ALARIS

EQUITY PARTNERS INCOME TRUST

MANAGEMENT DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2020

This management's discussion and analysis ("**MD&A**") should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2020 and 2019 for Alaris Equity Partners Income Trust. ("**Alaris**" or the "**Trust**"). The Trust's condensed consolidated interim financial statements and the notes thereto have been prepared in accordance with International Accounting Standard 34 and are recorded in Canadian dollars. Certain dollar amounts in the MD&A have been rounded to the nearest thousands of dollars.

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

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

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

Run Rate Revenue refers to Alaris' total revenue expected to be generated over the next twelve months.

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

Normalized EBITDA refers to EBITDA excluding items that are non-recurring in nature and is calculated by adjusting for non-recurring expenses and gains to EBITDA. Management deems non-recurring items to be unusual and/or infrequent items that Alaris incurs outside of its common day-to-day operations. For the nine months ended September 30, 2020, these include the distributions received upon redemption of SBI and in the three and nine months ended September 30, 2020 the non-recurring legal expenses related to the income trust conversion, the non-cash impact of trust completion and the unit-based compensation expense related to the quarterly re-valuation of the outstanding unit-based compensation. For the nine months ended September 30, 2019, these include a bad debt recovery related to Phoenix. Transaction diligence costs are recurring but are considered an investing activity. Foreign exchange realized and unrealized gains and losses are recurring but not considered part of operating results and excluded from normalized EBITDA on an ongoing basis. Changes in investments at fair value are non-cash and although recurring are also removed from normalized EBITDA. Adjusting for these non-recurring items allows management to assess cash flow from ongoing operations.

Earnings Coverage Ratio refers to the Normalized EBITDA of a Partner divided by such Partner's sum of debt servicing (interest and principal), unfunded capital expenditures and distributions to Alaris. Management believes the earnings coverage ratio is a useful metric in assessing our partners continued ability to make their contracted distributions.

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

Fixed Charge Coverage Ratio refers to EBITDA less unfunded maintenance capital expenditures divided by the sum of taxes, interest, debt repayments, trust unit repurchases (in excess of $10 million as permitted by the lending syndicate) and distributions paid by Alaris. Alaris' senior credit facility requires a minimum Fixed Charge Coverage Ratio as a financial covenant.

Contracted EBITDA refers to EBITDA for the previous twelve months excluding proceeds from any disposition of investments and any distributions accrued and not received but including all projected contracted payments from new and existing investments for the twelve-month period following the investment date. Contracted EBITDA is used in determining Alaris' leverage covenant as required by our senior debt facility.

IRR refers to internal rate of return, which is a metric used to determine the discount rate that derives a net present value of cash flows to zero. Management uses IRR to analyze partner returns.

Tangible Net Worth refers to the sum of unitholders' equity. Alaris' senior credit facility requires a minimum Tangible Net Worth as a financial covenant.

Adjusted Net Working Capital refers to current assets excluding promissory notes receivables, office lease items and investment tax credit receivable. Management believes this is a useful metric in determining the liquidity of Alaris and ability to meet its short-term liabilities.

Normalized Earnings refers to Earnings excluding non-recurring tax expenses related to newly enacted US Tax regulations that were applied retrospectively to January 1, 2019.

Partner company names are referred to as follows: LMS Management LP and LMS Reinforcing Steel USA LP (collectively, "**LMS**"), SCR Mining and Tunneling, LP ("**SCR**"), Kimco Holdings, LLC ("**Kimco**"), PF Growth Partners, LLC ("**PFGP**"), DNT Construction, LLC ("**DNT**"), Federal Resources Supply Company ("**FED**" or "**Federal Resources**"), M-Rhino Holdings LLC, dba Providence Industries ("**Providence**"), Unify Consulting, LLC ("**Unify**"), ccCommunications LLC ("**ccComm**"), Accscient, LLC ("**Accscient**"), Heritage Restoration, LLC ("**Heritage**"), Fleet Advantage, LLC ("**Fleet**"), Body Contour Centers, LLC ("**BCC**" or "**Body Contour Centers**"), GWM Holdings, Inc. ("**GWM**"), Amur Financial Group Inc. ("**Amur**"), Stride Consulting LLC. ("**Stride**") and Carey Electric Contracting LLC ("**Carey Electric**"). Former partner company names are referred to as follows: Sandbox Acquisitions, LLC and Sandbox Advertising LP (collectively, "**Sandbox**"), Sales Benchmark Index LLC ("**SBI**") and Phoenix Holdings Limited, formerly KMH ("**Phoenix**").

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

INCOME TRUST CONVERSION

On September 1, 2020, the Trust announced that it had completed the previously announced plan of arrangement under the provisions of the *Canada Business Corporations Act* (the "**Arrangement**") pursuant to which the Trust indirectly acquired all of the issued and outstanding common shares of Alaris Royalty Corp. (the "**Corporation**") in exchange for trust units. Further details on the arrangement were set forth in the Corporation's information circular and proxy statement dated July 21, 2020, a copy of which is available at www.sedar.com.

Following the Arrangement, the Trust is a materially simplified cross-border investment structure involving fewer foreign jurisdictions, which should reduce compliance and other administrative costs and Alaris' exposure to changes in foreign laws and it increases the amount of cash available for distribution to unitholders.

New accounting policies were adopted on the re-organization to reflect the new structure. Refer to Note 3 in the accompanying condensed consolidated interim financial statements for the three and nine months ended September 30, 2020 and 2019 for further details on these new policies. The primary impact of the trust conversion on the Trust's condensed consolidated interim statements of comprehensive income / (loss) is an additional gain in the current period of $10.6 million due to a re-valuation of the convertible debentures as at the date of conversion, September 1, 2020. The liability portion of the debentures was revalued based on the market price as at September 1, 2020, which ended up being an approximate 17% discount to the original face value of the debentures at their issuance date. This non-cash impact of trust conversion of $10.6 million is non-recurring and impacts earnings / (loss) figures throughout the MD&A.

OVERVIEW

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

Beginning in Q1 2020, Alaris has modified the presentation of the condensed consolidated interim statements of comprehensive income in order to simplify the presentation for all of the users of the statements. Changes include combining all revenues from Partners (distributions and interest) on one line including the impact of the foreign exchange contracts that Alaris enters into to manage the US dollar exposure of the revenues. Further detail is provided in note 4 of the condensed consolidated financial statements for the three and nine months ended September 30, 2020. Additionally, gains and losses, both realized from actual exits and unrealized from the quarterly fair value exercise have been moved up the table before a subtotal of "Total revenue and other operating income". Lastly, all of the general and administrative expenses (salaries & benefits, corporate & office and legal & accounting) have been combined on one line with analysis provided in this MD&A on the changes in the individual amounts.

RESULTS OF OPERATIONS

Quarter ended September 30, 2020 compared to Quarter ended September 30, 2019

Three Months Ended September 30th	2020	2019	% Change
Revenue per unit	$ 0.66	$ 0.82	-19.5%
Earnings per unit	$ 0.80	$ 0.57	+40.4%
Normalized EBITDA per unit	$ 0.57	$ 0.71	-19.7%
Net cash from operating activities per unit	$ 0.28	$ 0.55	-49.1%
Dividends declared per unit	$ 0.31	$ 0.41	-24.8%
Basic earnings per unit	$ 0.80	$ 0.57	+40.4%
Fully diluted earnings per unit	$ 0.79	$ 0.57	+38.6%
Weighted average basic units (000's)	35,584	36,647	

For the three months ended September 30, 2020, revenue per unit decreased by 19.5% due to distributions deferred during the quarter from PFGP as well as the redemptions of SBI and Sandbox in Q1 2020. These were partially offset by the restart of Kimco distributions during Q3 2020 (US$0.9 million in the quarter), new investments in Stride and Carey Electric, a follow-on investment in Unify and organic growth through the 2020 resets. The decrease in revenue per unit was also partially offset by the units that were repurchased by the Trust in 2020 through the Trust's Normal Course Issuer Bid ("**NCIB**") program.

Earnings of $0.80 per unit increased 40.4% compared to the three months ended September 30, 2019, mainly due to the accounting gain of $10.6 million recorded during the current period related to the conversion to an income trust, as described in additional detail above.

Normalized EBITDA of $0.57 per unit decreased 19.7% compared to the three months ended September 30, 2019 as a result of the decrease in distributions as previously discussed and an increase in legal expenses, partially offset by the decrease in weighted average basic units outstanding as a result of the units that Alaris repurchased under the NCIB.

Net cash from operating activities of $0.28 per unit was down 49.1% compared to Q3 2019 ($0.55 per unit), due to the timing of additional tax payments made during the current quarter, as well as a decrease in Normalized EBITDA per unit as described above. Due to COVID-19, the US tax authorities extended the deadline for tax payments to July 2020, that would have otherwise been required to be paid during Q2.

Partner Revenue ($ thousands)	Quarter ended September 30, 2020	Quarter ended September 30, 2019	% Change	Comment
DNT	$ 3,887	$ 3,716	+4.6%	Positive reset in Jan-20
FED	3,556	3,634	-2.1%	Negative reset in Jan-20, FX impact
BCC	2,251	2,126	+5.9%	Positive reset in Jan-20
GWM	2,008	1,842	+9.0%	Reset +8% Jan-20, FX impact
LMS	1,861	1,369	+35.9%	Reset +32% Jan-20, FX impact
Accscient	1,857	1,840	+0.9%	Flat reset at Jan-20, increase caused by FX
Amur	1,626	1,628	+0.0%	First reset is Jan-21
Kimco	1,192	-	+100.0%	Restart of distributions in Q3-20 of US$0.9 million
Unify	1,083	637	+70.0%	Follow-on contribution in Dec-19
SCR	1,050	600	+75.0%	Increased monthly distributions from $150/mth to $350/mth
Heritage	838	791	+5.9%	Reset +6% Jan-20, FX impact
Carey Electric	797	-	+100.0%	Initial contribution closed Jun-20
Fleet	538	516	+4.3%	Partial redemption of US$5.0 million in Jul-19, offset by reset +6% Jan-20
Stride	280	-	+100.0%	Initial contribution closed Nov-19
Amur Common Equity	55	355	-84.5%	No common dividend declared in Q3-20, additional $55 from Q2-20 accrual
PFGP	-	2,781	-100.0%	Deferral of Q3-20 distributions to future date
ccComm	-	775	-100.0%	Distributions to be recorded as received
Providence	-	772	-100.0%	Distributions suspended indefinitely beginning in Mar-20
SBI	-	3,475	-100.0%	Redemption in Jan-20
Sandbox	-	1,983	-100.0%	Redemption in Feb-20
Total Distributions	**$ 22,879**	**$ 28,840**	**-20.7%**	
Interest & other	556	1,185	-53.1%	Redemption of Sandbox in Feb-20
Realized FX Gain / (Loss)	(14)	(90)	-84.4%	FX impact
Total Revenue	**$ 23,421**	**$ 29,935**	**-21.8%**	

Total revenue was $23.4 million while total revenue and other operating income was $35.3 million in the three-month period ended September 30, 2020, compared to $29.9 million for both total revenue and total revenue and other operating income in the prior period, respectively. This 18.1% increase in total revenue and other operating income is due to the net unrealized gain of investments at fair value recorded during the current period of $11.9 million. This increase of $11.9 million is a result of fair value increases to Kimco (US$7.4 million), Unify (US$0.7 million) and Fleet (US$0.9 million). The prior year net realized and unrealized gains and losses was nil. This unrealized gain in the current period was partially offset by a decrease in total distributions during the current three-month period for reasons discussed earlier and outlined in the table above.

Finance costs were $4.3 million compared to $5.8 million in the prior year period, a decrease of 25.9% due to lower interest on the senior debt as the average debt outstanding in the period was lower than in 2019 (weighted average outstanding debt of $188.9 million for the three months ended September 30, 2020 versus $257.1 million for the comparable period in 2019). Also contributing to the reduction in finance costs was a decrease in interest rates during 2020 than in 2019, as the average rate in Q3 2020 was 4.5% compared to 6.2% in Q3 2019.

General and administrative costs, which includes salaries and benefits, corporate and office, and legal and accounting fees, were $3.6 million in the period, an increase of 63.6% compared to $2.2 million in the prior year period. Salaries and benefits of $0.8 million were consistent with that of the prior year comparable period. Corporate and office expenses in the current quarter of $0.6 million were consistent with the $0.6 million in the three months ended September 30, 2019. The driver of the increase in general and administrative costs was legal and accounting fees, which increased to $2.2 million in the current quarter from the $0.8 million of expenses in Q3 2019. The 175% increase in legal and accounting fees was due to non-recurring costs related to the conversion to an income trust ($0.9 million) as well as post-closing costs related to Sandbox.

Alaris incurred $1.1 million of transaction diligence costs during the three months ended September 30, 2020, which is consistent with the $1.1 million incurred during the comparable prior year period.

For the three months ended September 30, 2020, Alaris incurred unit-based compensation expenses of $0.1 million (2019 - $2.0 million) mainly as a result of a change in accounting treatment following the conversion to an income trust. Beginning in the three month period ended September 30, 2020, the unit-based compensation plans are re-valued at each period end based on the current external unit price. The decrease from the $2.0 million in the prior year was also due to timing, as the prior year included an RSU grant as well as RSUs vesting during the period. In the current period, no RSUs vested due to prolonged trading restrictions. These RSUs vested subsequent to September 30, 2020.

Reconciliation of Net Income to Normalized EBITDA ($ thousands)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019
Earnings	**$ 28,571**	**$ 20,884**
Adjustments to Net Income:		
Depreciation and amortization	50	165
Finance costs	4,269	5,813
Income tax expense	6,775	(261)
EBITDA	**$ 39,665**	**$ 26,601**
Normalizing Adjustments		
Realized gain on investment	-	(9,317)
Unrealized (gain) / loss on investments at fair value	(11,885)	9,357
Transaction diligence costs	1,076	1,122
Non-cash impact of trust conversion	(10,647)	-
Unit-based compensation re-valuation	(550)	-
Unrealized (gain) / loss on foreign exchange	1,542	(1,965)
Realized loss on foreign exchange	14	90
Legal and accounting fees for trust conversion	903	-
Normalized EBITDA	**$ 20,118**	**$ 25,888**

Earnings were $28.6 million in the period, an increase of 36.8% from the $20.9 million of earnings in the prior year period, which was the result of the one-time gain recorded in the current period related to the conversion to an income trust effective September 1, 2020. The gain recorded related to the re-valuation of the convertible debenture as previously discussed.

The Trust recorded EBITDA of $39.7 million and Normalized EBITDA of $20.1 million for the three months ended September 30, 2020, compared to EBITDA of $26.6 million and Normalized EBITDA of $25.9 million in the comparable period in 2019. The 22.4% decrease in Normalized EBITDA is due to the deferral of distributions during the current period from PFGP as a result of the impact of COVID-19 as well as the redemptions of SBI and Sandbox during Q1 2020. These reductions in distributions were partially offset by revenue from new contributions to Amur, Stride and Carey Electric, a follow-on contribution to Unify and the restart of distributions from Kimco.

Year to date ended September 30, 2020 compared to Year to date ended September 30, 2020

Nine months ended September 30	2020	2019	% Change
Revenue per unit	$ 2.16	$ 2.33	-7.3%
Normalized earnings per unit	$ 0.05	$ 1.48	-96.6%
Normalized EBITDA per unit	$ 1.63	$ 2.04	-20.1%
Net cash from operating activities per unit	$ 1.39	$ 1.56	-10.9%
Dividends declared per unit	$ 1.01	$ 1.24	-18.2%
Basic earnings / (loss) per unit	$ (0.29)	$ 1.48	-119.6%
Fully diluted earnings / (loss) per unit	$ (0.29)	$ 1.47	-119.7%
Weighted average basic units (000's)	36,003	36,567	

For the nine months ended September 30, 2020, revenue per unit decreased by 7.3% due to the deferral of Q2 and Q3 2020 distributions from PFGP, deferral of Q2 2020 distributions from BCC and the redemptions of SBI and Sandbox. These were partially offset by the restart of distributions from Kimco, contributions to new partners Amur, Stride and Carey Electric, a follow-on contribution to Unify, organic growth through the 2020 net positive resets and the appreciation of the US dollar versus the comparable period.

The impact to the Trust's financial results due to COVID-19 not only included the deferral of distributions from PFGP and BCC as outlined above, but also fair value adjustments as a result of the impact COVID-19 has had on a number of the Partners. The net decrease in fair value for the nine months ended September 30, 2020 is $64.7 million, which includes a $84.9 million reduction in Q1 and then increases of $8.3 million and $11.9 million in Q2 and Q3, respectively. The net decrease year to date is a result of the deferral of distributions from PFGP and a decrease in the fair value of Providence and ccComm is due to increased long-term uncertainty regarding each of their businesses. Offsetting these decreases has been positive fair value adjustments in 2020 to LMS, Kimco, Unify and Fleet as a result of improved results and in the case of Kimco a restart of distributions during Q3 2020. Overall the 2021 reset is expected to be relatively flat as certain Partners will likely have positive resets (FED, Unify, LMS and Fleet) while others will most likely be resetting down (GWM, DNT, BCC, Heritage and Amur).

Normalized EBITDA of $1.63 per unit, decreased 20.1% compared to the nine months ended September 30, 2019 due to the reduction in revenue as discussed above as well as an increase in legal fees in the current period. Also, the revenue from SBI was removed as an adjustment to EBITDA as these were non-recurring distributions on their redemption. Net cash from operating activities was $1.39 per unit, a decrease of 10.9% mainly due to the decrease in distributions, increase in legal and accounting fees and additional cash taxes paid related to US Tax regulations that were passed during Q2 2020. The Actual Payout Ratio for the nine months ended September 30, 2020 was 61%, which is lower than expected due to the timing of distribution payments being quarterly and no longer monthly, with the distribution declared for Q3 2020 being paid in October.

Partner Revenue ($ thousands)	Nine months ended September 30, 2020	Nine months ended September 30, 2019	% Change	Comment
DNT	$ 11,612	$ 11,226	+3.4%	Positive reset in Jan-20, FX impact
FED	10,895	11,127	-2.1%	Negative 6% reset Jan-20, FX impact
SBI	9,176	11,174	-17.9%	One-time $9.2m of distributions upon redemption in Jan-20
GWM	6,118	5,564	+10.0%	Positive 8% reset Jan-20, FX impact
Accscient	5,659	5,516	+2.6%	Additional contribution Jan-19, FX impact
LMS	5,594	4,159	+34.5%	Positive 32% reset Jan-20, FX impact
Amur	4,875	1,788	+172.7%	Contribution closed in Jun-19
BCC	4,410	6,421	-31.3%	Deferral of Q2-20 distributions due to impact of COVID-19
Unify	3,300	1,923	+71.6%	Additional contribution in Dec-19
SCR	3,050	1,500	+103.3%	Monthly distributions increased to current amount of $350k
PFGP	2,696	5,229	-48.4%	Additional contribution in Jul-19, offset by deferral of Q2 & Q3 20 distributions
Heritage	2,576	2,365	+8.9%	Positive 6% reset, FX impact
Fleet	1,505	1,917	-21.5%	Partial redemption in Jul-20, FX impact
Kimco	1,192	-	+100.0%	Restart of distributions in Q3-20 of US$0.9 million
Carey Electric	924	-	+100.0%	Contribution closed in Jun-20
Stride	853	-	+100.0%	Contribution closed in Nov-19
Providence	514	3,127	-83.6%	Distributions suspended indefinitely beginning in Mar-20
Amur Common Equity	405	355	+14.1%	Contribution closed in Jun-19, no common dividend issued in Q1 or Q3 20
ccComm	294	2,339	-87.4%	No distributions beg. Feb-20, ccComm used for working capital needs
Sandbox	-	5,963	-100.0%	Redemption in Feb-20, no distributions accrued in 2020
Total Distributions	**$ 75,648**	**$ 81,693**	**-7.4%**	
Interest	2,147	3,391	-36.7%	Redemption of Sandbox in Feb-20
Realized FX Gain / (Loss)	(200)	(1,138)	-82.4%	FX impact
Total Revenue, net of FX	**$ 77,595**	**$ 83,946**	**-7.6%**	

Total revenue was $77.6 million while total revenue and other operating income was $12.9 million in the nine month period ended September 30, 2020, compared to $83.9 million and $88.1 million in the prior period, respectively. This decrease in total revenue and other operating income by 85.3% is due to the net reduction in fair value of investments during the current period of $64.7 million, compared to a net increase in fair value of investments in the prior year of $4.2 million. Further contributing to the decrease is the reduction in total distributions received during the current year compared to the prior year period.

Finance costs were $13.3 million compared to $13.9 million in the prior year, a 4.3% decrease mainly due to the lower weighted average debt outstanding, as the average in the current period was $171.4 million compared to $223.3 million in the nine months ended September 30, 2020. Additionally, the average interest rates were lower during 2020 than in 2019. Partially offsetting this reduction to finance costs was additional interest on the convertible debentures that were issued in June 2019.

General and administrative expenses for the nine months ended September 30, 2020 were $10.1 million, a 42.3% increase compared to the $7.1 million of expenses in the comparable period in 2019. Salaries and benefits expenses of $2.3 million were down a nominal amount from the $2.4 million in the prior year. Corporate and office expenses of $1.6 million decreased by 30.4% from the $2.3 million of expenses in the prior year, due to a change in business practice in response to COVID-19, such as fewer travel expenses and the cancellation of the annual Partner conference. Legal and accounting fees were $6.2 million in the nine months ended September 30, 2020, compared to $2.4 million in the prior year, a 158.3% increase. The significant increase was a result of the fees on the conversion to an income trust ($2.4 million) as well as post-closing costs related to the Sandbox transaction.

For the nine months ended September 30, 2020, Alaris incurred unit-based compensation expenses of $1.7 million (2019 - $3.2 million). The decrease of 46.9% from 2019 to 2020 is mainly related to the change in accounting treatment of the outstanding units as a result of the conversion to an income trust. The unit-based compensation awards outstanding at each period end are now re-valued based on the unit price. The reduction in the unit-based compensation expense for this period is due to the price of the units as at September 30, 2020. Additionally, there were RSU units that vested during the nine months ended September 30, 2019 increasing the expense during that period, but due to prolonged trading restrictions during Q3 2020, additional units from the same plan vested instead during Q4 2020.

Reconciliation of Net Income to Normalized EBITDA ($ thousands)	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Earnings / (Loss)	**$ (10,556)**	**$ 54,112**
Normalizing Adjustment		
Non-recurring tax expenses related to US Tax Regulations	12,448	-
Normalized Earnings	**$ 1,892**	**$ 54,112**
Adjustments to Net Income:		
Depreciation and amortization	169	495
Finance costs	13,331	13,880
Income tax expense - net of non-recurring tax above	(2,872)	4,845
EBITDA	**$ 12,520**	**$ 73,332**
Normalizing Adjustments		
Realized gain on investment	(11,603)	(9,317)
Unrealized loss on investments at fair value	76,257	5,162
Transaction diligence costs	4,011	2,129
Non-cash impact of trust conversion	(10,647)	-
Unit-based compensation re-valuation	(550)	-
Bad debt expense / (recovery)	-	(2,018)
Distributions received on redemption (SBI)	(9,176)	-
Unrealized (gain) / loss on foreign exchange	(4,721)	4,351
Realized loss on foreign exchange	200	1,138
Legal and accounting fees for trust conversion	2,436	-
Normalized EBITDA	**$ 58,727**	**$ 74,777**

The Trust recorded a loss of $10.6 million in the nine months ended September 30, 2020 and Normalized Earnings of $1.9 million after adjusting for the non-recurring tax expenses, compared to earnings and Normalized Earnings of $54.1 million in the prior year. The decreases were mainly due to the net unrealized loss of investments at fair value recorded in the period as a result of the impact of COVID-19 to certain Partners. In the nine months ended September 30, 2020, the impact of COVID-19 to the Trust's financial statements has included a net unrealized loss of investments at fair value of $84.9 million in Q1 2020, and net unrealized gains of investments at fair value of $8.3 million and $11.9 million in Q2 and Q3 2020, respectively. The reason for the increases to investments recorded during Q2 and Q3 2020 after the initial net unrealized loss recorded has been that the impact of COVID-19 to certain Partners was less severe than initially expected. The impact to distributions during the current nine month period has been the deferral of Q2 and Q3 distributions from PFGP, as well as the Q2 distributions from BCC. The total reduction in revenue as a result of these deferrals in the nine months ended September 30, 2020, is $9.1 million or approximately 11% of the Trust's expected distributions in the period.

Alaris recorded EBITDA of $12.5 million and Normalized EBITDA of $58.7 million for the nine months ended September 30, 2020, compared to EBITDA of $73.3 million and Normalized EBITDA of $74.8 million in the prior year comparable period. The 21.5% decrease in Normalized EBITDA was due to the deferral of distributions discussed above, redemptions of SBI and Sandbox and the increase in general and administrative expenses in the current period.

OUTLOOK

With improved visibility on our Run Rate Revenue from our Partners, Alaris is re-initiating guidance. Based on current distribution expectations from each Partner, total revenue is expected to be approximately $26.0 million in Q4 2020 and $103.6 million for the full fiscal year 2020. Run Rate Revenue is expected to be $103.9 million annually, which includes current contracted amounts, US$4.4 million from Kimco and no distributions from PFGP, ccComm or Providence. Alaris continues to defer distributions from PFGP and are in the process of discussing the amendments to the senior lending arrangement that would allow for the restart of distributions from PFGP. Distributions from PFGP will be included in the Run Rate Revenue once they have restarted.

Annual general and administrative expenses are currently estimated at $12.5 million and include all public company costs. The Trust's Run Rate Payout Ratio is approximately 74% when including run rate distributions, overhead expenses and existing capital structure. The table below sets out our estimated Run Rate Payout Ratio alongside the after-tax impact of PFGP distributions and positive net deployment.

Run Rate Cash Flow *($ thousands except per unit)*		**Amount ($)**	**$ / Unit**	**Payout Ratio**
Revenue		**$ 103,900**	**$ 2.92**	
General & Admin.		(12,500)	(0.35)	
Interest & Taxes		(31,400)	(0.88)	
Free cash flow		**$ 60,000**	**$ 1.69**	
Annual Distribution		44,100	1.24	
Excess Cash Flow		**$ 15,900**	**$ 0.45**	*74%*
Other Considerations (after taxes and interest):				
PFGP	Full distributions of $13.3 million per year	+9,849	+0.28	*63%*
New Investments	Every $50 million deployed @ 14%	+3,145	+0.09	*60%*

The senior debt facility was drawn to $178.9 million at September 30, 2020, with the capacity to draw up to another $170.2 million based on covenants and credit terms. The total drawn of $178.9 million includes the $168.9 million of outstanding debt in the Trust's statement of financial position, as well as $10.0 million that was repaid during Q3 for the purpose to re-draw in October to make the quarterly distribution to unitholders. Subsequent to September 30, 2020, the Trust drew an additional US$55.0 million ($73.6 million) for the follow-on contribution to GWM as well as the repayment of $13.7 million through excess cash flow and receipt of accounts receivable from FED. The senior debt facility was drawn to $238.8 million subsequent to these transactions, with the capacity to draw up to another $126.8 million based on covenants and credit terms.

The annual interest rate on that debt was approximately 5.5% for the nine months ended September 30, 2020. Subsequent to September 30, 2020, Alaris also closed a two-year extension of its credit facility with its syndicate of senior lenders. All key terms and pricing remained consistent with the amendment closed during Q2 2020. The maturity of the credit facility is now extended to November 2023.

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

Private Company Partner Update

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

The following is a summary of each of the Partners recent financial results. Included in this summary will be a comment on the Partners' Earnings Coverage Ratio ("**ECR**"). Because this information other than with respect to fiscal year end is based on unaudited information provided by Private Company Partner management, each ECR, based on the most current information for the trailing twelve months, will be identified as part of a range. The ranges are: less than 1.0x, 1.0x to 1.2x, 1.2x to 1.5x, 1.5x to 2.0x and greater than 2.0x. A result greater than 1.0x is considered appropriate and the greater the number is, the better the ratio. Alaris notes that these ECRs are based on historical results, which includes impacts from COVID-19.

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

(i) A history of success (average age of partners is approximately 26 years)

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

(ii) Proven track record of free cash flow

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

(iv) Low levels of capital expenditures required to maintain/grow a business – Our partners are typically not required to reinvest much of their cash flow back into their operations as they are typically asset light businesses with minimal equipment requirements.

(v) Management continuity and quality management teams - Alaris has invested in 32 partners since inception, exited our investment in fifteen partners over that time with eleven yielding highly positive results displayed by a total return of 63% and a median IRR of 20%.

Contribution History: Alaris has invested over $1.5 billion into 32 partners and over 64 tranches of financing, including an average of approximately $170 million over the past five fiscal years (2014 – 2019).

Performance: Alaris discloses an ECR to provide information on the financial health of our partners. Alaris has six partners with an ECR greater than 2.0x (FED, Fleet, Heritage, Kimco, Stride and Unify), six in the 1.5x-2.0x range (Amur, BCC, Carey Electric, DNT, LMS and SCR), three between 1.2x-1.5x (Accscient, GWM and PFGP) and two less than 1.0x (ccComm and Providence).

Capital Structure: As a preferred equity investor, we have contributed into a diverse group of capital structures and we pride ourselves on achieving the optimal capital structure for our partners so both Alaris and our partners benefit. Of our existing portfolio, eight of our seventeen have no debt, four partners have less than 1.0x Senior Debt to EBITDA and five partners have debt greater than 1.0x Senior Debt to EBITDA on a trailing twelve months basis.

Reset: The annual distribution reset is another feature of our capital which we view as win-win. It aligns our interest with our partners while providing the majority of the upside to the entrepreneurs who create the business value.

The following is a summary of each of the Partners recent financial results. The below table outlines the date the original contribution to each Partner was made, investment type, the total invested to date (net of any partial redemptions since the initial investment), Run Rate Distributions for the next twelve months, ECR range for the most recent trailing twelve month periods received, year-to-date changes in revenue and EBITDA compared to the comparable period in 2019 (1) and the unrealized gains or losses to the investments at fair value for the three and nine months ended September 30, 2020. See below the table for additional relevant information on each Partner that has occurred during the nine months ended September 30, 2020. Unless specifically discussed within each Partner Update, the ECR Range outlined below is consistent with the prior quarterly disclosure.

Partner	Original Investment Date	Investment Type	Current Total Invested (000's)	Run Rate Distributions (000's)	As a % of total	ECR Range	Year-to-date changes in:		Fair Value Changes	
							Revenue	EBITDA	Three Months	Nine Months
Accscient	Jun-17	Preferred	US $20,000	US $5,574	7%	1.2x - 1.5x	↔	↔	No change	US ($1,700)
Amur	Jun-19	Preferred & Common	CAD $70,000	CAD $6,500	6%	1.5x - 2.0x	↓	↓	No change	CAD ($4,900)
BCC	Sep-18	Preferred	US $46,000	US $6,805	9%	1.5x - 2.0x	↓	↑	No change	US ($1,300)
Carey Electric	Jun-20	Preferred & Common	US $17,000	US $2,415	3%	1.5x - 2.0x	↔	↔	No change	No change
ccComm	Jan-17	Preferred	US $19,200	US $00	0%	< 1.0x	↓	↓	No change	US ($11,000)
DNT	Jun-15	Preferred	US $67,800	US $11,663	15%	1.5x - 2.0x	↓	↓	No change	US ($3,500)
FED	Jun-15	Preferred & Debt	US $67,000	US $10,693	14%	> 2.0x	↑	↑	No change	No change
Fleet	Jun-18	Preferred	US $10,000	US $1,484	2%	> 2.0x	↑	↑	US +$900	US +$400
GWM	Nov-18	Preferred & Debt	US $101,000	US $12,626	16%	1.2x - 1.5x	↓	↓	No change	US ($3,200)
Heritage	Jan-18	Preferred	US $15,000	US $2,528	3%	> 2.0x	↓	↓	No change	US ($1,000)
Kimco	Jun-14	Preferred & Prom Note	US $48,000	US $5,744	8%	> 2.0x	↑	↑	US +$7,400	US +$8,900
LMS	Feb-07	Preferred & Prom Note	CAD $59,000 & USD $4,400	CAD $8,038	8%	1.5x - 2.0x	↓	↑	No change	CAD +$2,700
PFGP	Nov-14	Preferred & Common	US $92,500	US $00	0%	1.2x - 1.5x	↓	↓	No change	US ($9,800)
Providence	Apr-16	Preferred	US $30,000	US $00	0%	< 1.0x	↓	↓	No change	US ($22,900)
SCR	May-13	Preferred	CAD $40,000	CAD $4,200	4%	1.5x - 2.0x	↑	↑	No change	No change
Stride	Nov-19	Preferred	US $6,000	US $840	1%	> 2.0x	↑	↑	No change	No change
Unify	Oct-16	Preferred	US $25,000	US $3,250	4%	> 2.0x	↑	↑	US +$700	US +$700

Note 1: The year-to-date changes in Revenue and EBITDA are based on unaudited information provided by management of each Private Company Partner and are summarized here based on being either relatively consistent or whether or not they've increased or decreased, when compared against the same period in 2019.

Partner Updates

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

- Fair value of the Accscient units was reduced by US$1.7 million in Q1 2020 due to the initial anticipated impact of COVID-19 to the business and the expectation of a negative 2021 reset, but there have been no changes to the fair value since March 31, 2020, leaving the fair value of the units at US$36.6 million.

***Amur Financial Group** – Mortgage Originations and Asset Management in Canada*

- There was a reduction to the fair value of the Amur Preferred of $2.7 million and to the Amur Common units of $2.2 million, both of which occurred during Q1 2020, as a result of the initial anticipated impact to Amur from COVID-19 and the expected negative reset in 2021. There has been no change to the fair value of the units since March 31, 2020, leaving the fair value of the preferred units at $47.3 million and the Amur Common units at $17.8 million.
- As a result of a softening of mortgage origination volumes due to the impact from COVID-19 on their business, the ECR has dropped to just slightly below 2.0x, in the range of 1.5x to 2.0x.

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

- BCC was mandated to temporarily close all of its clinics and consult centers in mid-March as elective procedures were prohibited. Since re-opening, the company has seen positive key performance indicators in lead generation, cost per lead and conversion rates with most of the metrics outperforming pre-COVID-19 levels and the same period in 2019.
- As a result of the positive recovery, BCC restarted the payment of their contracted distributions during Q3 2020. Barring any unforeseen changes, it is also anticipated that all previously deferred Q2 distributions will be paid within the next six months. Both the restart of full distributions and the anticipated payment of the deferred distributions have been much sooner than originally forecast.
- Due to an expected negative reset in 2021 as a result of all their clinics being temporarily closed, the total decrease in the fair value of the BCC units during the nine months ended September 30, 2020 was US$1.3 million, all of which was recorded in the first and second quarter, leaving them at US$45.6 million.
- Although revenue is down slightly from the prior year due to the closures of all clinics for two months, the positive operating results since their re-opening has led to an increase year over year in EBITDA which can be credited to a significant increase in leads on reduced advertising spending. The increase in EBITDA has led to an improvement in BCC's ECR compared to Q2 as it is again in the range of 1.5x to 2.0x, which is consistent to the range prior to closing all their clinics.
- The Trust has a commitment to fund an additional US$45.0 million in two additional tranches and the funding of such is determined based on BCC reaching certain EBITDA and ECR coverage thresholds. Timing of partial funding is expected to be within the next twelve months.

***Carey Electric** – Electrical Contracting in Illinois*

- Carey Electric is an electrical contractor servicing the industrial and commercial markets in the suburban Chicagoland area. Founded in 1923, Carey is a third-generation firm with services including power distribution, lighting, bucket truck services, trenching, underground locating, fire alarm services, generator testing and other specialized offerings.
- Alaris contributed US$17.0 million into Carey Electric in June 2020 and the contribution consisted of US$16.1 million of preferred units and US$0.9 million in exchange for a minority ownership of the common equity. The Trust is entitled to an initial annual distribution of US$2.4 million, which equates to an initial 15% yield on the preferred equity investment. The Carey distribution will reset +/- 5% annually based on the change in revenue, with the first reset commencing in January 2022. Based on Carey's historical practice of paying dividends on its common equity, Alaris expects to receive dividends

on its US$0.9 million investment in the common equity in Carey Electric. These common dividends are expected to be received on an annual basis as cash flows permit.

***ccComm* – T-Mobile Retailer with over 60 locations throughout the Northwest and Central United States**

- During Q1 2020, the Trust suspended distributions from ccComm to allow them to preserve liquidity for working capital needs as they endured the impacts from the COVID-19 pandemic as well as transitioning via the merger from Sprint to T-Mobile (effective in early August 2020). The Trust will continue to defer distributions from ccComm due to the continued uncertainty from the ongoing pandemic and its impact to the retail industry, as well as while ccComm determines the longer-term impact that the transition to T-Mobile will have on their operations.
- As a result of this deferral of distributions in Q1 and the continued deferral throughout the remainder of 2020 and into 2021, the fair value of the ccComm units was decreased by US$11.0 million to a fair value at US$3.8 million. There has been no change to the fair value since this reduction in Q1 2020.

***DNT* – Civil Construction Contractor in Austin and San Antonio, Texas**

- The fair value of the DNT units was reduced by US$3.5 million in Q1 2020 due to the anticipated impact that COVID-19 had on their operations and expectation for a negative 2021 reset, but there have been no changes to the fair value since March 31, 2020, leaving the fair value of the units at US$65.4 million.

***Federal Resources* – distributor of products, services and training to the U.S. defence and homeland security**

- In addition to executing on its traditional core business, FED has been awarded numerous material contracts to supply personal protective equipment ("**PPE**") such as masks, medical gowns and gloves to nursing homes throughout the United States, throughout the COVID-19 pandemic. The positive financial impact to FED has been substantial given the enhanced demand for PPE, which has led to a positive improvement to their ECR range during the year moving from 1.2x to 1.5x, to now being greater than 2.0x in the trailing twelve-month period.
- In July 2020, through a wholly-owned subsidiary, the Trust entered into an agreement with a third-party supplier and FED to purchase PPE (the "**PPE Order**"). The PPE Order was part of a larger total order including the sourcing and sale of over 4.5 billion medical grade nitrile gloves which would be distributed to the U.S. Government. The Trust advanced US$11.5 million on July 28, 2020 as part of the agreement. Shortly after the deposit was made, the sourcing arrangement was unable to be fulfilled due to constraints in the available supply of medical grade nitrile gloves and has since been terminated. As of September 30, 2020, Alaris has received US$5.0 million of the US$11.5 million deposit with the remaining US$6.5 million received subsequently resulting in no financial impact from the PPE Order transaction. FED continues to pursue PPE awards with their U.S. government customers and expects this activity to continue for longer than originally expected.

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

- The fair value of the Fleet units was initially reduced by US$0.5 million during Q1 2020 due to the expected decline in business from COVID-19; however, business has since recovered and has outperformed the comparable period. Therefore, in the three months ended September 30, 2020, the fair value of the Fleet units was increased by US$0.9 million, with the net increase during the nine months ended September 30, 2020 of US$0.4 million, resulting in a fair value of US$10.8 million. This is due to the expected positive reset in 2021. Further, as a result of the positive results during the trailing twelve month period, their ECR is now above 2.0x, previously being in the 1.5x to 2.0x range.

***GWM* – provides data-driven digital marketing solutions for advertisers globally**

- The fair value of the GWM units were reduced by US$3.2 million during Q2 2020 as a result of the impact from COVID-19, as certain customers of GWM, notably in the hospitality industry, significantly reduced advertising spending during the peak of the pandemic. There has been no change to the fair value of the GWM units during Q3 2020 (fair value remains at US$45.9 million) as the company has since seen a positive recovery with numerous customers returning to go along with new customers gained during the pandemic.

- Aside from the items noted above, GWM has navigated through COVID-19 without a significant disruption to their business. As a result of GWM's track record of growth and cash flow generation since Alaris' original investment in November 2018, Alaris invested an additional US$55.0 million into GWM subsequent to September 30, 2020 (the "**GWM Contribution**"). The investment consists of US$44.0 million of subordinated debt and US$11.0 million of preferred equity, in exchange for initial annualized distributions of US$6.6 million. Due to the structure used for the GWM follow-on contribution, the after-tax yield is expected to be equivalent to that of a deal done at an initial pre-tax yield of approximately 13%. Commencing on January 1, 2022, the distributions on the follow-on contribution will be adjusted annually based on the percentage change in gross revenue subject to a maximum increase or decrease of 8%. Following the additional contribution, the total invested in GWM is US$101.0 million with Run Rate distributions of US$12.6 million. The proforma ECR following the transaction and including their increased distributions is just below 1.5x, in the range of 1.2x to 1.5x.

Heritage Restoration ***–provides masonry and masonry services to commercial building industry in Massachusetts***

- The fair value of the Heritage units was reduced by US$1.0 million in Q1 2020 due to the impact that COVID-19 had on their operations and the expectation of a negative reset in 2021, but there have been no changes to the fair value since March 31, 2020, leaving the fair value of the units at US$15.2 million.

Kimco ***– commercial janitorial services throughout the United States***

- Kimco has significantly increased volumes and improved their profitability as a result of the COVID-19 pandemic due to the heightened demand for sanitizing solutions and the increase in higher margin ancillary cleaning services. As numerous businesses re-open, cleanliness remains a key priority. As a result of these positive results, Kimco restarted distributions to Alaris in July 2020, with the total distributions received during the third quarter of US$0.9 million. The expected distribution in Q4 2020 is US$1.1 million with the expected annual Run Rate distributions being US$4.4 million.
- The increase in Run Rate distributions resulted in an increase in fair value of US$7.2 million during the three months ended September 30, 2020. In addition to the US$1.5 million previously recorded in 2020, the total increase in the fair value of Kimco units is US$8.9 million for the nine months ended September 30, 2020, increasing the units' fair value to US$20.2 million.
- Due to these positive results seen in response to the increased demand for cleaning services, Kimco's ECR is now above 2.0x, inclusive of the US$4.4 million of Run Rate distributions to Alaris.

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

- The fair value of the LMS units increased by $2.7 million in the six months ended June 30, 2020, with no additional changes during Q3 2020, leaving the fair value of the units at $51.9 million. The reason for the increase is an expected positive reset in 2021, due to the fact that LMS have been able to outperform their prior year results, as they have been able to continue to operate on all work sites throughout COVID-19 being deemed an essential service as part of the construction industry.

PFGP ***– Planet Fitness franchisee with over 65 fitness clubs in the United States***

- After temporarily closing all of its 67 locations in March 2020 as mandated by each state, PFGP was proactive in attempting to preserve liquidity and to assist them in this endeavor, Alaris deferred distributions for the remainder of 2020. PFGP continues to take all the appropriate precautions to keep all members safe as they return to their facilities and usage rates increase, as all 67 clubs have now been open for at least three full months (and billing cycles). Membership cancellations at the onset of COVID-10 were initially nil, increasing through July and August but have since stabilized with October membership level being flat month over month. PFGP and the Planet Fitness franchise system cancellations remain well below industry averages.

- Alaris continued to defer distributions in Q3 2020 which continues into Q4 2020 as PFGP, Alaris and the senior lending syndicate work towards an amendment to the existing credit agreement that allows for Alaris to resume distributions. Alaris continues to expect to receive all deferred distributions at a later date, timing of which is still to be determined. Revenue will be recorded as the receipt of distributions is assured.
- PFGP Earnings Coverage Ratio for the trailing twelve months ending August 31, 2020 remains between 1.2x and 1.5x, if all contracted distributions to Alaris are paid the ECR would decline to between 1.0x and 1.2x. As Alaris, PFGP and the senior lending syndicate progress towards an amendment to the credit facility, forecasted proforma cash flows based on existing membership levels and financing future capital expenditures, the proforma ECR would be between 1.2x and 1.5x. However, the resumption of Alaris distributions is also predicated on obtaining amendments to other terms of the credit agreement.
- As a result of the impact to PFGP from COVID-19 as well as the Trust's deferral of distributions, there was a decrease in the fair value of the PFGP preferred units during Q1 2020 of US$7.6 million. Due to the impact to their projected earnings as the industry recovers there was also a decrease in the fair value of the PFGP common equity units by US$2.2 million in Q1 2020. There has been no change to the fair values since March 31, 2020, leaving the fair value of the preferred units at US$67.6 million and the fair value of the common equity units at US$15.1 million.
- As part of an overall commitment made in July 2019 for a total of US$8.0 million, the Trust contributed US$3.5 million in early March 2020 (US$2.8 million of additional preferred equity and an additional US$0.7 million investment in the common equity of PFGP). The remaining commitment to fund is US$3.5 million, timing of which is to be determined.

<u>Providence</u> – provider of apparel design, sourcing and development, based in California

- Due to the severe impact of COVID-19 to Providence, distributions to Alaris were suspended indefinitely beginning in March 2020. As a result of no future distributions expected to be paid by Providence and potential liquidity issues in the near term, Alaris reduced the fair value of the Providence units to nil in Q1 2020. This resulted in a write-down of US22.9 million in the three months ended March 31, 2020.

<u>SCR</u> – mining services in Eastern Canada

- There has been no change to the fair value of the SCR units in the nine months ended September 30, 2020. The impact of COVID-19 has been minimal to date as the mining sites have been considered an essential service throughout the pandemic.
- The Run Rate distributions remain at $4.2 million (68% of the contracted amount). With no senior lender, SCR and Alaris have full flexibility on the timing and structure of future increases to distributions.

<u>Stride Consulting</u> – staff augmentation for code development under the Agile methodology, based in New York City

- There has been no change to the fair value of the Stride units in the nine months ended September 30, 2020 and they remain at US$6.0 million.
- Stride have been able to successfully move their workforce to be working remotely and have produced positive results so far in 2020 compared to the prior year. As a result of Stride's increase in EBITDA in 2020 compared to 2019, Stride's ECR is now above 2.0x.

***Unify Consulting* – IT Consulting, based in Washington State and California**

- As a result of successfully moving their workforce to remote work and their ability to retain and grow their customer base as the economy has recovered from the initial impact of COVID-19, their financial results have improved in the nine months ended September 30, 2020 compared to the prior year period. Due to this recent success and the expectation that it will lead to a positive reset in 2021 to the Alaris distributions, the fair value of the Unify units was increased by US$0.7 million during Q3 2020, increasing the fair value to US$25.7 million.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020 Alaris Equity Partners Inc. ("**AEP**"), the Trust's subsidiary, has a $330 million credit facility with a syndicate of Canadian chartered banks, which has a maturity date in November 2021 and is secured by a general security agreement on all of the Trust's assets. Subsequent to September 30, 2020, AEP closed an extension to its credit facility, extending the maturity date to November 2023. The interest rate is based on a combination of the CAD Prime Rate ("Prime"), Bankers' Acceptances ("BA"), US Base Rate ("USBR") and LIBOR and the applicable spread determined by the Trust's Funded Debt to Contracted EBITDA. Alaris realized blended interest rates of 4.5% and 5.5% for the three and nine month periods ended September 30, 2020, respectively.

At September 30, 2020 Alaris met all of its covenants as required by the facility. Those covenants include a maximum funded debt to contracted EBITDA of 2.5:1, which can be increased to 3.0:1 up to March 30, 2021 (actual ratio is 1.93:1 at September 30, 2020); minimum Tangible Net Worth of $450.0 million (actual amount is $554.4 million at September 30, 2020); and a minimum Fixed Charge Coverage Ratio of 1:1 (actual ratio is 1.36:1 at September 30, 2020). At September 30, 2020, Alaris had US$122.5 million and CAD$15.0 million (CAD$178.9 million) drawn on its credit facility (December 31, 2019 – US$197.2 million and CAD$27.5 million, total of CAD$285.2 million). The CAD$178.9 million drawn includes CAD$10.0 million that was repaid during the three months ended September 30, 2020, for the purposes to re-draw in October for the quarterly distribution payment. This CAD$10.0 million of debt repaid is included in the total drawn for covenant and disclosure purposes, but is not in the CAD$168.9 million of outstanding debt in Alaris' statement of financial position at September 30, 2020.

Subsequent to September 30, 2020, Alaris drew an additional US$55.0 million ($73.6 million) for the follow-on contribution to GWM as well as repaid $13.7 million through excess cash flow and receipt of the remaining deposit from FED (US$6.5 million). The senior debt facility was drawn to $238.8 million subsequent to these transactions (at November 5, 2020), with the capacity to draw up to another $126.8 million based on covenants and credit terms. The resulting funded debt to contracted EBITDA after these transactions is approximately 2.3x.

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

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

Upon conversion to an income trust, the previously used term of dividends has changed to distributions. Alaris declared monthly distributions for each of the first three months of 2020, for a first quarter total of $0.4125 per unit, declared a quarterly distribution in June 2020 at $0.29 per unit, paid in July, and declared a quarterly distribution in September 2020 at $0.31 per unit. Total distributions declared in the nine months are $1.0125 per unit and $36.5 million in aggregate (2019 – $1.2375 per share and $45.3 million in aggregate).

As disclosed in its consolidated financial statements for the year ended December 31, 2019, Alaris has exposure to credit risk, other price risk, liquidity risk, and market risk, including foreign exchange risk and interest rate risk. Due to the current global economic situation, Alaris has provided updated disclosures on these risks as follows:

Credit Risk and Other Price Risk

The risks on which the Trust is exposed has not changed in the period. However, as the Trust's exposure to these risks is influenced by the individual characteristics of each Partner, this risk has changed for each Partner during the period. The carrying amount of investments, trade and other receivables, promissory notes, and cash and cash equivalents continues to represent the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk the Trust will encounter difficulty in meeting the obligations associated with its financial liabilities. The most significant financial liability is that of the loans and borrowings and the convertible debenture, both of which are not due within the next twelve months. During the period, distributions from Partners continue to generate cash flows to satisfy these obligations. There is increased risk that in future periods, should these distributions decrease, that the Trust will not have sufficient liquidity to meet these liabilities. The Trust is onside with its lending covenants as previously disclosed, and currently has enough resources to satisfy those obligations becoming due within the next twelve months.

Market Risk

Market risk includes the risk that changes in market prices, such as foreign exchange rates and interest rates will impact the Trust's income or value of its financial instruments. There has been a significant impact on interest rates in the period due to the current global pandemic, and also resulting impacts on foreign exchange rates. The Trust continues to manage these risks in the same manner as those disclosed in the consolidated financial statements for the year ended December 31, 2019 through the use of derivative contracts, and does not believe its risks related to these factors have increased significantly.

Alaris had adjusted net working capital of approximately $17.0 million at September 30, 2020. Under the current terms of the various commitments, Alaris has the ability to meet all current obligations as they become due.

WORKING CAPITAL

Alaris' Adjusted Net Working Capital (defined as current assets, excluding promissory notes and investment tax credits receivable, less current liabilities) at September 30, 2020 and December 31, 2019 is set forth in the tables below.

Adjusted Net Working Capital	30-Sep-20	31-Dec-19
Cash	$ 16,731	$ 17,104
Prepayments	1,065	1,509
Foreign exchange contracts	-	555
Trade and other receivables	9,713	1,226
Income taxes receivable	8,560	4,205
Total Current Assets	**$ 36,069**	**$ 24,599**
Accounts payable and accrued liabilities	5,859	2,713
Distributions payable	11,031	5,047
Derivative contracts	950	-
Office Lease	701	837
Income tax payable	495	384
Total Current Liabilities	**$ 19,036**	**$ 8,981**
Adjusted Net Working Capital	**$ 17,033**	**$ 15,618**

FINANCIAL INSTRUMENTS

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

Financial Instrument	Measurement Method
Cash and cash equivalents	Amortized cost
Trade and other receivables	Amortized cost
Promissory notes and other receivables	Amortized cost
Investments	Fair Value or amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans and borrowings	Amortized cost
Convertible debentures	Amortized cost
Derivative contracts	Fair Value
Embedded derivative – convertible feature of convertible debentures (included in other long term liabilities)	Fair Value

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

Alaris holds derivative financial instruments to hedge its foreign currency exposure and variable interest rate exposure. Alaris purchases forward exchange rate contracts to match between 75% and 90% of expected quarterly distributions and expenses in Canadian dollars on a rolling 12 month basis and also for between 20% to 50% of the expected distributions and expenses in Canadian dollars on a rolling 12 to 24 month basis. The fair value of the forward contracts will be estimated at each reporting date and any unrealized gain or loss on the contracts will be recognized in profit or loss. As at September 30, 2020, for the next twelve months, Alaris has total contracts to sell US$37.0 million forward at an average $1.3285 CAD. For the following twelve months, Alaris has total contracts to sell US$11.5 million forward at an average $1.3516 CAD.

Alaris has an interest rate swap that was initiated in 2019 and that expires in November 2021. The interest rate swap allows for a fixed interest rate of 1.50% in replace of LIBOR on $50.0 million notional amount of USD debt.

Alaris has the following financial instruments that mature as follows:

30-Sep-20	Total	0-6 Months	6 mo – 1 yr	1 – 2 years	Year 3 and Thereafter
Accounts payable and accrued liabilities	$ 5,859	$ 5,859	$-	$-	$-
Distributions payable	11,031	11,031	-	-	-
Derivative contracts	950	564	517	(131)	-
Office Lease	701	91	91	182	337
Convertible debenture	100,000	-	-	-	100,000
Loans and borrowings	168,863	-	-	-	168,863
Total	$ 287,404	$ 17,545	$ 608	$ 51	$ 269,200

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

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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.

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

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

SUMMARY OF CONTRACTUAL OBLIGATIONS

Alaris, through its subsidiaries, has an outstanding senior credit facility and convertible debentures both of which are described under "Liquidity and Capital Resources", a commitment to fund two additional contributions (first for US$20.0 million and second of US$25.0 million) to BCC when specified financial metrics have been reached, a portion of which is expected to be within the next six months, as well as a commitment to fund PFGP an additional US$3.5 million with an exact timing of which unknown at this time, and leases for office space. Alaris also has a commitment to fund Stride with an additional contribution of US$4.0 million, subject to Alaris' approval and Stride achieving certain financial targets.

Contractual Obligations	Total	< 1 year	1 – 3 years	4 – 5 years	> 5 years
Loans and borrowings	$ 168,863	$ -	$ -	$ 168,863	$ -
Convertible debenture	100,000	-	-	100,000	-
Additional contributions to BCC	60,219	26,764	33,455	-	-
Additional contributions to Stride	5,353	-	5,353	-	-
Additional contribution to PFGP	4,684	-	4,684	-	-
Office lease	701	182	369	150	-
Total Contractual Obligations	$ 339,820	$ 26,946	$ 43,861	$ 269,013	$ -

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Management is required to make estimates when preparing the financial statements. Significant estimates include the valuation of investments at fair value, valuation of accounts receivable and promissory notes and income taxes. Refer to the consolidated financial statements for the year ended December 31, 2019. Also refer to disclosures included in the condensed consolidated interim financial statements for the period ended September 30, 2020 as it relates to key estimates and judgments as it relates to the impact of COVID-19.

As disclosed in Note 4 to the financial statements for the three and nine months ended September 30, 2020, subsequent to the sale of Sandbox in Q1 2020, AEP received a complaint (the "Complaint") from the purchasers of Sandbox concerning its disputes arising out of the sale of the Sandbox assets, which alleges damages of approximately US$37.2 million. AEP and the Trust believe the claims within the Complaint are without merit and intends to vigorously defend the case. The Trust will respond to the Complaint in due course and is actively evaluating the possibility of lodging counterclaims in the matter. Based upon its knowledge of the facts of the pre-closing of Sandbox, the sale process and other advice obtained to date, no liability has been recorded in the financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

The accounting policies applied in the condensed consolidated interim financial statements are the same as those applied in Alaris' consolidated financial statements as at and for the year ended December 31, 2019, except for certain new accounting policies applied on the conversion to an income trust.

SUMMARY OF QUARTERLY RESULTS

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

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

Quarterly Results Summary	Q3-20	Q2-20	Q1-20	Q4-19	Q3-19	Q2-19	Q1-19	Q4-18
Revenue	$ 23,421	$ 20,203	$ 33,971	$ 30,884	$ 30,025	$ 27,401	$ 27,658	$ 25,311
Earnings / (loss)	$ 28,571	$ 3,535	$ (42,662)	$ (17,854)	$ 20,884	$ 21,967	$ 11,261	$ 17,981
Basic and Diluted Income	$ 0.80	$ 0.10	$ (1.16)	$ (0.49)	$ 0.57	$ 0.60	$ 0.31	$ 0.49
(loss) per Unit	$ 0.79	$ 0.10	$ (1.16)	$ (0.48)	$ 0.57	$ 0.60	$ 0.31	$ 0.49

In Q3 2020, Alaris' earnings included a total unrealized gain on investments at fair value of $11.9 million. In Q2 2020, Alaris' earnings were impacted negatively by the deferral of the BCC and PFGP distributions and the significant tax expense recorded, as a result of the finalization of the new U.S. tax regulations on hybrid arrangements (discussed in further detail below). These were partially offset by the net unrealized gain on investments at fair value of $8.4 million. In Q1 2020, Alaris recognized a net realized and unrealized loss from investments of $84.9 million, caused by the impact that COVID-19 has had and will continue to have on our Partner's operations. This unrealized loss was the main cause of the overall loss in the period of $42.7 million. Offsetting this fair value loss was an increase in revenues mainly due to the $9.2 million of additional distributions paid by SBI at the time of their redemption in January as a result of redeeming their preferred units prior to the three-year anniversary of the investment, which would have otherwise occurred in Q3 2020.

In Q4 2019, Alaris recognized a loss on assets held for sale of $45.9 million, relating to the Sandbox sale as well as a $6.2 million reduction in the investments at fair value. These were partially offset by a $2.5 million realized gain from the Unify follow-on contribution. In Q3 2019, Alaris crystallized a gain on investments of $9.3 million upon closing the PFGP additional contribution, which was offset by a net reduction in the investments at fair value of $9.4 million, resulting in a nominal loss. In Q2 2019, Alaris received $2.0 million from a Phoenix recovery of previously recorded bad debts and Alaris recorded a $9.3 million net increase in investments in fair value. In Q1 2019, Alaris recorded a $5.0 million net decrease in investments at fair value.

In Q4 2018, Alaris recorded a $0.3 million net increase in investments at fair value.

OUTSTANDING UNITS

At September 30, 2020, Alaris had authorized, issued and outstanding, 35,583,883 voting trust units.

During the nine months ended September 30, 2020, 31,343 units were issued on the vesting of RSUs and no options were granted, issued or exercised.

On March 20, 2020, Alaris announced it had received approval from the Toronto Stock Exchange ("TSX") to establish a normal course issuer bid ("NCIB") program. Under the NCIB, Alaris may purchase for cancellation up to 3,473,720 units (formerly common shares). The program commenced on March 24, 2020 and will remain in effect until March 23, 2021 or such earlier time as the NCIB is completed or terminated at the option of Alaris. During the nine months ended September 30, 2020, Alaris purchased 1,156,541 units for cancellation for a total cost, including transaction costs, of $10.1 million under the NCIB. The weighted-average price of the units repurchased, including transaction costs, was $8.69 per unit.

At September 30, 2020, 379,832 RSUs and 984,019 options were outstanding under Alaris' long-term incentive compensation plans. The outstanding options have a weighted average exercise price of $21.70 and as of September 30, 2020 all 984,019 options outstanding were out of the money.

Subsequent to September 30, 2020, 66,016 units were issued on the vesting of RSUs under the Trust's long-term incentive compensation plan.

As at November 5, 2020, Alaris had 35,649,899 units outstanding.

INCOME TAXES

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 have on Alaris is that certain interest payments made by the Trust's U.S. entities are no longer deductible beginning with the Trust's 2019 tax year. The 2019 impact of these Regulations is an increase to total income tax expense of $11 million which has been recorded in the current nine months ended September 30, 2020. For 2020, the Trust's U.S. entities incurred non-deductible interest expense of $12.4 million, resulting in an increase in total income tax expense of $3.2 million.

In 2015, AEP received a notice of reassessment from the Canada Revenue Agency ("CRA") in respect of its taxation year ended July 14, 2009. AEP has since received notices of reassessment from the CRA in respect of its taxation year ended December 30, 2009 through December 30, 2018 (collectively the "Reassessments"). Pursuant to the Reassessments, the deduction of approximately $121.2 million of non-capital losses and utilization of $9.0 million in investment tax credits ("ITCs") by AEP was denied, resulting in reassessed taxes and interest of approximately $52.2 million.

AEP has received legal advice that it should be entitled to deduct the non-capital losses and claim the ITCs and as such, AEP remains of the opinion that all tax filings to date were filed correctly and that it will be successful in appealing such Reassessments. AEP intends to continue to vigorously defend its tax filing position. In order to do that, AEP was required to pay 50% of the reassessed amounts as a deposit to the CRA. AEP has paid a total of $20.2 million in deposits to the CRA relating to the Reassessments to date. The ITCs claimed in 2020 are at risk should AEP be unsuccessful in defending its position.

The CRA has indicated that they would be willing to consider a settlement proposal to resolve the objections. Alaris is in the process of drafting a settlement proposal.

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

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements (collectively, "forward-looking statements") under applicable securities laws, including any applicable "safe harbor" provisions. Statements other than statements of historical fact contained in this MD&A may be forward looking statements, including, without limitation: management's expectations, intentions and beliefs concerning the growth, results of operations, performance of the Trust and the Private Company Partners, the future financial position or results of the Trust, business strategy and plans and objectives of or involving the Trust or the Partners. Many of these statements can be identified by looking for words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. In particular, this MD&A contains forward-looking statements regarding: the anticipated financial and operating performance of the Partners; the impact of COVID-19 on the operations of the Trust and those of the Partners; the ECR for the Partners; the timing and impact of restarting or increasing Distributions from Partners not currently paying the full amount or at all; the Trust's Run Rate Payout Ratio and Run Rate Revenue; the continued deferral of PFGP's Distributions; the impact of the

GWM Contribution, including, without limitation, the expected yield therefrom and the impact on the Trust's cashflow and Run Rate Payout Ratio; expected resets of Distributions in 2021; the Trust's consolidated expenses; the amount of the Trust's distributions to unitholders (both quarterly and on an annualized basis); the use of proceeds from AEP's senior credit facility; the CRA proceedings (including the expected timing and financial impact thereof); annualized net cash from operating activities; changes in Distributions from Partners; the proposed resolutions to outstanding issues with certain Partners; the restart of Distributions from any partners not currently paying a Distribution or increasing the level of Distribution where a Partner is paying less than the full contracted amount; the timing for collection of deferred or unpaid Distributions; impact of new deployment; and Alaris' ability to deploy capital to and attract new private businesses to invest in. To the extent that any forward-looking statements herein constitute a financial outlook, including without limitation, estimated revenue (Run Rate or otherwise), expenses, distributions to be paid, the impact of capital deployment, Run Rate Payout Ratio and changes in distributions from Partners, they were approved by management as of the date hereof and have been included to assist readers in understanding management's current expectations regarding Alaris' financial performance and are subject to the same risks and assumptions disclosed herein. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. Accordingly, readers are cautioned not to place undue reliance on any forward-looking information contained in this MD&A. Statements containing forward looking information reflect management's current beliefs and assumptions based on information in its possession on the date of this MD&A. Although management believes that the expectations represented in such forward looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

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

Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward looking statements contained herein include risks relating to: the ongoing impact of the COVID-19 pandemic on the Trust and the Partners (including, without limitation how many Partners will experience a slowdown or closure of their business and the length of time of such slowdown or closure); management's ability to assess and mitigate the impacts of COVID-19; the dependence of the Trust on the Partners; risks relating to the Partners and their businesses; reliance on key personnel; general economic conditions, including the ongoing impact of COVID-19 on the Canadian, U.S. and global economies; failure to complete or realize the anticipated benefits of transactions; limited diversification of Alaris' transactions; management of future growth; availability of future financing; inability to close new partner contributions in a timely fashion on anticipated terms, or at all; competition; government regulation; leverage and restrictive covenants under credit facilities; the ability of the Partners to terminate (by way of a redemption) the various agreements with Alaris or a material portion of Alaris investment; unpredictability and potential volatility of the trading price of the units; fluctuations in the amount of cash distributions; income tax related risks; ability to recover from the Partners for defaults under the various agreements with Alaris; potential conflicts of interest; dilution; changes in the financial markets; risks associated with the Partners and their respective businesses; a change in the ability of the Partners to continue to pay Alaris at expected Distribution levels or restart Distributions (in full or in part); a failure to collect material deferred Distributions; a material change in the operations of a Partner or the industries in which they operate; a failure to realize the benefits of any concessions or relief measures provided by Alaris to any Partner or to successfully execute an exit strategy for a partner where desired; a failure to obtain by the Trust or the Partners required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; litigation risk associated with the CRA's reassessment and the Trust's challenge thereof; and material adjustments to the unaudited internal financial reports provided to Alaris by the Partners. The information contained in this MD&A, and Alaris' annual management discussion and analysis for the year ended December 31, 2019, identifies additional factors that could affect the operating results and performance of the Trust. Without limitation of the foregoing assumptions and risk factors, the forward looking statements in this MD&A regarding the revenues anticipated to be received from the Partners and the Trust's general and administrative expenses are based on a number of assumptions including no adverse developments in the business and affairs of the Partners that would impair their ability to fulfill their payment obligations to the Trust and no material changes to the business of the Trust or current economic conditions that would result in an increase in general and administrative expenses.

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

ADDITIONAL INFORMATION

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