense relating to the RTU Plan is based on the unit price of the Alaris units at June 30, 2026 and based on the remaining time left until vesting for each tranche of units. At June 30, 2026, the Trust's unit price was $23.90 per unit and the total liability related to the RTU is $6.4 million (December 31, 2025 - $8.2 million).

On March 9, the Board of Trustees approved a Total Return Participation plan (the "TRP") applicable to certain members of management. The TRP provides for participation in common equity returns in excess of a 10% hurdle, subject to a two-year holdback period and Board approval.

The initial payout pool relates to the 2023 performance period, which was settled in May 2026. The total additional compensation recognized with this pool is $3.1 million (2025 - nil). As the TRP was approved subsequent to year-end, compensation expense was recognized in Q1 2026.

Compensation expense related to the 2024 and 2025 performance periods will be recognized when the applicable performance conditions are satisfied, which is expected to occur upon completion of the respective two-year holdback periods and upon Board approval.

6. Senior unsecured debentures:

During the year ended December 31, 2022, the Trust issued $65.0 million aggregate principal amount of senior unsecured debentures ("Senior debentures") at a price of $1,000 per Senior debenture and an interest rate of 6.25%

per annum, payable semi-annually on the last business day of March and September which commenced March 31, 2022 with a maturity date of March 31, 2027.

The Senior debentures will not be redeemable by the Trust before March 31, 2025 (the "First Call Date"). On and after the First Call Date and prior to March 31, 2026, the Senior debentures will be redeemable, in whole or in part at the Trust's option at a redemption price equal to 103.125% of the principal amount of the Senior debentures redeemed plus accrued and unpaid interest, if any. On and after March 31, 2026 and prior to the maturity date, the Senior debentures will be redeemable, in whole or in part at the Trust's option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. The Trust has the option to satisfy its obligations to repay the principal amount of and premium (if any) on the Senior debentures due at redemption or on maturity by issuing and delivering the appropriate number of freely tradeable trust units of the Trust to Senior debenture holders.

Senior Unsecured Debenture *$ thousands*		**Total**
Balance at January 1, 2026	$	64,223
Accretion expense		303
Balance at June 30, 2026	**$**	**64,526**

The Trust recorded $2.8 million in issuance costs which are amortized using the effective interest rate method over the five-year term of the Senior debentures.

7. Convertible debentures:

In June 2025, The Trust issued convertible unsecured senior debentures ("Convertible debentures") that bear 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 Convertible debentures are convertible at the holder's option at any time prior to the close of business on the earlier of the business day immediately preceding the maturity date of June 30, 2030 and the date specified by the Trust for redemption of the Convertible debentures into fully paid and non-assessable units of the Trust at a conversion price of $24.85 per unit, being a conversion rate of approximately 40.2414 units for each $1,000.00 principal amount of debentures.

The Convertible debentures are not redeemable by the Trust before June 30, 2028. On and after June 30, 2028 and prior to June 30, 2029, the Convertible debentures may be redeemed in whole or in part from time to time at the option of the Trust at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of the redemption is given is not less than 125% of the conversion price. On and after June 30, 2029, the Convertible debentures may be redeemed in whole or in part from time to time at the option of the Trust at a price equal to their principal amount plus accrued and unpaid interest regardless of the trading price of the units.

In December 2025, the Trust issued Convertible debentures that bear interest at 6.25% per annum, payable semi-annually in arrears on the last business day of June and December with a maturity date of December 31, 2030.

The Convertible debentures are convertible at the holder's option at any time prior to the close of business on the earlier of the business day immediately preceding the maturity date of December 31, 2030 and the date specified by the Trust for redemption of the Convertible debentures into fully paid and non-assessable units of the Trust at a conversion price of $27.00 per unit, being a conversion rate of approximately 37.0370 units for each $1,000.00 principal amount of debentures.

The Convertible debentures are not redeemable by the Trust before December 31, 2028. On and after December 31, 2028 and prior to December 31, 2029, the Convertible debentures may be redeemed in whole or in part from time to time at the option of the Trust at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of the redemption is given is not less than 125% of the conversion price. On and after December 31, 2029, the Convertible debentures may be redeemed in whole or in part from time to time at the option of the Trust at a price equal to their principal amount plus accrued and unpaid interest regardless of the trading price of the units.

Convertible debentures *$ thousands*	**Convertible debenture**	**Conversion component**	**Total**
Balance at January 1, 2026	$ 191,203	$ 7,472	$ 198,675
Accretion	1,380	-	1,380
Change in fair value of conversion component	-	7,865	7,865
Balance at June 30, 2026	**$ 192,583**	**$ 15,337**	**$ 207,920**

8. Management and Advisory fees

During the three and six months ended June 30, 2026 and 2025, the Trust earned revenues from the provision of management and advisory services as follows:

Management and advisory fees	**Three months ended June 30**		**Six months ended June 30**	
$ thousands	**2026**	**2025**	**2026**	**2025**
Fees earned from Acquisition Entities	$ 5,540	$ 4,814	$ 11,189	$ 9,419
Fees earned from Partner Investments	704	681	1,395	1,387
Total Management and advisory fees	**$ 6,244**	**$ 5,495**	**$ 12,584**	**$ 10,806**

Management and advisory fees are recognized over time as services are provided. Fees earned from the Trust's Acquisition Entities are calculated on a percentage of the capital invested. Fees earned from Partner investments are transaction fees earned from the Trust's management of third-party investments in Sono Bello and Ohana.

9. Fair value of financial instruments:

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following items shown on the statement of financial position as at June 30, 2026 are measured at fair value on a recurring basis using level 3 inputs.

Fair value classification *$ thousands*	**Level 1**	**Level 2**	**Level 3**	**Total**
30-Jun-26				
Acquisition Entities	$ -	$ -	$ 1,256,042	$ 1,256,042
Loans receivable from Acquisition Entities	-	-	215,584	215,584
Conversion component of convertible debenture	-	15,337	-	15,337
Total at June 30, 2026	**$ -**	**$ 15,337**	**$ 1,471,626**	**$ 1,486,963**
31-Dec-25	**Level 1**	**Level 2**	**Level 3**	**Total**
Acquisition Entities	$ -	$ -	$ 1,197,895	$ 1,197,895
Loans receivable from Acquisition Entities	-	-	207,872	207,872
Conversion component of convertible debenture	-	7,472	-	7,472
Total at December 31, 2025	**$ -**	**$ 7,472**	**$ 1,405,767**	**$ 1,413,239**

The most significant assumption in the calculation of the fair value of Corporate Investments, which includes the fair value of the Acquisition Entities and the loans receivable from Acquisition Entities, are the assumptions used within the Partner investments held by the Acquisition Entities. Discount rates, terminal value growth rates, cash flow multiples, timing of exit, changes in future distributions from each investment, and estimated future cash flows are the primary inputs in these fair value models and are generally unobservable. Accordingly, these fair value measurements are classified as level 3. There were no transfers between level 2 or level 3 classified assets and liabilities during the three and six months ended June 30, 2026.

The impact on the fair value of Corporate Investments as at June 30, 2026 from changes in the significant unobservable inputs used to value the underlying assets are as follows:

Level 3 Corporate Investment	Significant unobservable inputs	Impact to fair value (in millions)	
		1% increase to input	*1% decrease to input*
Partner investments	Discount rate	($90.0)	$99.8
Common unit Partner investments	Terminal growth rate	$5.9	($5.4)
Preferred and convertible preferred unit Partner investments	Future distributions	$9.4	($9.9)
Common and convertible preferred unit Partner investments	Future cash flows	$9.6	($9.8)
Common and convertible preferred unit Partner investments	Cash flow multiple	$6.9	($7.1)
		1 year increase to exit timeline	*1 year decrease to exit timeline*
Preferred unit Partner investments	Exit timeline	($14.3)	$18.0

10. Related parties:

During the three months ended June 30, 2026, the Trust derived revenues from the provision of management and advisory services from Acquisition Entities of $5.5 million (2025 – $4.8 million) and $11.2 million during the six months ended June 30, 2026 (2025 - $9.4 million). At June 30, 2026, the Trust has a net receivable included in accounts receivable and prepayments from Acquisition Entities of nil (December 31, 2025 - $2.1 million).

The Trust has intercompany loans receivable in US dollars from Acquisition Entities. The loans have terms ranging from 3 to 10 years but can be repaid at any time without penalty. There is no impact on net earnings from these intercompany loans. As of June 30, 2026, all outstanding loans bear interest at the rates ranging from 10% - 12%. The Trust recognized $5.7 million of interest income during the three months ended June 30, 2026 (2025 – $3.1 million) and $11.4 million during the six months ended June 30, 2026 (2025 - $6.3 million). The corresponding interest expense incurred by the Acquisition Entities offset part of the Trust's Corporate Investment gain.

During the three months ended June 30, 2026 the Acquisition Entities paid $12.4 million of dividends to the Trust (2025 – $11.1 million) and paid $24.4 million during the six months ended June 30, 2026 (2025 - $21.6 million). Distributions received from the Acquisition Entities are recorded as income as part of the Trust's Revenue and operating income. For the three and six months ended, June 2026, the Acquisition entities returned capital of $4.9 million and $6.9 million respectively. With respect to the prior year, Q2 2025, the Trust invested net capital of $78.7 million into AEP and for the six months ended June 30 2025, the Trust invested net capital of $73.7 million to the Acquisition Entities, primarily used to repay the senior credit facility.

The Trust guarantees a US$450 million senior credit facility AEP holds with a syndicate of Canadian chartered banks, which has a maturity date in September 2029 and is secured by a general security agreement on all of Alaris' assets. The interest rate is based on a combination of the Canadian Overnight Repo Rate Average ("CORRA"), Canadian Prime Rate ("Prime"), US Base Rate ("USBR") and Secure Overnight Financing Rate ("SOFR"). At June 30, 2026, total balance drawn on its credit facility was $458.4 million (US$322.8 million) (December 31, 2025 – US$312.8 million). As at June 30, 2026, AEP met all of its covenants as required by the agreement. The covenants which are calculated at Trust's enterprise level include a maximum funded debt to contracted EBITDA of 3.0:1 (actual ratio was 2.40x at June 30, 2026); minimum fixed charge coverage ratio of 1:1 (actual ratio was 1.54x at June 30, 2026); and a minimum tangible net worth of $732 million (actual amount was $1,179 million at June 30, 2026).

The Trust has no contractual commitments to provide any other financial or other support to its unconsolidated subsidiaries. However, The Trust is impacted by financial risks that are incurred by the Acquisition Entities as certain risks may result in a change in the fair value of the net assets of the Acquisition Entities.

11. Subsequent events

On July 3, 2026 the Trust, through its Acquisition Entities, contributed US$35.0 million to Tesco – The Eastern Specialty Company, LLC ("Tesco") in exchange for: (i)US$28.0 million of debt and preferred equity with an initial annual Distribution of $3.9 million, and (ii)$7.0 million for a minority common equity ownership. The preferred Distributions will reset annually based on changes in Tesco's gross profit to a maximum of +/- 7%, with the first reset commencing on January 1, 2028. In addition to the initial contribution above, Alaris USA has committed to fund an additional US$5.0 million to Tesco based on certain financial thresholds being met.