ALARIS
EQUITY PARTNERS INCOME TRUST

MANAGEMENT DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2021

This management's discussion and analysis ("**MD&A**") is dated November 9, 2021 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and 2020 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 Alaris' future results since there are inherent difficulties in predicting those. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. See "Forward- Looking Statements" for a discussion of the risks, uncertainties and assumptions relating to those statements. Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described under "Risks and Uncertainty". This MD&A also refers to certain non-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, 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, 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 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.

Run Rate Cash Flow refers to Alaris' total cash flows expected to be generated and disbursed 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, 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 three and nine months ended September 30, 2021, this includes the additional distributions received from Kimco related to prior year periods. For the nine months ended September 30, 2021, this includes the unit-based compensation expense related to the quarterly re-valuation of the outstanding RTU's and Options and the reversal of previously recorded credit losses related to the Kimco promissory notes and accounts receivable. For the three and nine months ended September 30, 2020, this includes the non-recurring legal expenses related to the income trust conversion, the non-cash impact of trust conversion 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, 2020, this includes the distributions received upon the redemption of SBI. Transaction diligence costs are recurring but are considered an investing activity. Foreign exchange 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 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 and office lease items. Management believes this is a useful metric in determining the liquidity of Alaris and ability to meet its short-term liabilities.

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

The Non-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.

OVERVIEW

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

RESULTS OF OPERATIONS

Quarter ended September 30, 2021 compared to Quarter ended September 30, 2020

Three Months Ended September 30th	2021	2020	% Change
Revenue per unit	$ 0.95	$ 0.66	+43.9%
Normalized EBITDA per unit	$ 0.74	$ 0.56	+32.1%
Net cash from operating activities per unit	$ 0.66	$ 0.28	+135.7%
Distributions declared per unit	$ 0.33	$ 0.31	+6.5%
Basic earnings per unit	$ 1.03	$ 0.80	+28.8%
Fully diluted earnings per unit	$ 0.97	$ 0.75	+29.3%
Weighted average basic units (000's)	45,032	35,584	

For the three months ended September 30, 2021, revenue per unit increased by 43.9% as a result of Distributions from Alaris' new investments in D&M, 3E, Brown & Settle, FNC and Edgewater, as well as the additional Distributions from follow-on investments in Accscient, BCC and GWM. The increase is also attributable to US$3.4 million of additional unaccrued distributions received from Kimco related to periods prior to 2020. Revenue was also higher in the current quarter than in the prior year due to the deferral of Distributions in Q3 2020 from PFGP as a result of the impact of COVID-19. These were partially offset by the depreciation of the US dollar against the Canadian dollar compared to the prior year, as the quarterly average rate was approximately 6% lower in Q3 2021.

Basic earnings per unit of $1.03 increased by 28.8% compared to the prior year due to the higher revenue described above, partially offset by a non-recurring gain of $10.6 million in the prior year related to the re-valuation of the convertible debentures due to Alaris' conversion to an income trust.

Normalized EBITDA of $0.74 per unit was an increase of 32.1% from $0.56 per unit in Q3 2020, primarily as a result of the net deployment during the previous twelve months. The Trust declared distributions of $0.33 per unit during the three months ended September 30, 2021, resulting in an Actual Payout Ratio of 47.1% for the period.

Net cash from operating activities of $0.66 per unit was a significant increase from the prior year as a result of the increase in revenue per unit along with consistent total general and administrative expenses compared to the prior year. This was partially offset by higher cash interest paid in the current period due to an increase in the average total debt outstanding balance compared to Q3 2020.

Partner Revenue ($ thousands)	Three months ended September 30, 2021	2020	% Change	Comment
Kimco	$ 5,773	$ 1,192	+384.3%	Additional US$3.4 million of unaccrued past distributions pd in Q3-21
GWM	3,823	2,008	+90.4%	Follow-on contribution in Oct-20, -8% reset in Jan-21
FED	3,516	3,556	-1.1%	Reset +6% in Jan-21, offset by FX impact
DNT	3,400	3,887	-12.5%	Partial redemption of US$5 million in Dec-20, FX impact
PFGP	2,957	-	+100.0%	Full distributions in Q3-21, distributions deferred in Q3-20
BCC	2,832	2,251	+25.8%	Follow-on contribution in Dec-20
D&M	2,755	-	+100.0%	Initial contribution closed Jun-21
Brown & Settle	2,382	-	+100.0%	Initial contribution closed Feb-21
Accscient	2,148	1,857	+15.7%	Follow-on contribution in Feb-21, +2.5% reset in Jan-21
LMS	2,116	1,861	+13.7%	Reset +15.6% Jan-21, partially offset by FX impact
Amur	1,527	1,626	-6.0%	Reset -6% in Jan-21
FNC	1,417	-	+100.0%	Initial contribution closed Jan-21
Edgewater	1,346	-	+100.0%	Initial contribution closed Dec-20
3E	1,120	-	+100.0%	Initial contribution closed Feb-21
Unify	1,075	1,083	-0.7%	Reset +5% in Jan-21, FX impact
SCR	1,050	1,050	+0.0%	Distributions held flat with the prior year
Heritage	749	838	-10.6%	Reset -6% in Jan-21, FX impact
Carey Electric	714	797	-10.4%	Partial redemption of US$1 million in May-21, FX impact
FNC Common Equity	526	-	+100.0%	Initial contribution closed Jan-21 - annualized yield of approx 19%
Fleet	495	538	-8.0%	Reset +6% in Jan-21, FX impact
Stride	254	280	-9.3%	Reset -3.8% in Jan-21, FX impact
Amur Common Equity	-	55	-100.0%	Common dividends only issued in June and Dec in 2021
Total Distributions	**$ 41,975**	**$ 22,879**	**+83.5%**	
Interest & other	341	556	-38.7%	Kimco and LMS repayments in 2021
Realized FX Gain	562	(14)	-4,114.3%	FX Contracts at higher average rates than actual
Total Revenue	**$ 42,878**	**$ 23,421**	**+83.1%**	

Total revenue was $42.9 million in the three months ended September 30, 2021 (2020 - $23.4 million). This increase of 83.1% is due to the Distributions received in the current quarter from Alaris' new investments in D&M, 3E, Brown & Settle, FNC and Edgewater and follow-on investments in Accscient, BCC and GWM. There was also US$3.4 million from Kimco related to unaccrued deferred Distributions from before 2020. The increase is also attributable to receiving Distributions in the current quarter from PFGP, as they deferred their distributions in Q3 2020 as a result of the impact of COVID-19. These increases were partially offset by a reduction in US dollar revenue as the Canadian dollar appreciated in Q3 2021 compared to Q3 2020.

Total revenue and other operating income during Q3 2021 of $58.7 million (2020 - $35.3 million) increased by 66.3% due to additional revenue described above as well as a net unrealized gain in the quarter of $15.9 million. This net unrealized gain includes increases in the fair value of investments for Kimco, FNC, Unify, Brown & Settle and 3E, partially offset by a decrease in the fair value of Edgewater. There was also a reclass during the current quarter from unrealized to realized of $10.3 million, attributable to the realized loss on the redemption of ccComm which closed during Q3 2021.

Finance costs in the three months ended September 30, 2021 were $6.9 million (2020 - $4.3 million), a 60.5% increase due to the average debt outstanding in the period being higher than in 2020 (weighted average outstanding debt of $372.7 million in Q3 2021 compared to $188.9 million in Q3 2020) partially offset by a lower average exchange rate. The average interest rate in Q3 2021 of 4.7% was consistent with the average interest rate in Q3 2020 of 4.5%.

General and administrative costs, which includes salaries and benefits, corporate and office, and legal and accounting fees, were $3.9 million in the quarter (2020 - $3.6 million), an increase of 8.3%. The salaries and benefits expense in the quarter of $2.9 million (2020 - $0.8 million) increased by greater than 100% due to a management bonus accrual in the current period compared to nil in Q3 2020. This bonus accrual in the prior year was accrued in full in the fourth quarter, however due to certain performance metrics being met through the first nine months of 2021, a portion of the management bonus was accrued during Q3 2021. The total corporate and office expenses of $0.8 million in the current quarter (2020 - $0.6 million) increased by 33.3% as a result of the annual Partner conference being held during Q3 2021 compared to the prior year where no conference was held due to travel limitations during the COVID-19 pandemic. The legal and accounting fees during Q3 2021 were $0.2 million (2020 - $2.2 million), which was a significant decrease from the prior year due to Q3 2020 including $0.9 million of fees related to Alaris' conversion to an income trust. There were also fewer legal fees in the current period related to ongoing matters.

The total transaction diligence costs in Q3 2021 of $0.1 million (2020 - $1.1 million) decreased due to work during the quarter being primarily on follow-on investments with current Partners which typically require less external diligence support than new transactions.

For the three months ended September 30, 2021, Alaris incurred unit-based compensation expense of $1.4 million compared to just $0.1 million in the prior year, mainly as a result of a change in accounting treatment in Q3 2020 following Alaris' conversion to an income trust. Beginning in Q3 2020, the unit-based compensation plans are re-valued at each period end based on the current external unit price, rather than the previous amortization of units.

Reconciliation of Net Income to Normalized EBITDA	Three months ended September 30,	
($ thousands)	2021	2020
Earnings	**$ 46,178**	**$ 28,571**
Adjustments to Net Income:		
Depreciation and amortization	45	50
Finance costs	6,858	4,269
Income tax expense	4,575	6,775
EBITDA	**$ 57,656**	**$ 39,665**
Normalizing Adjustments:		
Realized loss on investment	10,259	-
Unrealized gain on investments at fair value	(26,122)	(11,885)
Transaction diligence costs	109	1,076
Non-cash impact of trust conversion	-	(10,647)
Unit-based compensation re-valuation	-	(550)
Distributions received from Kimco - deferred from a prior year	(4,295)	-
Unrealized (gain) / loss on foreign exchange	(4,315)	1,542
Legal and accounting fees for trust conversion	-	903
Normalized EBITDA	**$ 33,292**	**$ 20,104**

Earnings in the three months ended September 30, 2021 was $46.2 million compared to $28.6 million in Q3 2020. The increase of 61.5% compared to the prior year is a result of the additional revenue and other operating income in the current period.

In Q3 2021, Alaris recorded EBITDA of $57.7 million and Normalized EBITDA of $33.3 million, both of which increased compared to EBITDA of $39.7 million and Normalized EBITDA of $20.1 million in Q3 2020. The 65.7% improvement in Normalized EBITDA is mainly due to the additional revenue from Alaris' new investments and follow-on investments which have been made over the last twelve months, as well as receiving Distributions from PFGP as they were deferring their Distributions in Q3 2020 due to COVID-19.

Year to date ended September 30, 2021 compared to Year to date ended September 30, 2020

Nine months ended September 30th	2021	2020	% Change
Revenue per unit	$ 2.52	$ 2.16	+16.7%
Normalized EBITDA per unit	$ 2.16	$ 1.63	+32.5%
Net cash from operating activities per unit	$ 1.76	$ 1.39	+26.6%
Distributions declared per unit	$ 0.95	$ 1.01	-6.2%
Basic earnings / (loss) per unit	$ 2.25	$ (0.29)	+867.5%
Fully diluted earnings / (loss) per unit	$ 2.16	$ (0.29)	+835.9%
Weighted average basic units (000's)	43,615	36,003	

For the nine months ended September 30, 2021, revenue per unit increased by 16.7% as a result of Distributions from Alaris' new investments and follow-on investments in the last twelve months, as well as receiving Distributions during the current period from PFGP and BCC who for at least a portion of the nine months ended September 30, 2020 were deferring their Distributions due to the impact of COVID-19. There were also higher Distributions in the current period from Kimco as they restarted paying Distributions in Q2 2020 as well as paid US$3.4 million in additional unaccrued Distributions during Q3 2021 related to a prior year. These increases were partially offset by a lower average exchange rate and the redemption of SBI in the prior year.

Basic earnings per unit of $2.25 in the nine months ended September 30, 2021 improved from a loss of $0.29 per unit in the comparable period due to the prior year period including a net realized and unrealized loss on investments of $64.7 million. This loss mainly related to a decrease in the investments at fair value during Q1 2020 as a result of the initial expected impact of COVID-19 to Alaris' Partners.

Normalized EBITDA of $2.16 per unit increased by 32.5% from $1.63 per unit in 2020 due to the additional revenue from new and follow-on investments as discussed above as well as lower general and administrative expenses per unit ($0.19 per unit in 2021 compared to $0.28 in the prior year). The Trust declared distributions of $0.95 per unit during the nine months ended September 30, 2021, resulting in an Actual Payout Ratio of 52.2% for the period.

Net cash from operating activities per unit of $1.76 was an increase of 26.6% from $1.39 in 2020 due to the increase in revenue per unit discussed above as well as lower general and administrative expenses per unit.

Partner Revenue ($ thousands)	Nine months ended September 30, 2021	2020	% Change	Comment
GWM	$ 11,401	$ 6,118	+86.4%	Follow-on contribution Oct-20, reset -8% in Jan-21
FED	10,505	10,895	-3.6%	Positive 6% reset Jan-21, FX impact
DNT	10,168	11,612	-12.4%	Partial redemption Dec-20, FX impact
Kimco	8,703	1,192	+630.1%	Restart of distributions in Q3-20, additional US$3.4 million in Q3-21
BCC	8,447	4,410	+91.5%	Follow-on contribution Dec-20, deferred distributions in Q2-20
LMS	6,346	5,594	+13.4%	Positive 15.6% reset Jan-21, FX impact
Accscient	6,236	5,659	+10.2%	Additional contribution Feb-21, +2.5% reset Jan-21, FX impact
Brown & Settle	5,982	-	+100.0%	Contribution closed in Feb-21
PFGP	5,453	2,696	+102.3%	Distributions paid in 2021, deferral of distributions in Q2 and Q3-20
Amur	4,577	4,875	-6.0%	Reset -6% in Jan-21
FNC	4,118	-	+100.0%	Contribution closed in Jan-21
Edgewater	4,015	-	+100.0%	Contribution closed in Dec-20
SCR	3,650	3,050	+19.7%	Bi-annual cash flow sweep beg. in 2021 - $500k for Jun-21
Unify	3,204	3,300	-2.9%	Positive 5% reset Jan-21, FX impact
D&M	2,814	-	+100.0%	Contribution closed in Jun-21
3E	2,480	-	+100.0%	Contribution closed in Feb-21
Heritage	2,217	2,576	-13.9%	Negative 6% reset in Jan-21, FX impact
Carey Electric	2,190	924	+137.0%	Contribution closed in Jun-20
Fleet	1,476	1,505	-1.9%	Positive 6% reset Jan-21, FX impact
FNC Common Equity	1,437	-	+100.0%	Initial contribution closed Jan-21 - annualized yield of approx 19%
Stride	758	853	-11.1%	Reset -3.8% in Jan-21, FX impact
Amur Common Equity	440	405	+8.6%	Reduced common dividends in 2020 due to impact of COVID-19
ccComm	-	294	-100.0%	No distributions in 2021, redeemed units in Q3-21
SBI	-	9,176	-100.0%	One-time $9.2m of distributions upon redemption in Jan-20
Providence	-	514	-100.0%	Ceased operations as of Dec-20
Total Distributions	**$ 106,617**	**$ 75,648**	**+40.9%**	
Interest	1,521	2,147	-29.2%	Kimco and LMS repayments in 2021
Realized FX Gain / (Loss)	1,907	(200)	-1,053.5%	FX impact
Total Revenue	**$ 110,045**	**$ 77,595**	**+41.8%**	

Total revenue was $110.0 million in the nine months ended September 30, 2021 (2020 - $77.6 million). This increase of 41.8% is due to the new investments and follow-on investments into current Partners that Alaris has made over the last twelve months. As well as additional revenue from Kimco as they started paying Distributions again in Q3 2020 and from PFGP and BCC as they deferred a portion of their 2020 distributions due to the impact of COVID-19. These increases were partially offset by the depreciation of the US dollar as the average USD/CAD rate through the first nine months of 2021 is approximately 8% lower than in the comparable period in 2020.

Finance costs in the nine months ended September 30, 2021 were $18.3 million (2020 - $13.3 million), a 37.6% increase due to the average debt outstanding in the period being higher than in 2020 (weighted average debt outstanding of $339.2 million compared to $171.4 million in the prior year). Partially offsetting the higher weighted average debt outstanding was a lower average interest rate of 4.2% through the first nine months of 2021 compared to 5.5% in 2020.

General and administrative costs in the nine months ended September 30, 2021 were $8.2 million (2020 - $10.1 million), a decrease of 18.8% compared to the comparable period in 2020. The total salaries and benefits expense in 2021 of $4.7 million (2020 - $2.3 million) was an increase of approximately 100% from the prior year mainly due to the management bonus accrual in Q3 2021 as described above. Total corporate and office expenses of $1.5 million (2020 - $1.6 million) were consistent with the prior year. Legal and accounting fees of $2.0 million (2020 - $6.2 million) decreased by 67.2% from 2020 as there were additional legal and accounting fees in the prior year related to Alaris' conversion to an income trust as well as legal fees incurred as part of the sale of Sandbox.

The total transaction diligence costs for the nine months ended September 30, 2021 of $2.8 million (2020 - $4.0 million) decreased by 30.0% compared to the prior year as a result of activity in Q3 2021 focusing on follow-on transactions which require less third party support than new transactions. As well as the fact that the majority of the diligence work related to the investments Alaris made during Q1 2021 was performed in late 2020, which has reduced the transaction diligence costs overall for the nine months ended September 30, 2021, as compared to the prior year.

For the nine months ended September 30, 2021, Alaris incurred unit-based compensation expense of $4.0 million (2020 – $1.7 million), an increase of greater than 100% primarily due to the adjustment in Q3 2020 reducing unit-based compensation in that quarter related to the income trust conversion. Adjustments in the table below for this change in accounting treatment would normalize the unit-based compensation in each period to be $3.3 million in 2021 and $2.2 million in 2020. The increase in unit-based compensation from 2020 aside from the non-recurring accounting adjustment, is due to certain performance thresholds being met with regards to employee RTUs that vested during Q1 2021 and Q3 2021.

Reconciliation of Net Income to Normalized EBITDA ($ thousands)	Nine months ended September 30, 2021	2020
Earnings / (Loss)	**$ 98,142**	**$ (10,556)**
Adjustments to Net Income:		
Depreciation and amortization	165	169
Finance costs	18,265	13,331
Income tax expense	18,045	9,576
EBITDA	**$ 134,617**	**$ 12,520**
Normalizing Adjustments:		
Realized gain on investment	10,259	(11,603)
Unrealized (gain) / loss on investments at fair value	(47,880)	76,257
Transaction diligence costs	2,845	4,011
Non-cash impact of trust conversion	-	(10,647)
Unit-based compensation re-valuation	726	(550)
Bad debt expense / (recovery)	(4,030)	-
Distributions received from Kimco - deferred from a prior year	(4,295)	-
Distributions received on redemption (SBI)	-	(9,176)
Unrealized (gain) / loss on foreign exchange	2,022	(4,721)
Legal and accounting fees for trust conversion	-	2,436
Normalized EBITDA	**$ 94,264**	**$ 58,527**

Earnings in the nine months ended September 30, 2021 was $98.1 million, compared to a loss of $10.6 million in the comparable prior year period. The loss in the prior year was due to the net realized and unrealized loss on investments at fair value recorded of $64.7 million, due to the expected impact that COVID-19 would have on Alaris' Partners.

During the nine months ended September 30, 2021, Alaris recorded EBITDA of $134.6 million and Normalized EBITDA of $94.3 million, compared to EBITDA of $12.5 million and Normalized EBITDA of $58.5 million in the comparable prior year period. The 61.2% increase in Normalized EBITDA is mainly due to the additional revenue from the Trust's new investments and follow-on investments that have been made over the last twelve months.

OUTLOOK

The Trust's total capital deployment of greater than $400 million in the trailing twelve-month period has resulted in a record quarter of revenue for Alaris with $42.9 million in Q3 2021. As outlined below, the outlook for the next twelve months continues to be positive following this deployment and the continued overall health of the portfolio. During Q3 2021, PFGP returned to paying full distributions of US$0.8 million per month, which is also reflected in the Run Rate Cash Flow table below. The resulting Run Rate Revenue for Alaris is approximately $141.8 million over the next twelve months. This includes current contracted amounts, the removal of Distributions from FED following their redemption in October 2021 and an estimated aggregate of $3.2 million of common dividends or distributions. Alaris expects total revenue from its Partners in Q4 2021 of approximately $36.2 million.

Annual general and administrative expenses are currently estimated at $13.0 million and include all public company costs. The Trust's Run Rate Payout Ratio is expected to be within a range of 65% and 70% when including run rate distributions, overhead expenses and its existing capital structure. The table below sets out our estimated Run Rate Cash Flow alongside the after-tax impact of positive net deployment and the impact of every $0.01 change in the USD to CAD exchange rate.

Run Rate Cash Flow *($ thousands except per unit)*		**Amount ($)**	**$ / Unit**
Revenue		**$ 141,800**	**$ 3.15**
General & Admin.		(13,000)	(0.29)
Interest & Taxes		(37,300)	(0.83)
Free cash flow		**$ 91,500**	**$ 2.03**
Annual Distribution		(59,500)	(1.32)
Excess Cash Flow		**$ 32,000**	**$ 0.71**
Other Considerations (after taxes and interest):			
New Investments	Every $50 million deployed @ 14%	+3,563	+0.08
USD to CAD	Every $0.01 change of USD to CAD	+/- 900	+/- 0.02

The senior debt facility was drawn to $352.0 million at September 30, 2021 in the Trust's statement of financial position. The annual interest rate on that debt, inclusive of standby charges on available capacity, was approximately 4.2% for the nine months ended September 30, 2021. Subsequent to September 30, 2021, US$80.9 million received from the redemption of FED was used to repay senior debt, bringing the total drawn as of the date of this release to approximately $256.6 million, with the capacity to draw up to another $143.4 million based on covenants and credit terms.

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

Common Equity Investments

Alaris has added a minority common equity position in some Partners to its investment strategy. Common equity investments are assessed on each individual opportunity, won't appear in every new Partner and will generally be a small portion of total capital invested. Alaris management believes this feature will facilitate access to more transactions as well as an opportunity to participate in greater upside of certain partnerships. Additionally, in most of the situations where Alaris owns common equity, there is an expectation of a current yield by way of discretionary common dividends or distributions consistent with past practices in the business, and as cash flows allow. The Run Rate Revenue includes an estimate for common equity dividends or distributions from the Partners based on each Partner's forecasted cash flows for 2021 and expected capital allocation decisions.

As outlined above in the table summarizing Distributions from Partners during the nine months ended September 30, 2021, there were $1.4 million of common equity distributions from FNC and $0.4 million of common equity dividends from Amur. There are also common dividends or distributions expected, as cash flows allow, on an annual basis from Carey Electric and Edgewater. In the fiscal year 2020, common dividends and distributions were received from Amur and Carey Electric totalling $1.1 million. The other three common equity investments, D&M, PFGP and Brown & Settle, are focused on growth and reinvestment in the short-term period, through which Alaris expects to increase its common equity value over time rather than through cash distributions.

Below is a table summarizing the Alaris common equity investments, comparing the common equity value at each period end as well as to the initial amount contributed.

Investment ($ thousands)	Common Equity Fair Value as at:		Initial Invested	Invested Since
	Sept 30 2021	Dec 31 2020		
Amur	CA $21,400	CA $20,500	CA $20,000	Jun-19
PFGP	US $17,644	US $15,144	US $17,344	Jul-19
Carey Electric	US $1,080	US $900	US $900	Jun-20
Edgewater	US $3,450	US $3,450	US $3,450	Dec-20
FNC	US $10,000	n/a	US $7,850	Jan-21
Brown & Settle	US $10,994	n/a	US $12,694	Feb-21
D&M	US $7,500	n/a	US $7,500	Jun-21
Total (CAD)	$ 85,829	$ 45,419		
Total Alaris investments	$ 1,166,907	$ 880,512		
As a percentage of total	7.4%	5.2%		

Private Company Partner Update

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

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

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

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

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

(ii) Proven track record of free cash flow

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

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

(v) Management continuity and quality management teams - Alaris has invested in 37 partners since inception, exited our investment in eighteen partners over that time with twelve yielding highly positive results displayed by a total return of 60% and a median IRR of 19%.

Contribution History: Alaris has invested over $1.8 billion into 37 partners and over 80 tranches of financing, including an average of approximately $199 million over the past five fiscal years (2017 – 2021). During the nine months ended September 30, 2021, Alaris has deployed in excess of this annual average with year-to-date deployment of over $260 million.

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

Capital Structure: With a primary focus on being a preferred equity investor, we have contributed capital 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, ten of our nineteen have no debt, three partners have less than 1.0x Senior Debt to EBITDA and six partners have debt greater than 1.0x Senior Debt to EBITDA on a trailing twelve months basis.

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

The following is a summary of each of the Partners' recent financial results. The below table outlines the date of the original contribution, investment type, total invested to date (net of any partial redemptions since the initial investment), Run Rate Distributions, 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 2020 (1) and the unrealized gains or losses to the investments at fair value for the three and nine months ended September 30, 2021. See below the table for additional relevant information on each Partner that has occurred during the three and nine months ended September 30, 2021. 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
3E	Feb 2021	Preferred	US $30,000	US $4,200	4%	1.2x - 1.5x	↑	↑	US +$500	US +$500
Accscient	Jun 2017	Preferred	US $46,000	US $6,857	6%	1.5x - 2.0x	↑	↑	No change	US +$1,100
Amur	Jun 2019	Preferred & Common	CA $70,000	CA $6,110	5%	> 2.0x	↑	↑	No change	CA +$900
BCC	Sep 2018	Preferred	US $66,000	US $8,997	8%	> 2.0x	↑	↑	No change	No change
Brown & Settle	Feb 2021	Preferred, Debt & Common	US $66,394	US $7,518	7%	1.0x - 1.2x	↓	↓	US +$1,500	US ($3,500)
Carey Electric	Jun 2020	Preferred & Common	US $16,000	US $2,265	2%	> 2.0x	↑	↑	No change	US +$180
D&M	Jun 2021	Preferred & Common	US $70,000	US $8,750	8%	1.5x - 2.0x	↑	↑	No change	No change
DNT	Jun 2015	Preferred	US $62,800	US $10,803	10%	> 2.0x	↑	↑	No change	US +$700
Edgewater	Dec 2020	Preferred & Common	US $34,000	US $4,277	4%	1.0x - 1.2x	↓	↓	US ($400)	US ($400)
FNC	Jan 2021	Preferred & Common	US $40,000	US $4,501	4%	> 2.0x	↑	↑	US +$2,650	US +$2,650
Fleet	Jun 2018	Preferred	US $10,000	US $1,573	2%	> 2.0x	↑	↑	No change	No change
GWM	Nov 2018	Preferred & Debt	US $101,000	US $12,144	11%	1.5x - 2.0x	↑	↑	No change	US +$1,300
Heritage	Jan 2018	Preferred	US $15,000	US $2,376	2%	> 2.0x	↑	↑	No change	No change
Kimco	Jun 2014	Preferred	US $34,200	US $4,695	4%	> 2.0x	↑	↑	US +$6,500	US +$8,700
LMS	Feb 2007	Preferred	CA $54,000 & USD $4,400	CA $8,509	6%	1.5x - 2.0x	↓	↓	No change	CA ($4,900)
PFGP	Nov 2014	Preferred & Common	US $92,500	US $9,395	9%	1.2x - 1.5x	↑	↑	No change	US +$7,500
SCR	May 2013	Preferred	CA $40,000	CA $5,200	4%	1.5x - 2.0x	↓	↓	No change	No change
Stride	Nov 2019	Preferred	US $6,000	US $807	1%	> 2.0x	↓	↓	No change	US ($500)
Unify	Oct 2016	Preferred	US $25,000	US $3,413	3%	> 2.0x	↑	↓	US +$1,800	US +$1,800

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 2020.

PARTNER UPDATES

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

- On February 22, 2021, Alaris contributed US$22.5 million into 3E in exchange for preferred equity. Alaris also contributed an additional US$7.5 million to an escrow account to then be funded to 3E in three additional tranches once certain performance targets are met. During Q3 2021, US$3.0 million was released from escrow in two tranches and transferred to additional preferred equity. Subsequent to September 30, 2021, the remaining US$4.5 million was released from escrow and transferred to additional preferred equity.
- As a result of an expected positive reset in 2022, due to an increase in gross profit in the eight months ended August 31, 2021, as compared to 2020, the fair value of the 3E units was increased by US$0.5 million during the three and nine months ended September 30, 2021. The resulting fair value of the 3E units at September 30, 2021 is US$26.0 million, prior to the additional US$4.5 million being released from escrow subsequent to quarter end.

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

- On February 18, 2021, Alaris contributed an additional US$8.0 million into Accscient in exchange for preferred equity with an initial yield of 14.3%, or approximately US$1.1 million on an annualized basis.
- Due to an increase in gross profit in the eight months ended August 31, 2021, as compared to 2020, and therefore an expected positive reset in 2022, the fair value of the Accscient units was increased by US$1.1 million during the nine months ended September 30, 2021. The resulting fair value of the Accscient units at September 30, 2021 is US$48.0 million.

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

- As a result of continued improvements in the business and the underlying cash flows, the fair value of the Amur common units was increased by $0.9 million in the nine months ended September 30, 2021 resulting in a fair value of $21.4 million.
- Based on Amur's results through the eight months ended August 31, 2021, the Trust is expecting a positive 2022 reset on the Distributions for the preferred units. However, the fair value of the Amur preferred units remained unchanged at $50.0 million as at September 30, 2021.
- As a result of the positive results for Amur in 2021, their ECR has improved and is now greater than 2.0x.

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

- Based on BCC's results through the eight months ended August 31, 2021, the Trust is expecting a positive 2022 reset on the Distributions. However, there has been no change to the fair value of the BCC units in the three and nine months ended September 30, 2021 as the fair value remains at US$65.6 million.
- Alaris has a commitment to fund an additional US$25.0 million, the funding of which is based on BCC reaching certain EBITDA and ECR thresholds, which have both been met. Timing of funding is expected to be within the next twelve months.

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

- On February 9, 2021, Alaris contributed a total of US$66.0 million into Brown & Settle, which consisted of: an aggregate of US$53.7 million of combined subordinated debt and preferred equity and US$12.3 million in exchange for a minority common equity ownership of the company.

- Due to project delays in Q1 2021 as a result of timing and weather issues, along with compressed margins, the Brown & Settle results year-to-date are down compared to the prior year comparable period. The business performs large projects, the timing of which can drive volatility in the timing of earnings as compared to prior year periods. These initial results reduced Alaris' expectations for a positive reset in 2022 and drove a decrease in the fair value of the preferred units of US$3.3 million during Q2 2021. Since that time the business has performed well and exits Q3 with a significant amount of work on hand for Q4 2021 and the following year. As such, the 2022 reset has improved and is expected to be flat or positive and as a result the fair value of the preferred units was increased by US$1.5 million during the three months ended September 30, 2021. The resulting fair value of the preferred units at quarter end is US$51.9 million.
- The delay in projects and its impact to EBITDA also resulted in the fair value of the Brown & Settle common units being decreased by US$1.7 million during Q2 2021. During Q3 2021, the Trust contributed US$0.4 million in exchange for additional common units. The resulting fair value of the Brown & Settle common units at September 30, 2021 is US$11.0 million.
- Due to the timing of projects, Brown & Settle is deferring a portion of their Distributions to align with the resulting free cash flow from those projects. During Q3 2021, Brown & Settle paid US$1.3 million of the US$1.9 million of Distributions contractually owed. These unpaid Distributions are expected to be collected within the next six to twelve months. The long-term outlook for the company remains unchanged as Brown & Settle continues to win large data center projects.
- This impact to EBITDA in the trailing twelve-month period also resulted in a decrease in the Brown & Settle ECR, now just slightly below 1.2x in the range of 1.0x and 1.2x. Based on Brown & Settle's last six months the ECR would be between 1.2x and 1.5x and after Q1 2021 is out of the trailing twelve month results, we expect Brown & Settle's ECR to be consistent with the ECR at the close of the Alaris investment.

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

- During Q2 2021, Carey Electric redeemed US$1.0 million of the preferred units at par, in accordance with their operating agreement, resulting in a fair value of the preferred units of US$15.1 million at September 30, 2021.
- As a result of the positive results for Carey Electric in the trailing twelve-month period and the continued encouraging outlook, the fair value of the Carey Electric common units was increased by US$0.2 million during the nine months ended September 30, 2021, resulting in a fair value of US$1.1 million.

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

- Founded in 1976, D&M is the largest independent direct-to-consumer provider of vehicle sourcing and leasing services in the United States. D&M is a fixture in the Texas market, with operations in Fort Worth, Dallas, Grand Prairie and Austin, as well as an operating partnership in Houston and a prevalent online business. D&M's service takes the hassle out of the traditional new car experience and enables clients to enhance their experience as compared to the traditional dealership sales model. D&M's business is focused on leasing new and high quality pre-owned vehicles as well as financing used lease returns and providing ancillary services.
- Alaris contributed US$70.0 million into D&M on June 28, 2021, consisting of US$62.5 million of preferred equity and US$7.5 million in exchange for a minority ownership of the common equity. The initial annual Distribution on the preferred equity is US$8.75 million, which equates to an initial pre-tax yield of 14%. The D&M Distribution will reset +/-7% annually based on the change in gross profit, with the first reset commencing January 1, 2023. D&M can elect to defer up to US$2.5 million of the preferred distributions in the first full year (4% of the total preferred equity contribution) with any such deferred distributions compounding at the current yield of the D&M Distribution.
- There has been no change to the fair value of the D&M preferred or common units since the time of investment in Q2 2021, as the fair values remain at US$62.5 million and US$7.5 million each, respectively.

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

- DNT's revenue and EBITDA have both increased throughout the first eight months of 2021. The result of the increase in revenue is an expected positive reset in 2022. This has led to an increase of US$0.7 million in the fair value of the DNT units during the nine months ended September 30, 2021, resulting in a fair value of US$61.1 million.
- This improvement in results has also resulted in an improvement to the DNT ECR, as it is now greater than 2.0x.

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

- Alaris contributed US$34.0 million into Edgewater in December 2020 consisting of US$30.55 million of preferred equity and US$3.45 million in exchange for a minority ownership of the common equity.
- Due to delays in placing staff onto new projects as well as continued impacts of COVID-19 to their business, the Edgewater results for the eight months ended August 31, 2021 have declined compared to the prior year comparable period. As a result, there is now an expectation for a negative reset in 2022, which has resulted in a decrease of US$0.4 million in the fair value of the preferred units in the three and nine months ended September 30, 2021. The fair value of the preferred units is US$30.15 million at September 30, 2021.
- No change to the fair value in the three or nine months ended September 30, 2021 to the Edgewater common units as the fair value remains at US$3.45 million.
- As a result of the decline in results in 2021, Edgewater's ECR has declined slightly to between 1.0x and 1.2x.

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

- No change to the fair value of the Fleet units during the three or nine months ended September 30, 2021, as the fair value remains at US$11.3 million.

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

- Alaris contributed US$40.0 million into FNC on January 7, 2021, consisting of US$32.15 million of preferred equity and US$7.85 million in exchange for a minority ownership of the common equity.
- Based on FNC's historical practice of paying dividends on its common equity, Alaris expects to receive dividends on a regular basis throughout the year, as excess cash flows are generated. During the period from January 7, 2021 to September 30, 2021, Alaris received US$1.1 million of common dividends attributable to our minority position in FNC's common equity which equates to an approximate annualized yield of 19%.
- FNC's business through the eight months ended August 31, 2021 has continued to grow compared to the prior year period. Due to their increase in gross profit compared to the prior year and the expected positive reset to the preferred distributions in 2022 of +7.0%, which is the top of their collar, there was an increase in the fair value of the preferred units of US$0.5 million during the three and nine months ended September 30, 2021, resulting in a fair value of US$32.65 million.
- As a result of the growth in the business and the underlying cash flows as well as a positive outlook going forward, the fair value of the FNC common units increased by US$2.15 million during the three and nine months ended September 30, 2021, resulting in a fair value of US$10.0 million.

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

- GWM's results have continued to improve in 2021 as compared to 2020 when they saw a negative impact from COVID-19. As a result, the GWM reset in 2022 is expected to be positive. This expectation for their 2022 reset has resulted in the fair value of the GWM units being increased by US$1.3 million during the nine months ended September 30, 2021. The resulting fair value at quarter end is US$102.2 million.

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

- Based on Heritage's results through the eight months ended August 31, 2021, the Trust is expecting a positive 2022 reset on the Distributions for the preferred units. However, the fair value of the Heritage preferred units remains unchanged at US$15.2 million as at September 30, 2021.
- This improvement in results has also resulted in an improvement to the Heritage ECR, as it is now greater than 2.0x.

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

- Kimco has continued its successful 2020 into 2021, as many clients continue needing higher margin ancillary cleaning services as COVID-19 concerns are still very prevalent. They have also been able to win a number of customers during COVID-19 that intend on continuing to require cleaning services once the COVID-19 specialized work is no longer required. The positive start to 2021 along with an expected sustained level of positive results for the remainder of the year, has resulted in an expected positive reset in 2022 and an increase in the fair value of the Kimco units during the three and nine months ended September 30, 2021. There was an increase of US$6.5 million in the current quarter, bringing the total increase in the fair value to US$8.7 million for the nine months ended September 30, 2021.
- Based on the recent success of the company, Kimco is actively evaluating a potential partial or full redemption of the Kimco units, as well as the repayment of the outstanding promissory notes. Nothing is imminent, nor can any redemption be assured; however, based upon a revised formula factoring in several valuations' factors, proceeds to Alaris are estimated to be between US$60.0 million and US$70.0 million. Previous estimates for proceeds were higher but these included repayments that have been made by Kimco through excess cash flow during 2021, wherein they have repaid US$4.0 million of outstanding promissory notes and US$4.5 million of long-term accounts receivable. They have also repaid US$3.4 million of unaccrued Distributions related to amounts from prior years; these amounts have been recorded as revenue for Alaris in the three and nine months ended September 30, 2021. Alaris used the proceeds from these repayments to repay senior debt.

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

- Due to constraints on materials, most notably the rising price of steel, LMS' margins have compressed beginning in late 2020. The margin compression as well as delays in projects starting has resulted in an expected negative reset in 2022 for the LMS preferred distributions. As there is no collar, the expected negative reset resulted in a decrease in the fair value of the preferred units of $4.9 million during the nine months ended September 30, 2021. This decrease to the fair value was during Q2 2021 and as there has been no change during the current quarter the resulting fair value at September 30, 2021 is $47.7 million.
- During Q3 2021, LMS repaid in full the $3.0 million of outstanding promissory notes.

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

- As of September 30 2021, PFGP is onside with all of their senior debt covenants and during Q3 2021 paid their contracted distributions of US$0.8 million per month. Alaris and PFGP have also agreed to a payment plan on all deferred Distributions with payments to begin being made in January 2022. All deferred distributions as of January 1, 2022 are to be paid over the 48 months ended December 31, 2025. These arrangements require the continued recovery of the business and to maintain covenant compliance with its senior lenders, which is expected for the foreseeable future.

- Due to the resumption of full Distributions and the expectation for continued positive results and a positive reset in 2022, there was an increase to the fair value of the PFGP preferred units of US$5.0 million during the nine months ended September 30, 2021. During Q2 2021 there was also an increase to the PFGP common units of US$2.5 million as a result of the improved outlook of the business as it resumes its growth plan that was temporarily slowed during COVID-19. The resulting fair values at September 30, 2021 of the PFGP preferred and common units is US$75.4 million and US$17.6 million, respectively.
- As part of an overall commitment made in July 2019 for a total of US$8.0 million, the Trust has contributed US$4.5 million to date, with the remaining commitment to fund being US$3.5 million. The timing of the contribution is to be determined.

***SCR* – mining services in Ontario**

- No change to the fair value of the SCR units during the three or nine months ended September 30, 2021, as the fair value remains at $34.5 million.
- Through the eight months ended August 31, 2021, as compared to the prior year, SCR has seen a slight decline in their results; mainly due to a union strike at one of their major customers. All operations are back up and running; however, due to these issues and the decline in results, the ECR for SCR is now between 1.5x and 2.0x.
- The Run Rate distributions remain at $4.2 million (total contracted amount under the original agreement for 2021 is $6.58 million). For 2021 and years forward, SCR and Alaris have agreed to a new arrangement whereby the $4.2 million in annual distributions is the base required amount and SCR will pay an additional amount semi-annually determined by the free cash flow generated, which can exceed the aforementioned $6.58 million. Based on the year-to-date results for SCR, $0.5 million was accrued with an expected additional $0.5 million in Q4 2021.

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

- Due to a soft start to 2021 and an expected negative reset in 2022, the fair value of the Stride units was decreased by US$0.5 million during Q2 2021. There was no change to the fair value of the Stride units during Q3 2021 resulting in a fair value of US$5.5 million at September 30, 2021.

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

- Unify's results have improved month over month and on a year-to-date basis their revenues have increased as compared to 2020. This has resulted in an expected positive reset at or near the top of their 5% collar for 2022 distributions. As a result the fair value of the Unify units was increased by US$1.8 million in the three and nine months ended September 30, 2021.

FORMER PARTNERS

FED:

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

ccComm:

On July 2, 2021, Alaris received US$11.0 million from ccComm as a negotiated redemption of preferred units. Alaris was carrying its investment in ccComm at a book value of US$3.8 million prior to the redemption and had not received a Distribution from ccComm since January 2020. To date, including the proceeds received of US$11.0 million and US$5.1 million of distributions received since the initial investment into ccComm, Alaris received a total of US$16.1 million of its US$19.2 million total invested. There is a potential for up to an additional US$1.2 million over the next twelve months, as ccComm's cash flows permit, but no amount is recorded in Alaris' statement of financial position.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2021 Alaris Equity Partners Inc. ("**AEP**"), the Trust's subsidiary, has a $400 million credit facility with a syndicate of Canadian chartered banks, which has a maturity date in November 2023 and is secured by a general security agreement on all of the Trust's assets. The interest rate is based on a combination of the CAD Prime Rate ("Prime"), Bankers' Acceptances ("BA"), US Base Rate ("USBR") and LIBOR and the applicable spread determined by the Trust's Funded Debt to Contracted EBITDA. Alaris realized an annualized blended interest rate (inclusive of standby fees) of 4.2% for the nine months ended September 30, 2021.

At September 30, 2021 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 for up to 90 days (actual ratio is 2.37:1 at September 30, 2021); minimum Tangible Net Worth of $450.0 million (actual amount is $753.3 million at September 30, 2021); and a minimum Fixed Charge Coverage Ratio of 1:1 (actual ratio is 1.60:1 at September 30, 2021).

At September 30, 2021, AEP had US$278.3 million ($353.8 million) drawn on its credit facility (December 31, 2020 – US$180.3 million and $1.0 million, total of $231.4 million). The amount in the Trust's statement of financial position of $352.0 million is the total drawn of $353.8 million reduced by $1.8 million of unamortized debt amendment and extension fees.

For the purposes of calculating covenants and total capacity on Alaris' senior credit facility, the total drawn is $363.8 million, which includes the $353.8 million noted above, as well as $10.0 million repaid during Q3 2021 which was re-drawn in October 2021 for Alaris' quarterly distribution payment. This short-term repayment was made during Q3 2021 for interest savings prior to being re-drawn for the distribution to unitholders. Subsequent to September 30, 2021 after receiving the US$80.9 million of proceeds from FED, the funded debt to contracted EBITDA is approximately 2.0x. As of the date of this filing the total drawn for covenant purposes is approximately $256.6 million with the available capacity being $143.4 million.

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

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

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

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

Alaris declared a quarterly distribution in September 2021 of $0.33 per unit (2020 - $0.31 per unit). Total distributions in aggregate are $14.9 million (2020 - $11.0 million). The total distributions declared during the nine months ended September 30, 2021 were $0.95 per unit and $42.8 million in aggregate (2020 - $1.0125 per unit and $36.5 million).

As disclosed in its consolidated financial statements for the year ended December 31, 2020, Alaris has exposure to credit risk, other price risk, liquidity risk, and market risk, including foreign exchange risk and interest rate risk.

Alaris had adjusted net working capital of approximately $19.7 million at September 30, 2021. Subsequent to September 30, 2021, Alaris drew $10.0 million of previously repaid debt for the purposes of paying the distribution in October 2021. Including this amount the adjusted net working capital was approximately $29.7 million for purposes of meeting its current obligations. 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, 2021 and December 31, 2020 is set forth in the tables below.

Adjusted Net Working Capital	30-Sep-21	31-Dec-20
Cash	$ 19,364	$ 16,498
Foreign exchange contracts	-	1,489
Trade and other receivables	2,127	981
Income taxes receivable	20,036	12,669
Total Current Assets	**$ 41,527**	**$ 31,637**
Accounts payable and accrued liabilities	6,242	5,351
Distributions payable	14,878	12,089
Derivative contracts	125	-
Office Lease	538	659
Income tax payable	-	723
Total Current Liabilities	**$ 21,783**	**$ 18,822**
Adjusted Net Working Capital	**$ 19,744**	**$ 12,815**

FINANCIAL INSTRUMENTS

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

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

Alaris will assess at each reporting period whether there is a financial asset carried at amortized cost that is impaired using the expected credit loss model. An impairment loss 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 a portion of the quarterly distributions and expenses in Canadian dollars on a rolling 12-month basis and also for a portion of the expected distributions and expenses in Canadian dollars on a rolling 12 to 24 month basis. The fair value of the forward contracts 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, 2021, for the next twelve months, Alaris has total contracts to sell US$22.8 million forward at an average $1.2906 CAD. For the following twelve months, Alaris has total contracts to sell US$11.0 million forward at an average $1.2369 CAD.

Alaris has an interest rate swap that allows for a fixed interest rate of 1.50% in replace of LIBOR on US$50.0 million of debt with an expiry in November 2021 as well as an additional interest rate swap that allows for a fixed interest rate of 0.35% in replace of LIBOR on US$25.0 million of debt with an expiry in June 2023.

Alaris has the following financial instruments that mature as follows:

30-Sep-21	Total	0-6 Months	6 mo – 1 yr	1 – 2 years	Year 3 and Thereafter
Accounts payable and accrued liabilities	$ 6,242	$ 4,547	$ 1,695	$-	$-
Distributions payable	14,878	14,878	-	-	-
Derivative contracts	125	(697)	379	443	-
Office Lease	538	91	91	182	174
Other long-term liabilities	1,994	-	-	1,403	591
Convertible debenture	100,000	-	-	-	100,000
Loans and borrowings	352,013	-	-	-	352,013
Total	$ 475,790	$ 18,819	$ 2,165	$ 2,028	$ 452,778

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 one additional contribution of US$25.0 million to BCC now that specified financial metrics have been reached during 2021, timing of funding is expected to be within the next twelve 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.

Contractual Obligations	Total	< 1 year	1 – 3 years	4 – 5 years	> 5 years
Loans and borrowings	$ 352,013	$ -	$ 352,013	$ -	$ -
Convertible debenture	100,000	-	100,000	-	-
Additional contributions to BCC	31,790	31,790	-	-	-
Additional contribution to PFGP	4,451	-	4,451	-	-
Office lease	724	182	390	152	-
Total Contractual Obligations	$ 488,978	$ 31,972	$ 456,854	$ 152	$ -

As disclosed in Note 10 to the condensed consolidated interim financial statements for the three and nine months ended September 30, 2021, subsequent to the sale of Sandbox in Q1 2020, AEP received a complaint (the "Complaint") from the purchasers of Sandbox concerning its disputes arising out of the sale of the Sandbox assets, which alleges damages of approximately US$37.2 million. AEP and the Trust believe the claims within the Complaint are without merit and is vigorously defending the case. The Complaint has progressed to the discovery stage and AEP has filed a counterclaim against the purchasers of Sandbox. Based upon its knowledge of the facts of the pre-closing of Sandbox, the sale process and other advice obtained to date, no liability has been recorded in the financial statements.

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, 2020.

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

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	Q3-21	Q2-21	Q1-21	Q4-20	Q3-20	Q2-20	Q1-20	Q4-19
Revenue	$ 42,878	$ 34,933	$ 32,234	$ 31,973	$ 23,421	$ 20,203	$ 33,971	$ 30,884
Earnings / (loss)	$ 46,178	$ 29,318	$ 22,646	$ 30,847	$ 28,571	$ 3,535	$ (42,662)	$ (17,854)
Basic and Diluted Income /	$ 1.03	$ 0.65	$ 0.56	$ 0.85	$ 0.80	$ 0.10	$ (1.16)	$ (0.49)
(loss) per Unit	$ 0.97	$ 0.63	$ 0.54	$ 0.80	$ 0.75	$ 0.10	$ (1.16)	$ (0.48)

In Q3 2021, Alaris' earnings included a total net unrealized gain on investments of $15.9 million. This included increases to the fair values of investments for Kimco ($8.2 million), FNC ($3.4 million), Unify ($2.3 million) Brown & Settle ($1.9 million) and 3E ($0.6 million), partially offset by a decrease in fair value of investments for Edgewater of $0.5 million. In Q2 2021, Alaris' earnings included a total net unrealized gain on investments of $16.2 million. This largely consisted of an unrealized gain of $8.9 million as part of the proceeds received in the ccComm redemption. In Q1 2021, Alaris' earnings included a total net unrealized gain on investments at fair value of $5.5 million. It also included the reversal of previously recorded credit losses related to the Kimco promissory notes and outstanding long-term accounts receivable. The total reversal of this prior impairment included in Q1 is $4.0 million.

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

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.

Diluted earnings per unit in prior periods have been recast to reflect the conversion feature of the convertible debenture.

OUTSTANDING UNITS

At September 30, 2021, Alaris had authorized, issued and outstanding, 45,085,173 voting trust units.

During the nine months ended September 30, 2021, 179,399 units were issued on the vesting of RTUs and no options were granted, issued or exercised.

At September 30, 2021, 374,218 RTUs and 984,019 options were outstanding under Alaris' long-term incentive compensation plans. The outstanding options have a weighted average exercise price of $21.70 and as of September 30, 2021, all 984,019 options outstanding were out of the money.

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

Subsequent to September 30, 2021, 30,896 units were issued on the vesting of RTUs.

As at November 9, 2021, Alaris had 45,116,069 units outstanding.

INCOME TAXES

Beginning in 2015, the Trust began receiving notices of reassessment (the "Reassessments") from the Canada Revenue Agency (the "CRA") in respect of its 2009 through 2020 taxation years to deny the use of non-capital losses, accumulated scientific research and experimental development expenditures and investment tax credits. Pursuant to the Reassessments, the deduction of approximately $121.2 million of non-capital losses and utilization of $9.1 million in investment tax credits ("ITCs") by the Trust were denied, resulting in reassessed taxes and interest of approximately $61.7 million (2020 - $55.6 million).

Subsequent to filing the original notice of objection for the July 14, 2009 taxation year, Alaris received an additional proposal from the CRA proposing to apply the general anti avoidance rule to deny the use of these deductions. The proposal does not impact the Trust's previously disclosed assessment of the total potential tax liability (including interest) or the deposits required to be paid in order to dispute the CRA's reassessments.

At the time the relevant transactions were completed, the Trust received legal advice that it should be entitled to deduct the non-capital losses and claim ITCs. Based on ongoing discussions with its legal counsel, the Trust remains of the opinion that all tax filings to date were filed correctly and that it will be successful in appealing such Reassessments. The Trust intends to continue to vigorously defend its tax filing position. The Trust was required to pay 50% of the reassessed amounts as a deposit to the Canada Revenue Agency. The Trust has paid a total of $21.2 million (2020 - $20.2 million) in deposits to the CRA relating to the Reassessments to date. These deposits have been recorded on the statement of financial position.

The Trust anticipates that legal proceedings through the CRA and the courts will take considerable time to resolve and the payment of the deposits, and any taxes, interest or penalties owing will not materially impact the Trust's payout ratio. The Trust firmly believes it will be successful in defending its position and therefore, any current or future deposit paid to the CRA would be refunded, plus interest.

Should the Trust be unsuccessful, it will be required to pay the remaining reassessed taxes and interest and will not recover the $21.2 million in deposits paid to September 30, 2021.

Upon filing the 2020 US tax return during Q3 2021, Alaris was able to compute its US taxes based on the CARES Act Legislation (US legislation in response to COVID-19). This resulted in a significant loss that has been carried back to prior tax years, resulting in a refund of current tax during the three months ended September 30, 2021.

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

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements (collectively, "forward-looking statements") under applicable securities laws, including any applicable "safe harbor" provisions. Statements other than statements of historical fact contained in this MD&A may be forward looking statements, including, without limitation: management's expectations, intentions and beliefs concerning the growth, results of operations, performance of the Trust and the Partners, the future financial position or results of the Trust, business strategy and plans and objectives of or involving the Trust or the Partners. Many of these statements can be identified by looking for words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. In particular, this MD&A contains forward-looking statements regarding: the anticipated financial and operating performance of the Partners, including resets on Distributions; the ECR for the Partners; the Trust's Run Rate Payout Ratio, Run Rate Cash Flow and Run Rate Revenue; the repayment of PFGP's and Brown and Settle's deferred Distributions, including the timing thereof; the impact of new investments and follow-on investments; expected resets of Distributions in 2022; the Trust's consolidated expenses; expectations regarding receipt (and amount of) any common equity distributions or dividends from Partners in which Alaris holds common equity, including the impact on the Trust's net cash from operating activities, Run Rate Revenue, Run Rate Cash Flow and Run Rate Payout Ratio; the use of proceeds from the senior credit facility; the CRA proceedings (including the expected timing and financial impact thereof); potential Partner redemptions, including the timing, if at all, thereof and the amounts to be received by the Trust (including, specifically, the potential Kimco redemption); Q4 and annual 2021 revenue; the Trust's expenses for Q4 2021 and annually; annualized net cash from operating activities; changes in Distributions from Partners; the proposed resolutions to any outstanding issues with certain Partners; the timing for collection of deferred or unpaid Distributions; impact of new deployment; impact of changes to the U.S./Canadian dollar exchange rate; and Alaris' ability to deploy capital to and attract new private businesses to invest in. To the extent that any forward-looking statements herein constitute a financial outlook or future oriented financial information (collectively, "**FOFI**"), including estimates regarding revenues, expenses, distributions to be paid, the impact of capital deployment and changes in Distributions from Partners (including expected resets, restarting full or partial Distributions and common equity distributions), Run Rate Payout Ratio, Run Rate Revenue, Run Rate Cash Flow and net cash from operating activities, they were approved by management as of the date hereof and have been included to assist readers in understanding management's current expectations regarding Alaris' financial performance and are subject to the same risks and assumptions disclosed herein. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. Readers are cautioned that the assumptions used in the preparation of forward-looking statements, including FOFI, although considered reasonable at the time of preparation, based on information in Alaris' possession as of the date hereof, may prove to be imprecise. In addition, there are a number of factors that could cause Alaris' actual results, performance or achievement to differ materially from those expressed in, or implied by, forward looking statements and FOFI, or if any of them do so occur, what benefits the Trust will derive therefrom. As such, undue reliance should not be placed on any forward-looking statements, including FOFI.

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

Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward looking statements contained herein include risks relating to: the ongoing impact of the COVID-19 pandemic on the Trust and the Partners (including, without limitation how many Partners will experience a slowdown or closure of their business and the length of time of such slowdown or closure); management's ability to assess and mitigate the impacts of COVID-19; the dependence of the Trust on the Partners; risks relating to the Partners and their businesses; reliance on key personnel; general economic conditions, including the ongoing impact of COVID-19 on the Canadian, U.S. and global economies; failure to complete or realize the anticipated benefits of transactions; limited diversification of Alaris' transactions; management of future growth; availability of future financing; inability to close new partner contributions in a timely fashion on anticipated terms, or at all; competition; government regulation; leverage and restrictive covenants under credit facilities; the ability of the Partners to terminate (by way of a redemption) the various agreements with Alaris or a material portion of Alaris investment; an inability to redeploy any redemption proceeds in a timely fashion or at all; a failure to collect proceeds on a redemption in line with expectations or at all; unpredictability and potential volatility of the trading price of the Trust's units; fluctuations in the amount of cash distributions; income tax related risks; ability to recover from the Partners for defaults under the various agreements with Alaris; potential conflicts of interest; dilution; changes in the financial markets; risks associated with the Partners and their respective businesses; a change in the ability of the Partners to continue to pay Alaris at expected Distribution levels or restart Distributions (in full or in part); a failure to collect material deferred Distributions; a material change in the operations of a Partner or the industries in which they operate; a failure to realize the benefits of any concessions or relief measures provided by Alaris to any Partner or to successfully execute an exit strategy for a partner where desired; a failure to obtain by the Trust or the Partners required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; litigation risk associated with the CRA's reassessment and the Trust's challenge thereof; and material adjustments to the unaudited internal financial reports provided to Alaris by the Partners. The information contained in this MD&A, and Alaris' annual management discussion and analysis for the year ended December 31, 2020, identifies additional factors that could affect the operating results and performance of the Trust. Without limitation of the foregoing assumptions and risk factors, the forward looking statements in this MD&A regarding the revenues anticipated to be received from the Partners and the Trust's general and administrative expenses are based on a number of assumptions including no adverse developments in the business and affairs of the

Partners that would impair their ability to fulfill their payment obligations to the Trust and no material changes to the business of the Trust or current economic conditions that would result in an increase in general and administrative expenses.

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

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

ADDITIONAL INFORMATION

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